



# SILKFLEX

**SILKFLEX POLYMERS (INDIA) LIMITED**

CIN: U51909WB2016PLC215739

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
Daga Complex, Sulati Jaladhulagori, Sankrail, West Bengal, India. Howrah-711302,	N.A.	Mr. Sourabh Sharma Company Secretary and Compliance Officer	<b>Email:</b> <a href="mailto:investors@silkflexindia.in">investors@silkflexindia.in</a> <b>Telephone:</b> +91 9674912615	<a href="http://www.silkflexindia.in">www.silkflexindia.in</a>

**THE PROMOTERS OF OUR COMPANY ARE MR. TUSHAR LALIT KUMAR SANGHAVI, MS. URMI RAJ MEHTA, M/S. TUSHAR LALITKUMAR SANGHAVI HUF AND M/S. LALITBHAI H SANGHVI HUF**

## DETAILS OF ISSUE TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

TYPE	FRESH ISSUE SIZE	OFS SIZE	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue	34,82,000 Equity Shares aggregating to ₹ 1,810.64 Lakhs.	N.A.	34,82,000 Equity Shares aggregating to ₹ 1,810.64 Lakhs.	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations as the Company's post issue face value capital exceeds ₹ 10.00 Crores but does not exceed ₹ 25.00 Crores.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

## RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 5.2 times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 92 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 26 of this Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The Equity Shares Issued through this Prospectus are proposed to be listed on Emerge Platform of NSE ("NSE EMERGE"). Our Company has received "In-Principle" approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated April 30, 2024. For the purpose of the Issue, the Designated Stock Exchange shall be NSE.

## LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>SHRENI SHARES LIMITED</b> (Formerly Known as Shreni Shares Private Limited)	Ms. Tanya Goyal	<b>E-mail:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> <b>Telephone:</b> 022 – 2089 7022

## REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <b>BIGSHARE SERVICES PVT LTD</b>	Mr. Vinayak Morbale	<b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Telephone:</b> 022 - 6263 8200

## ISSUE PROGRAMME

**ISSUE OPENS ON: TUESDAY, MAY 07, 2024**

**ISSUE CLOSURES ON: FRIDAY, MAY 10, 2024**

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# SILKFLEX

## SILKFLEX POLYMERS (INDIA) LIMITED

Our Company was originally incorporated on May 13, 2016 as “Silkflex Polymers (India) Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, the status of the Company was changed to public limited Company and the name of our Company was changed from “Silkflex Polymers (India) Private Limited” to “Silkflex Polymers (India) Limited” vide fresh certificate of incorporation dated December 21, 2023 by the Registrar of Companies, Kolkata. The Corporate Identification Number of our Company is U51909WB2016PLC215739.

**Registered Office:** Daga Complex, Sulati Jaladhulagori, Sankrail, Howrah – 711 302, West Bengal, India;

**Tel:** +91 9674912615; **E-mail:** [investors@silkflexindia.in](mailto:investors@silkflexindia.in) **Website:** [www.silkflexindia.in](http://www.silkflexindia.in);

**Contact Person:** Mr. Sourabh Sharma, Company Secretary and Compliance Officer;

### OUR PROMOTERS: MR. TUSHAR LALIT KUMAR SANGHAVI, MS. URMI RAJ MEHTA, M/S. TUSHAR LALITKUMAR SANGHAVI HUF AND M/S. LALITBHAI H SANGHVI HUF

INITIAL PUBLIC OFFERING OF 34,82,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) OF SILKFLEX POLYMERS (INDIA) LIMITED (“SPIL” OR “OUR COMPANY” OR “THE ISSUER”) FOR CASH AT A PRICE OF ₹ 52/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 42 PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO ₹ 1,810.64 LAKHS (“THE ISSUE”) OF WHICH 1,78,000 EQUITY SHARES AGGREGATING TO ₹ 92.56 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 33,04,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN ISSUE PRICE OF ₹ 52/- PER EQUITY SHARE AGGREGATING TO ₹ 1,718.08 LAKHS (“NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.00 % AND 28.47 % OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 250 OF THIS PROSPECTUS.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 5.2 TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice versa subject to valid applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of UPI Applicants, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” beginning on page 259 of this Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹ 10/- each and the Issue Price is 5.2 times of face value per Equity Share. The Issue Price (determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled “Basis for Issue Price” beginning on page 92 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 26 of this Prospectus.

### ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares Issued through this Prospectus are proposed to be listed on Emerge Platform of the NSE (“NSE EMERGE”). Our Company has received “In-Principle” approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated April 30, 2024. For the purpose of the Issue, the Designated Stock Exchange shall be NSE.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



#### SHRENI SHARES LIMITED

(Formerly Known as Shreni Shares Private Limited)

Office No. 217, Hive 67 Icon, Poisar Gymkhana Road Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India

**Telephone:** 022 – 2089 7022

**E-mail:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Investors Grievance e-mail:** [info@shreni.in](mailto:info@shreni.in)

**Contact Person:** Ms. Tanya Goyal

**Website:** [www.shreni.in](http://www.shreni.in)

**SEBI Registration Number:** INM000012759



#### BIGSHARE SERVICES PRIVATE LIMITED

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India

**Tel:** 022 - 6263 8200

**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Mr. Vinayak Morbale

**SEBI Registration No.:** INR000001385

### ISSUE PROGRAMME

ISSUE OPENS ON: TUESDAY, MAY 07, 2024

ISSUE CLOSURES ON: FRIDAY, MAY 10, 2024

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 100, 181, 227, 146 and 283 respectively of this Prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
Silkflex/ SPIL/ The Company / Our Company / The Issuer / Silkflex Polymers (India) Limited	Silkflex Polymers (India) Limited, a company incorporated in India under the Companies Act, 2013 having its Registered Office at Daga Complex, Sulati Jaladhulagori, Sankrail, Howrah, Howrah - 711302, West Bengal, India.
We / us / our	Unless the context otherwise indicates or implies, refers to our Company
you / your / yours	Prospective Investors in this Issue

#### COMPANY RELATED TERMS

Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on January 08, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 159 of this Prospectus
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being M/s M B Jajodia & Associates, Chartered Accountants, having its office located at 901, Aryan Workspaces-2, Near Navkar Public, School, Gulbai Tekra Road, Ahmedabad-380006, Gujarat, India.
Bankers to our Company	Punjab National Bank
Board of Directors / Board / Directors (s)	The Board of Directors of Silkflex Polymers (India) Limited, including all duly constituted Committees thereof as the context may refer to
Chairman / Chairperson	The Chairman / Chairperson of Board of Directors of our Company being Mr. Tushar Lalit Kumar Sanghavi
Chief Financial Officer / CFO	The Chief Financial Officer of our Company is Ms. Urmi Raj Mehta.
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Mr. Sourabh Sharma.
Corporate Identification Number / CIN	U51909WB2016PLC215739
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each fully paid-up
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions

<b>Term</b>	<b>Description</b>
	as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Company</i> ” beginning on page 179 of this Prospectus
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 159 of this Prospectus
ISIN	International Securities Identification Number. In this case being INE0STN01015.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 159 of this Prospectus
Materiality Policy	The policy adopted by our Board on December 26, 2023 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Managing Director	The Managing Director of our Company being Mr. Tushar Lalit Kumar Sanghavi
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on January 08, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 159 of this Prospectus
Non-Executive Director	A Director not being an Executive Director or is an Independent Director
Peer Reviewed Auditors	The peer review auditors of our Company, being M/s M B Jajodia & Associates, Chartered Accountants, having its office located at 901, Aryan Workspaces-2, Near Navkar Public, School, Gulbai Tekra Road, Ahmedabad-380006, Gujarat, India.
Promoters	The Promoters of our Company are Mr. Tushar Lalit Kumar Sanghavi, Ms. Urmi Raj Mehta, M/s. Tushar Lalitkumar Sanghavi HUF and M/s. Lalitbhai H Sanghvi HUF.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 174 of this Prospectus
Registered Office	The Registered Office of our Company situated at Daga Complex, Sulati Jaladhulagori, Sankrail, Howrah, Howrah - 711302, West Bengal, India.
Registrar of Companies / RoC	Registrar of Companies, Kolkata, Ministry of Corporate Affairs, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata – 700020, West Bengal, India.
Restated Financial Statements	Restated Financial Statements of our Company as at and for the period ended December 31, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with requirements of Companies Act, 2013, as amended, the SEBI ICDR Regulations as amended and Guidance Note on “Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 159 of this Prospectus
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on January 08, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 159 of this Prospectus.
Whole Time Director	The Whole Time Director of our company being Ms. Urmi Raj Mehta

## **FINANCIAL AND OPERATIONAL KEY PERFORMANCE INDICATORS**

<b>Key Financial Performance</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on Equity	Return on equity provides how efficiently our Company generates profits from shareholders' funds
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year

## ISSUE RELATED TERMS

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allot / Allotment / Allotted / Allotment of Equity shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue for Sale to the successful applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only.
Application lot	2,000 Equity Shares and in multiples thereof
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Prospectus
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Prospectus.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by UPI applicants using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by UPI applicants using UPI Mechanism
ASBA Account	A bank account maintained by ASBA Applicant with an SCSB and specified in the ASBA Form submitted by such ASBA Applicant in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Applicant and includes a bank account maintained by a UPI Applicant linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to an Application by a UPI Applicant
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or

<b>Term</b>	<b>Description</b>
	electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus
Banker(s) to the Issue	Collectively, being the Public Issue Bank and Sponsor Bank and in this case being ICICI Bank Limited
Banker(s) to the Issue and Sponsor Bank Agreement	Agreement dated February 16, 2024, entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 259 of this Prospectus
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange. ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective website of the Stock Exchange, as updated from time to time
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable)
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of UPI applicants only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI applicants using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI applicants using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker	Shreni Shares Limited ( <i>Formerly known as Shreni Shares Private Limited</i> ) will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )

<b>Term</b>	<b>Description</b>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by UPI applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI applicants using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited. (NSE EMERGE)
Draft Prospectus	The Draft Prospectus issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the Equity Shares
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applications, whose name shall also appear as the first holder of the beneficiary account held in joint names
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchange and the LM
Issue	This Initial Public Offer of 34,82,000 Equity Shares for cash at an Issue Price of ₹ 52 per Equity Share aggregating to ₹ 1810.64 Lakhs
Issue Agreement	The agreement dated entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing date	The date on which the Issue closes for subscription being Friday, May 10, 2024
Issue Opening date	The date on which the Issue opens for subscription being Tuesday, May 07, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published
Issue Price	The final price at which Equity Shares will be Allotted to the successful Applicants, as determined in accordance with the Fixed Price Method and determined by our Company, in consultation with the LM, in this case being ₹ 52/- per Equity Share
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 80 of this Prospectus
LM / Lead Manager	Lead Manager to the Issue, in this case being Shreni Shares Limited (Formerly known as Shreni Shares Private Limited)
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Lot Size	The Market lot and Trading lot for the Equity Share is 2,000 and in multiples of 2,000 thereafter; subject to a minimum allotment of 2,000 Equity Shares to the successful applicants
Market Maker Reservation Portion	The Reserved portion of 1,78,000 Equity shares of ₹ 10/- each at an Issue Price of ₹ 52/- aggregating to ₹ 92.56 Lakhs for Designated Market Maker in the Public Issue of our Company

<b>Term</b>	<b>Description</b>
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated January 03, 2024.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by UPI applicants to submit Applications using the UPI Mechanism. The mobile applications which may be used by UPI applicants to submit Applications using the UPI Mechanism as provided under 'Annexure A' for the SEBI number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Net Issue (excluding Market maker portion) of 33,04,000 Equity Shares of ₹10/- each at price of ₹ 52/- per Equity Shares aggregating to ₹ 1718.08 Lakhs
Net Proceeds	The Gross Proceeds from the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see "Objects of the Issue" beginning on page 80 of this Prospectus
Non – Institutional Investor (NIIs)	All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	Emerge Platform of National Stock Exchange of India Limited
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. (A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.)
Person / Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Issue Bank to receive monies from the ASBA Accounts on the Designated Date
Public Issue Bank	The banks which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account for collection of Application Amounts from ASBA Accounts will be opened, in this case being ICICI Bank Limited
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Registrar Agreement	The agreement dated January 03, 2024 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

<b>Term</b>	<b>Description</b>
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited.
Retail Individual Investors / RIIs	Individual Applicants or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000 in this Issue
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non - Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their application during the Issue Period or withdraw their applications until Issue Closing Date
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to UPI applicants using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) And ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public Issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI applicants as per the UPI Mechanism, in this case being ICICI Bank Limited.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	The Underwriters in this case are Shreni Shares Limited ( <i>Formerly known as Shreni Shares Private Limited</i> )
Underwriting Agreement	The Agreement among the Underwriters and our Company dated January 03, 2024.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India

Term	Description
UPI Applicants	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Non-Institutional Investors with an application size of up to ₹ 5.00 lakhs on in the Non-Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5.00 lakhs million using UPI Mechanism, shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI applicant by way of a notification on the UPI application and by way of a SMS directing the UPI applicant to such UPI application) to the UPI applicant initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an UPI applicant to make an application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price; and (ii) Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

**INDUSTRY/BUSINESS RELATED TERMS**

<b>Term</b>	<b>Description</b>
AAAY	Antodaya Ann Yojna
ACC	Advanced chemistry cell
ATJ	Alcohol-to-jet
ATUFS	Amended Technology Upgradation Fund Scheme
BOT	Build-Operate-Transfer
BCFRL	Bella Casa Fashion & Retail Ltd
CAD	Current account deficit
CAZRI	Central Arid Zone Research Institute
CEPA	Comprehensive Partnership Agreement
CGSS	Credit Guarantee Scheme for Start-ups
Chemexcil	Chemicals Export Promotion Council
CII	Confederation of Indian Industries
CoEK	Center of Excellence for Khadi
DPA	Deendayal Port Authority
SEED	Scheme for Economic Empowerment of Denotified
EC	Environmental Clearance
ETPs	Effluent Treatment Plant
FTAs	Free Trade Agreements
GCPMH	Global Chemicals and Petrochemicals Manufacturing Hubs
GII	Global Innovation Index
GIDC	Gujarat Infrastructure Development Corporation
GOTS	Global Organic Textile Standard
GMMSA	Garments Machinery Manufacturers & Suppliers Association
G-secs	Government securities
ICAR	Indian Council of Agricultural Research
ICAC	International Cotton Advisory Committee
GACL	Gujarat Alkalies and Chemicals Limited
GCPL	Godrej Consumer Products Ltd
IISR	Indian Institute of Spices Research
IndAus ECTA	India-Australia Economic Cooperation and Trade Agreement
HEPC	Handloom Export Promotion Council
HFI	High-frequency indicators
HMA	Handloom Marketing Assistance
ICIL	Indo Count Industries Ltd
IOCL	Indian Oil Corporation
ISCMA	Indian Speciality Chemical Manufacturer' Association
KVIC	Khadi and Village Industries Commission
MFP	Mega Food Parks
MITRA	Mega Integrated Textile Region and Apparel
MHHDCL	Manipur Handloom & Handicrafts Development Corporation Limited
MMF	Man-made fabrics
MSP	Maximum Selling Price
MMT	Million metric tonnes
NABARD	National Bank for Agriculture and Rural Development
NARCL	National Asset Reconstruction Company Ltd
NaBFID	National Bank for Financing Infrastructure and Development
NHDP	National Handloom Development Programme
NTTM	National Technical Textile Mission
NTPC REL	NTPC Renewable Energy Limited
Oeko-Tex	International Association for Research and Testing in the Field of Textile and Leather Ecology
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Region

<b>Term</b>	<b>Description</b>
PE	Private Equity
PLI	Production Linked Incentive Scheme
PHH	Primary Household
PLI	Productivity linked incentive
PM-DevINE	Prime Minister's Development Initiative for North-East Region
PMGKAY	Pradhan Mantri Garib Kalyan Ann Yojana
PM MITRA	PM Mega Integrated Textile Region and Apparel
PPP	Public-Private Partnership
RCCL	Raymond Consumer Care Ltd
RMG	Readymade garments
RRVL	Reliance Retail Ventures Ltd
RSC	Royal Society of Chemistry
TTDF	Telecom Technology Development Fund
TUFS	Technology Upgradation Fund Scheme
SDLs	State Development Loans
Silkflex Malaysia	Silkflex Polymers SDN BHD, Malaysia
Silkflex Distribution Agreements	i) Agreement with Silkflex Malaysia dated October 01, 2016 for distribution and selling, the water-based textile printing inks products of Silkflex; ii) Agreement with Silkflex Malaysia dated October 01, 2019 for distribution and selling, the wood coating polymers products of Silkflex Malaysia
SIPCOT	State Industries Promotion Corporation of Tamil Nadu Ltd
SITP	Scheme for Integrated Textile Parks
SPI	Strengthening of Pharmaceutical Industry
SVPISTM	Sardar Vallabhbhai Patel International School of Textiles and Management
SusTex	Sustainable Textiles for Sustainable Development
USOF	Universal Service Obligation Fund
ZDHC	Zero Discharge of Hazardous Chemicals

#### CONVENTIONAL TERMS / ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BN	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III foreign portfolio investor(s) / Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited

<b>Term</b>	<b>Description</b>
CFPI	Consumer Food Price Index
CFO	Chief Financial Officer
CGST Act	Central Goods and Services Tax Act, 2017
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date
CSR	Corporate Social Responsibility
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPI	Consumer Price Index
CY	Calendar Year
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, CDSL and NSDL
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM/ EoGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FTP	Foreign Trade Policy
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated

<b>Term</b>	<b>Description</b>
GDP	Gross Domestic Product
GoI / Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individuals
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST Act	Integrated Goods and Services Tax Act, 2017
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
IPO	Initial Public Offer
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISO	International Organization for Standardization
IST	Indian Standard Time
KM / Km / km	Kilo Meter
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
Ltd	Limited
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NECS	National Electronic Clearing Service
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
PMI	Purchasing Managers' Index
PPP	Purchasing power parity
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies

<b>Term</b>	<b>Description</b>
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SGST Act	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UGST Act	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/ United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India
WIP	Work in process
Wilful Defaulter(s) or Fraudulent Borrower	Wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WHO	World Health Organization
WEO	World Economic Outlook
YoY	Year on Year

## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references in this Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus. In this Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial statements in this Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements as at and for the period ended December 31, 2023 and the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 has been prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI as amended from time to time. For further information, see please refer section titled "Restated Financial Statements" beginning on page 181 of this Prospectus.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the Restated Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 26, 126 and 216 respectively, of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the "Restated Financial statements" of our Company as beginning on page 181 of this Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

All references to "Rupees", "Rs." Or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

This Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **DEFINITIONS**

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page 2 of this Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 283 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **INDUSTRY AND MARKET DATA**

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Our ability to attract and retain personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Changes in consumer demand;
- Other factors beyond our control; and

- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 26, 126 and 216 of this Prospectus, respectively.

By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

Our Company is engaged in the trading of the textile printing inks and water-based wood coating polymers products of a Malaysian based brand- “Silkflex” produced by Silkflex Polymers SDN BHD (“*Silkflex Malaysia*”). Silkflex Malaysia, are one of the garment printing ink manufacturers of Malaysia. Silkflex Malaysia manufactures its products through its manufacturing unit located in Malaysia and the same products are then supplied around the globe through its authorised agents. The list of countries where Silkflex Malaysia supplies the products includes India, Thailand, Turkey, Russia, Sri Lanka, Bangladesh and Indonesia. As on this date of Prospectus, our Company have the exclusive right to sell the products of Silkflex and the rights to use the brand name of Silkflex in India. Our Company offers a wide variety of products which consists of 108 textile printing ink products and 51 wood coating polymers products.

For more details, please refer chapter titled “*Our Business*” beginning on page 126 of this Prospectus.

### SUMMARY OF OUR INDUSTRY

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. Wood coatings are generally created by combining various layers of shellac, drying oil, lacquer, varnish, etc. where every layer is followed by sanding. Whereas, on the contrary, waterborne wood coatings are made from a wide range of resins which include acrylic, polyester, polyurethane, fluoropolymer, waterborne powder, etc.

For more details, please refer chapter titled “*Industry Overview*” beginning on page 104 of this Prospectus.

### OUR PROMOTERS

The promoters of our company are Mr. Tushar Lalit Kumar Sanghavi, Ms. Urmi Raj Mehta, M/s Tushar Lalitkumar Sanghavi HUF and M/s Lalitbhai H Sanghvi HUF.

### SIZE OF ISSUE

<b>Present Issue of Equity Shares by our Company</b>	34,82,000 Equity shares of face value of ₹10/- each for cash at a price of ₹ 52/- per Equity shares aggregating to ₹ 1,810.64 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,78,000 Equity shares of face value of ₹10/- each for cash at a price of ₹ 52/- per Equity shares aggregating to ₹ 92.56 Lakhs
<b>Net Issue</b>	33,04,000 Equity shares of face value of ₹10/- each for cash at a price of ₹ 52/- per Equity shares aggregating to ₹ 1,718.08 Lakhs

For further details, please refer to chapter titled “*Terms of the Issue*” beginning on page 250 of this Prospectus.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

(₹ in Lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1.	Acquisition of land	553.49
2.	Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries	207.82
3.	Funding Working Capital Requirements of our Company	468.00
4.	General corporate purposes <sup>#</sup>	410.73
	<b>Total</b>	<b>1,640.04</b>

<sup>#</sup>The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

For further details, please refer to chapter titled “Objects of the Issue” beginning on page 80 of this Prospectus.

### PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF OUR COMPANY

The aggregate pre-Issue shareholding of Promoters and Promoter Group as on the date of this Prospectus is set out below. Additionally, as on the date of this Prospectus, none of the members of our Promoter Group hold any Equity Shares in our Company.

Category of Promoter	Pre-Issue	
	No. of Shares	% of Pre-Issue Capital
<b>Promoters</b>		
Mr. Tushar Lalit Kumar Sanghavi	66,65,450	82.04%
Ms. Urmi Raj Mehta	48,750	0.60%
M/s Tushar Lalitkumar Sanghavi HUF	9,10,000	11.20%
M/s Lalitbhai H Sanghvi HUF	4,87,500	6.00%
<b>Total</b>	<b>81,11,700</b>	<b>99.84%</b>

### SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(₹ in lakhs other than share data)

Particulars	For the period ended December 31, 2023	For the year ended March 31		
		2023	2022	2021
Share Capital	812.50	250.00	250.00	205.45
Net worth#	1073.28	816.62	738.03	513.51
Total Revenue\$	3,381.55	3,442.25	2,804.52	2,096.07
Profit after Tax	256.66	78.59	68.59	45.35
Earnings per share (Basic & diluted) (₹) (Post Bonus) <sup>@</sup>	0.97	0.97	0.85	0.68
Net Asset Value per Equity Share (₹) (Post Bonus) <sup>*</sup>	13.21	10.05	9.14	7.69
Total borrowings <sup>^</sup>	1,716.18	1,208.31	994.50	612.81

#Net Worth = Restated Equity Share Capital plus Reserves and Surplus

\$Total Revenue = Restated Revenue from operations plus Restated Other Income

@ Earnings per share (Basic & diluted) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year

\*Net Asset Value per Equity Share = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year

<sup>^</sup>Total Borrowings = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings

Notes:

Our Board of Directors pursuant to a resolution dated October 03, 2023 and shareholders pursuant to a special resolution dated October 04, 2023 have approved the issuance of 56,25,000 bonus Equity Shares in the ratio of Nine Equity Shares for every Four existing fully paid-up Equity Shares held.

### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, Directors, Promoters, Subsidiaries and Group Companies is provided below:

(₹ in Lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved
<b>Company</b>						
By the Company	1	Nil	Nil	Nil	Nil	Rs.9.55 Lakhs
Against the Company	Nil	1	Nil	Nil	Nil	Amount cannot be ascertained
<b>Directors other than Promoters</b>						
By our directors	1	Nil	Nil	Nil	Nil	Rs. 20 Lakhs
Against the Directors	Nil	1	Nil	Nil	Nil	Rs. 0.02 Lakhs
<b>Promoters</b>						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters*	2	Nil	Nil	Nil	1	Matters relate to criminal and trademark infringement proceedings and so amount cannot be ascertained at this stage.
<b>Subsidiaries</b>						
By Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>						
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

\*Our Promoter is also the Managing Director. However, litigation against him has not been included under the head of directors to avoid repetition.

**Brief details of top 5 Criminal Case against our Promoters:**

(₹ in Lakhs)

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1.	G.R. 1891/2017 arising out of Beniapukur P.S. Case No. 274 dated 08.07.2017 U/s 467/468/471/420/408/120B of the Indian Penal Code, 1860	Silkflex Trexim Private Limited	Pending	Alleged misappropriation of Trexim's stock of goods to the tune of Rs.2,50,00,000 but it being a criminal case, the amount cannot be crystallised.
2.	G.R. 329/2018 arising out of Beniapukur P.S. Case No. 47 dated 05.02.2018 under section 467/468/471/420/120B of the Indian Penal Code, 1860	Silkflex Trexim Private Limited	Pending	It being a criminal case, the amount cannot be crystallised.

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 227 of this Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 26 of this Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements, no contingent liability exists for the period ended on December 31, 2023 and for financial years ended on March 31, 2023, 2022 and 2021.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 181 of this Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 “*Related Party Disclosures*” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

i. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
(a) Key Managerial Personnel (KMP):	Tushar Sanghavi
	Urmi Mehta
	Rajendrakumar Shah
	Atanu Bhuniya
(b) Relative of KMP	Tushar Sanghavi HUF
	Lalit Sanghavi HUF
	Shilpa Sanghavi
(c) Sister Concern	Judex Techno (Tushar Sanghavi Proprietorship)
Note 1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ii. Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
<b>Directors Remuneration</b>	Tushar Sanghavi	33.00	36.00	27.00	19.09
	Urmi Mehta	4.50	6.00	6.00	2.00
	Rajendrakumar Shah	9.00	7.00	-	-
	Lalit H. Sanghavi	-	-	-	3.50
	Atanu Bhuniya	13.50	-	-	-
<b>Total</b>		<b>60.00</b>	<b>49.00</b>	<b>33.00</b>	<b>24.59</b>
<b>Purchases</b>	Judex Techno	-	56.97	26.62	22.71
<b>Total</b>		<b>-</b>	<b>56.97</b>	<b>26.62</b>	<b>22.71</b>
<b>Interest on Loan</b>	Tushar Sanghavi	-	1.54	1.56	2.03
	Urmi Mehta	-	2.70	0.03	-
	Tushar Sanghavi HUF	-	5.28	3.66	1.61
	Lalit Sanghavi HUF	-	0.53	0.52	-
	Lalit Sanghavi	-	-	-	1.44

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
<b>Total</b>		-	<b>10.05</b>	<b>5.77</b>	<b>5.07</b>
<b>Rent</b>	Judex Techno	-	1.20	1.42	0.94
	Shilpa Sanghavi	-	-	-	0.75
<b>Total</b>		-	<b>1.20</b>	<b>1.42</b>	<b>1.69</b>
<b>Unsecured Loan</b>	<b>Lalit H. Sanghavi</b>				
	Opening Balance	-	-	-	10.04
	Add: Loan Received During the Year	-	-	-	31.44
	Less: Loan Repaid During the year	-	-	-	41.48
	Closing Balance	-	-	-	-
	<b>Tushar L. Sanghavi</b>				
	Opening Balance	11.50	33.00	10.13	-
	Add: Loan Received During the Year	481.00	33.54	100.56	68.51
	Less: Loan Repaid During the year	286.50	55.04	77.69	58.38
	Closing Balance	<b>206.00</b>	<b>11.50</b>	<b>33.00</b>	<b>10.13</b>
	<b>Lalit H. Sanghavi HUF</b>				
	Opening Balance	10.50	10.50	10.37	-
	Add: Loan Received During the Year	-	0.53	0.52	10.37
	Less: Loan Repaid During the year	10.50	0.53	0.39	-
	Closing Balance	-	<b>10.50</b>	<b>10.50</b>	<b>10.37</b>
	<b>Tushar L. Sanghavi HUF</b>				
	Opening Balance	48.50	44.00	16.13	14.52
	Add: Loan Received During the Year	-	5.28	28.66	1.61
	Less: Loan Repaid During the year	48.50	0.78	0.79	-
	Closing Balance	-	<b>48.50</b>	<b>44.00</b>	<b>16.13</b>
	<b>Urmi Sanghavi</b>				
	Opening Balance	24.50	20.00	-	-
	Add: Loan Received During the Year	-	5.20	20.03	-
	Less: Loan Repaid During the year	-	0.70	0.03	-
	Closing Balance	<b>24.50</b>	<b>24.50</b>	<b>20.00</b>	-

iii. Outstanding Balance as at the end of the year:

(₹ in Lakhs)

	Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Payable</b>	Tushar L. Sanghavi	220.24	11.50	33.00	11.72
	Lalit H. Sanghavi HUF	-	10.50	10.50	10.37
	Tushar L. Sanghavi HUF	-	48.50	44.00	16.13
	Urmi Sanghavi	26.98	24.50	20.00	1.25

	Particulars	As at December 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Judex Techno	-	-	-	0.01
	Atanu Bhuniya	3.74	-	-	-
<b>Total</b>		<b>250.97</b>	<b>95.00</b>	<b>107.50</b>	<b>39.47</b>
<b>Receivables</b>	Tushar L. Sanghavi	-	0.31	-	-
<b>Total</b>		<b>-</b>	<b>0.31</b>	<b>-</b>	<b>-</b>

Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 181 of this Prospectus.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the relevant financing entity) during a period of six (6) months immediately preceding the date of this Prospectus.

## WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS

The weighted average cost of acquisition of Equity Shares by our Promoters in the last One (1) year preceding the date of this Prospectus set forth in the table below

Sr. No.	Name of the Promoters	Number of Equity Shares acquired in the one year preceding the date of this Prospectus	Number of Equity Shares Held	Weighted Average cost of Acquisition (in ₹)*
1.	Mr. Tushar Lalit Kumar Sanghavi	57,63,000	66,65,450	5.26
2.	Ms. Urmi Raj Mehta	33,750	48,750	Nil
3.	M/s Tushar Lalitkumar Sanghavi HUF	6,30,000	9,10,000	Nil
4.	M/s Lalitbhai H Sanghvi HUF	3,37,500	4,87,500	Nil

The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them divided by number of shares acquired in last one (1) year.

\*As certified by M/s M B Jajodia & Associates, Chartered Accountants through their certificate dated May 01, 2024.

## AVERAGE COST OF ACQUISITION OF PROMOTERS

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No of Equity Shares held	Average cost of Acquisition (in ₹) *
1.	Mr. Tushar Lalit Kumar Sanghavi	66,65,450	6.81
2.	Ms. Urmi Raj Mehta	48,750	10.77
3.	M/s Tushar Lalitkumar Sanghavi HUF	9,10,000	6.18
4.	M/s Lalitbhai H. Sanghvi HUF	4,87,500	3.08

The average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

\*As certified by M/s M B Jajodia & Associates, Chartered Accountants through their certificate dated January 12, 2024.

## DETAILS OF PRE-IPO PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus till the listing of the Equity Shares.

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash within last one year from the date of this Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
October 04, 2023	56,25,000	10/-	Nil	Bonus Issue	Capitalization of Reserves & Surplus	Tushar Lalit Kumar Sanghavi	46,14,750
						Tushar Lalitkumar Sanghavi HUF	6,30,000
						Lalitbhai H. Sanghvi HUF	3,37,500
						Urmi Raj Mehta	33,750
						Rajendrakumar M. Shah	9,000

## SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Prospectus.

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

### SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. Investors should carefully consider all information in this Prospectus, including the risks described below, before making an investment in our Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Issue. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, such financial impact cannot be disclosed in such risk factors. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See chapter titled “Forward Looking Statements” beginning on page 17 of this Prospectus.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 181, 216, 104 and 181 respectively of this Prospectus, together with all other Restated Financial Statements contained in this Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the periods ended December 31, 2023 and for the financial years ended March 31, 2023, 2022 and 2021 as included in “Restated Financial Statements” beginning on page 181 of this Prospectus.*

#### **MATERIALITY**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- Some events may have material impact quantitatively;
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material individually but may be found material collectively.
- Some events may not be material at present but may be having material impact in future.

#### **BUSINESS RELATED RISKS**

- 1. There are certain criminal litigations against our Promoter and Directors. In case these cases are decided against our Promoter and the other accused, it will cause loss of reputation of the company and that may affect our business, operations and financial conditions.**

Our Promoter, Tushar Lalit Kumar Sanghavi, and Promoter Group member Shilpa Tushar Sanghavi and Director namely Atanu Bhunia along with another person called Sandeep Hazari have been alleged by Debyandu Sarkar, accountant of Silkflex Trexim Pvt Ltd (Trexim) to have forged the “C” Forms and produced before Sales Tax Authorities for the Assessment Year 2015-16 of their company and filed case number 47/2018 with the Police Station Beniakupur. Though during investigation, our promoter Tushar Lalit Kumar Sanghavi and Shilpa Tushar Sanghavi applied and got

anticipatory bail on June 27, 2019, the investigating officer submitted a chargesheet in the court of ACJM Sealdah under section 471/120B/420/511 of IPC on February 1 2023. Sections of IPC, under which they are charged are explained below:

- Fraudulent or dishonest use as genuine, any document or electronic record which is known or believed to be forged (471 IPC)
- Being a party to a criminal conspiracy to commit an offence punishable with death, imprisonment for life or rigorous imprisonment for a term of two years or upwards, shall, where no express provision is made in IPC for the punishment of such a conspiracy, be punished in the same manner as if he had abetted such offence. (120B IPC)
- Section 420 IPC is a serious form of cheating that includes inducement to lead or move someone to deliver a property as well as valuable securities.
- IPC Section 511 deals with an attempt to commit offences which is punishable with any imprisonment under the Indian Penal Code and in respect of which no express provision is made by the code, for punishment.

The learned ACJM has issued notice and fixed June 01, 2024 for their appearance. If they are found to be guilty after trial, they will have to face imprisonment and/ or fine. However, company being a separate legal entity and there being no vicarious liability under IPC, the Company's business operations and financial conditions will not be impacted other than the loss of reputation and smooth functioning of the Company. The Company has not yet taken any mitigation steps as the alleged offence is that of the promoter and other persons and also not reached any conclusion so far.

Another complaint was also filed by the same company against our promoter, Tushar Lalit Kumar Sanghavi, Late Lalit Kumar Hargovind Das Sanghavi, Shilpa Tushar Sanghavi, Eric Tan Hock Lye and Thian Own Chin alleging that they had opened a new company under the name and style of Silkflex Polymers (India) Private Limited and allegedly misappropriated Trexim's stock of goods to the tune of Rs. 2.5 Crore by issuing forged challan in the name of the Complainant's Company. On completion of investigation the police submitted a Final Report No. 54 dated May 06, 2019 with the conclusion that the case was civil in nature and recommended for discharge of the accused persons from the case. However, the complainant filed a Naraji Petition on December 28, 2021, which was last fixed for hearing on January 31, 2024. However, no proceedings took place on the said date and now the next date for hearing of Naraji Petition is scheduled as June 1, 2024.

Though the promoter and the other accused are being represented by their legal attorney in both the cases and will try to get the accused acquitted, it cannot be assured that the cases will be decided in favour of our promoter and the other accused persons. In case, the cases are decided against our promoter and the other accused, it will cause loss of reputation of the company and that may affect our business, operations and financial conditions. For further details, please refer to the chapter titled "*Outstanding Litigations and Material Developments*" beginning on page 227 of this Prospectus.

- 2. *Our business operations rely significantly on the continuous and timely supply of products from Silkflex Polymers Sdn. Bhd ('Silkflex Malaysia') from whom we purchase 74.86%, 96.04%, 97.81% and 96.48% of the total purchases for the period ended December 31, 2023 and for the financial years ended March 31, 2023, 2022 and 2021, respectively. Any discontinuation of same will adversely impact our overall performance and profitability.***

Our Company may face significant financial and operational risks in the event that our only dominant supplier, i.e., Silkflex Malaysia decides to terminate our existing agreements. For the period ended December 31, 2023 and for the financial years ended March 31, 2023, 2022 and 2021, our purchases from Silkflex Malaysia accounted for 74.86%, 96.04%, 97.81% and 96.48%, respectively of the total purchases. Such discontinuation will lead to increased costs for procuring products from any alternative suppliers. The notice period required to be given by either party for any termination of the agreements is 90 days and in any such case, we will be required to identify other suppliers considering the price, margins, quality and other business factors. As on this date, there are other suppliers in the market who also provide products that meets our quality standards. However, we have not yet identified or made any alternative arrangements with any other alternative suppliers in the market. Further, in case of any such termination we would be required to identify the same within 90 days of any such notice which would result in utilizing our reserves to develop distribution channel and customer satisfaction for any such new products. Any such instances will adversely impact our overall performance and profitability.

Our Company has entered into dealership letters where a specific amount of security is taken from our customers for ensuring smooth supply of Silkflex products. In case of any discontinuation, we would be required to pay back the security amount to our customers as they might not be willing to purchase any alternative products that we may sell and

this security amount will result in the unforeseen liability of the Company. For the period ended December 31, 2023, the amount of security taken from such customers accounts for Rs. 163.34 Lakhs. However, as a measure to counter such risk, our Company has fixed deposits and adequate reserves to repay the amount to customers. However, this will have adverse impacts on the reputation of our Company and also affect our relationships with the customers.

Our Company might need to implement procedures associated with products sourced from other suppliers. This would involve providing product education to our technical team, including visits to supplier facilities, to comprehend the usage process of the products. This is crucial for customer satisfaction. In such situations, we may incur extra costs for staff training. Although the Company has sufficient funds to cover these expenses, there is no guarantee that we will successfully introduce any such alternative products efficiently in the market.

Our business dependency on Silkflex Malaysia may also lead to potential risks like supply disruptions i.e., any delays, shortages or quality issues in the supply of products, risk of price fluctuation such as Silkflex Malaysia may unilaterally decide to change the prices of its products which could impact our cost structure and profit margins, limited negotiation power as Silkflex Malaysia being a major supplier who dominates our product procurement may include terms and conditions which may not always be favourable to us. There can be no assurance that in the future Silkflex Malaysia will command such prices, quality, terms and conditions on its products, raw materials which will always be favourable to our Company. Any such instances may lead to a halt in our business process resulting in missed deadlines and dissatisfied customers and will lead to financial losses and adverse effect on our reputation in the market.

**3. *Termination or non-renewal of the Silkflex Agreements by Silkflex Polymers Sdn. Bhd. or any material modification to the existing terms under such agreements adverse to our interest will materially and adversely affect our ability to continue our business and operations and our future financial performance.***

Pursuant to our distribution agreements with Silkflex Polymers Sdn. Bhd (*'Silkflex Malaysia'*), we have been authorised to sell and distribute the products of Silkflex in India. The Silkflex Agreements are valid and effective unless cancelled by either party i.e., Silkflex Malaysia or our Company. Under the Silkflex Agreements, either party are entitled to unilaterally terminate such agreements by providing a written notice of 90 days subject to the condition that the said notice shall set forth the breach being claimed as the basis for termination. If the offending party cures the breach being claimed within the said 90 days, the notice of termination shall be void and the agreements shall continue in full force and effect.

In the event that Silkflex Malaysia exercises their right to terminate these agreements whether on the occurrence of any breach which we are not able to cure within the said 90 days or the remedy is not satisfactory to Silkflex Malaysia or otherwise, or in the event imposes terms less favourable to us than existing terms, it may materially and adversely affect our ability to carry on our business operations and our future financial performance.

Further, Silkflex Malaysia may undertake the production, distribution or sale of its products and brands either themselves or appoint other third-party distributor for India once agreements entered with us are terminated. Although Silkflex Malaysia in the past has entered into agreement with us for sale and distribution of water-based wood coating polymers products in India and has also entered into Silkflex Technology Transfer Agreement for manufacturing of products namely 'Silkbond 35' and 'Binder for Table Glue' in India. Our Company is in the process of planning and setting up the manufacturing unit and has not yet started its production activities. There can be no assurance that in the future Silkflex Malaysia will not terminate or discontinue our agreements for cause, including any failure by us to meet performance standards or any breach by us of applicable terms and conditions under such agreements, or without cause, and undertake production and distribution activities directly or through other distributors in India.

**4. *We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.***

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, our Directors and Promoters, as at the date of this Prospectus:

**Litigations against our Company**

Nature of Cases	No of Outstanding Cases	Amount involved (Rs. In Lakhs)
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Nature of Cases	No of Outstanding Cases	Amount involved (Rs. In Lakhs)
Criminal Complaints	NIL	NIL
Statutory/ Regulatory Authorities	NIL	NIL
Taxation Matters	1	Amount Unascertainable (under section 143(2) of the Income Tax Act, 1961)
Other Litigation	NIL	NIL

#### Litigations against our Directors and / or Promoters

Nature of Cases	No of Outstanding Cases	Amount involved (Rs. In Lakhs)
Criminal Complaints u/s 471/120-B,420/511 of IPC	2	Amount cannot be crystallised as they are criminal cases.
Statutory/ Regulatory Authorities	NIL	NIL
Taxation Matters Rajendrakumar Mohanlal Shah	1	0.02
Other Litigation	1	Amount cannot be crystallised it pertains to IPR infringement.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 227 of this Prospectus.

5. *We depend on the success of our relationships with our customers. Our top ten customers contribute majority of our revenues from operations. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.*

At present, we derive majority of our revenues from the sale of products from limited number of customers.

(₹ in lakhs)

Particular	As on December 31, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Revenue from Operations	3348.42	3421.33	2782.47	2075.22
Top 10 Customers	2406.85	2734.63	2322.17	1707.74
% of top 10 Customers to Revenue from Operations	71.88%	79.93%	83.46%	82.29%

Any decline in the quality standards of our products, growing competition and any change in the demand for our product by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering them timely solution of any technical problem through our experienced team, conducting seminars, exhibitions and live

demonstration of the products. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

6. Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders, any of which may have an adverse effect on our business, financial condition, results of operations and prospects ***We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in silkflex products, which in turn could adversely affect our business operations and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect our business operations and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our Company, brand, or products or any other unforeseen events could affect our reputation and our results from operations. However, no such instances occurred in the past.

7. ***Our Company have made an application for conversion of agricultural land located in Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New Tenure, Gujarat, India (2999.99 Sq. mt.) and the same is under process. Any delay in getting approval from relevant government authorities will impact our business plans.***

Our Company have made an application on December 30, 2023 for the conversion of a specific agricultural land parcel located in Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New Tenure, Gujarat, India (2999.99 Sq. mt.) and the conversion of same is in process. Our Company will use this land for parking space purpose for our proposed manufacturing unit. We have also made the complete payment of Rs. 49 Lakhs for the purchase of such land. For further details including cost and area of land, please refer to the chapter titled "Objects of the Issue" on page 80 of this Prospectus. However, there is a risk that the land conversion process might may face delays due to various reasons such as obtaining necessary approvals, clearances, or permissions from the relevant government authorities or these authorities may impose certain conditions or restrictions on use of land or they may not approve our conversion application at all. Additionally, any financial investments made towards the land conversion process would be considered as a loss for the Company. Any such instances will increase the overall cost and may cause variation in our business plans.

8. ***We have certain outstanding litigation against our Promoter, an adverse outcome of which may adversely affect our business, reputation and results of operations.***

Our Promoter, Mr. Tushar Lalit Kumar Sanghavi has applied for registration of the trademark "SILKFLEX" vide application numbers 3076805 and 4734722 on October 13, 2015 and November 06, 2020 respectively under Class "2" which was opposed and objected to by Berger Paints India Limited which alleged a potential infringement of their trademark 'Silk' in 2018 and 2021 respectively. The amounts involved in this litigation are not ascertainable and in case of rulings against our Promoter by courts or tribunals, he may need to make provisions in his financial statements that could increase his expenses and current liabilities.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see "Outstanding Litigations and Material Developments" beginning on page 211 of this Prospectus.

9. ***Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the period ended December 31, 2023 and the FY 2022-23, 2021-22 and 2020-21 our inventories were ₹

1567.18 Lakhs, ₹ 1463.54 Lakhs, ₹ 1119.09 Lakhs and ₹ 521.90 Lakhs respectively. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the period ended December 31, 2023 and the FY 2022-23, 2021-22 and 2020-21 our trade receivables were ₹ 546.49 Lakhs, ₹ 210.00 Lakhs, ₹ 220.75 Lakhs and ₹ 276.77 Lakhs respectively.

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

**10. Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders.**

Our Company has entered into certain related party transactions with our Promoters, Key Management Personnels and Promoter Group in the past which are in compliance with applicable provisions of the Companies Act, 2013 and all other applicable laws. For details, please see “Annexure J of Restated Financial Statements” under the chapter titled “Restated Financial Statements” beginning on page 181 of this Prospectus. Following are details of transactions during the year with related parties of the company as defined in AS 18:

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
<b>Directors Remuneration</b>	Tushar Sanghavi	33.00	36.00	27.00	19.09
	Urmi Mehta	4.50	6.00	6.00	2.00
	Rajendrakumar Shah	9.00	7.00	-	-
	Lalit H. Sanghavi	-	-	-	3.50
	Atanu Bhuniya	13.50	-	-	-
<b>Total</b>		<b>60.00</b>	<b>49.00</b>	<b>33.00</b>	<b>24.59</b>
<b>Purchases</b>	Judex Techno	-	56.97	26.62	22.71
<b>Total</b>		-	<b>56.97</b>	<b>26.62</b>	<b>22.71</b>
<b>Interest on Loan</b>	Tushar Sanghavi	-	1.54	1.56	2.03
	Urmi Mehta	-	2.70	0.03	-
	Tushar Sanghavi HUF	-	5.28	3.66	1.61
	Lalit Sanghavi HUF	-	0.53	0.52	-
	Lalit Sanghavi	-	-	-	1.44
<b>Total</b>		-	<b>10.05</b>	<b>5.77</b>	<b>5.07</b>
<b>Rent</b>	Judex Techno	-	1.20	1.42	0.94
	Shilpa Sanghavi	-	-	-	0.75
<b>Total</b>		-	<b>1.20</b>	<b>1.42</b>	<b>1.69</b>
<b>Unsecured Loan</b>	<b>Lalit H. Sanghavi</b>				
	Opening Balance	-	-	-	10.04
	Add: Loan Received During the Year	-	-	-	31.44
	Less: Loan Repaid During the year	-	-	-	41.48
	Closing Balance	-	-	-	-
	<b>Tushar L. Sanghavi</b>				
Opening Balance	11.50	33.00	10.13	-	

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
	Add: Loan Received During the Year	481.00	33.54	100.56	68.51
	Less: Loan Repaid During the year	286.50	55.04	77.69	58.38
	Closing Balance	<b>206.00</b>	<b>11.50</b>	<b>33.00</b>	<b>10.13</b>
	<b>Lalit H. Sanghavi HUF</b>				
	Opening Balance	10.50	10.50	10.37	-
	Add: Loan Received During the Year	-	0.53	0.52	10.37
	Less: Loan Repaid During the year	10.50	0.53	0.39	-
	Closing Balance	-	<b>10.50</b>	<b>10.50</b>	<b>10.37</b>
	<b>Tushar L. Sanghavi HUF</b>				
	Opening Balance	48.50	44.00	16.13	14.52
	Add: Loan Received During the Year	-	5.28	28.66	1.61
	Less: Loan Repaid During the year	48.50	0.78	0.79	-
	Closing Balance	-	<b>48.50</b>	<b>44.00</b>	<b>16.13</b>
	<b>Urmi Sanghavi</b>				
	Opening Balance	24.50	20.00	-	-
	Add: Loan Received During the Year	-	5.20	20.03	-
	Less: Loan Repaid During the year	-	0.70	0.03	-
	Closing Balance	<b>24.50</b>	<b>24.50</b>	<b>20.00</b>	-

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 favorable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain party transactions and our undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. 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 operations.

**11. Our Company's failure to provide the quality standards of the products could adversely impact our business, results of operations and financial condition.**

The demand for our products depends on the quality that we market. Any failure of ours to provide the quality standards of the products may affect our business. We cannot assure that our products we trade will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**12. We propose to deploy a part of the Net Proceeds towards acquisition of land.**

We intend to use the Net Proceeds for the purposes described in the section titled "Objects of the Issue" on page 80 of this Prospectus. The Objects of the Issue comprise of acquisition of land situated at Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 592 Old Tenure, Gujarat, India worth ₹ 751.00 Lakhs of which ₹

197.51 Lakhs is already paid out of internal accruals till December 31, 2023. We intend to acquire such land from Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai who are not related to any of our promoters or directors of our Company. Our Company has entered into sale deeds executed for the said lands on December 28, 2023. As part of our sale deeds, our Company has issued post-dated cheques to the respective owners of the said lands dated February 28, 2024 and March 28, 2024. Any failure or delay on our part to raise money from this Issue or any shortfall in the net issue proceeds, we may encounter forfeited of amount already paid. However, we have entered into an understanding with the owners that the said cheques will be presented after completion of the Issue. We cannot assure that we will be able to purchase the said land in a timely manner. Our inability to procure the suitable location at acceptable prices or in a timely manner, may result in an increase in capital expenditure, delay in the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 80 of this Prospectus.

**13. *We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects. We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page 80 of this Prospectus.

**14. *Delays or defaults in client payments could result in a reduction of our profits.***

We may be subject to working capital risks due to delays or defaults in payment by clients. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated, to our customers may in turn cause delay in payment or refusal of payment by customers. We typically extend credit terms to few of our customers. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. However, no such instances have occurred in the past.

**15. *Certain agreements may not have been duly stamped at the time of execution as a result of which they may not be enforceable, which in turn, may adversely affect our operations.***

Some of our agreements may not be stamped adequately or stamped at all. The effect of inadequate stamping is that the document may not be admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce their rights. Though these agreements could be duly stamped with the stamp duty and penalty, after adjudication by the stamp duty authorities, no steps have been taken yet. Any adverse outcome due to the non-stamping of these agreements could materially impact the enforceability and the consequent actions related thereto and thereby adversely affect our operations.

**16. *Our trading activities are exposed to fluctuations in the prices of traded goods.***

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as their unavailability. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

**17. *Improper storage, processing and handling of our products could damage our inventories and, as a result, have an adverse effect on our business, results of operations and cash flows.***

We typically store our products at our registered office and branch offices. In the event that our products are improperly stored, processed and handled, the quality our products could be damaged. As a result, our business could be adversely affected, which could have a material adverse effect on our financial condition, results of operations and cash flows.

**18. *Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We have implemented various information technology solutions to cover key areas of our operations including sourcing, planning, accounting and data security. However, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Our ability to keep our business operating depends on the proper and efficient operation and functioning of the information technology systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). Such malfunction or disruptions could interrupt our business operations and result in economic losses. Any failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There is no assurance that we will not experience disruption in our information technology systems in the future and we will be able to remedy such disruption in timely manner, or at all. Any such disruption of our information technology systems could have a material adverse effect on our business, results of operation and financial condition.

Any failure in overhauling or updating our information technology systems in a timely manner could cause our operations to be vulnerable to external attacks and inefficient. Hence, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to conduct our normal business operations, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete.

**19. *We are highly dependent on our promoters, directors and key managerial personnel for our business. The loss of or our inability to attract or retain such persons could have a material adverse effect on our business performance, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our Chairman and Managing Director, Mr. Tushar Lalit Kumar Sanghavi. He has gained experience in this line of business and have over the years-built relations with suppliers, customers, regulators and other persons who are connected with us and have been actively involved in the day-to-day operations and management. Further we believe that the inputs and experience of our promoters cum directors and, in particular, and other directors and key personnel are valuable for our overall business operations of our Company. For details in relation to the experience of our directors and key management personnel, see “*Our Management*” on page 159 of this Prospectus. We cannot assure you that these individuals or any other member of our management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

During Fiscals 2021, 2022 and 2023, we have experienced certain changes to our Key Managerial Personnel. For further details, see “*Our Management – Changes in our Key Managerial Personnel in the three immediately preceding years*” beginning on page 159 of this Prospectus.

**20. *We are dependent on third party transportation providers for the delivery of our products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.***

We depend on transportation services to deliver our products to our customers. We outsource the delivery of our products to either third-party logistics companies or as mutually agreed shipment terms as decided with the customers. Transportation strikes could have an adverse effect on our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

**21. *The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue price determined in consultation with Lead Manager in accordance with the SEBI ICDR Regulations.***

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "*Capital Structure*" beginning on page 67 of this Prospectus.

**22. *Within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 80 of this Prospectus, our Company's management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use the Net Proceeds for the purposes described in the section titled "*Objects of the Issue*" on page 80 of this Prospectus. The Objects of the Issue comprise of acquisition of land, funding of capital expenditure requirements of our Company towards purchase of plant and machineries, working capital requirements and general corporate purposes. We intend to deploy the Net Proceeds in financial year 2024-2025, such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled "*Objects of the Issue*" beginning on page 80 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "*Objects of the Issue*" beginning on page 80 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorize to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**23. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.***

As on date of this Prospectus, we have not made any alternate arrangements for meeting our capital requirements for objects of the issue. We meet our capital requirements through, owned funds, debt and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the net issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 80 of this Prospectus.

24. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for 100% of the plant and machineries for our proposed object, as specified in the Objects of the Issue chapter. Any delay in placing orders or procurement of such plant and machineries may delay the schedule of implementation and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.*

We propose to utilize ₹ 207.82 Lakhs of our Net Proceeds towards purchase of machineries required for proposed manufacturing facility. For further information, see “Objects of the Issue” on page 80 of this Prospectus. Orders worth ₹ 207.82 Lakhs, which constitutes 100% of the machineries are yet to be placed. It is clarified that our Company proposes to utilize ₹ 207.82 Lakhs from the Net proceeds. GST and additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable will be paid by our Company out of internal accruals. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

25. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.*

Since, the Proceeds from Issue is less than Rs.10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

26. *We generate our major portion of sales from our operations in certain geographical regions especially, West Bengal, Tamil Nadu, Punjab and Gujarat. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

(₹ in Lakhs)

State	For the period ended on December 31, 2023		FY 2022-23		FY 2021-2022		FY 2020-21	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Tamil Nadu	1756.69	52.47%	2,033.20	59.43%	1,512.50	54.36%	1,268.37	61.12%
West Bengal	474.09	14.16%	584.79	17.09%	456.61	16.41%	317.71	15.31%
Punjab	398.19	11.89%	661.75	19.34%	638.62	22.95%	419.42	20.21%
Gujarat	551.26	16.46%	1.44	0.04%	17.06	0.61%	69.72	3.36%
<b>Total</b>	<b>3,180.23</b>	<b>94.98%</b>	<b>3,281.18</b>	<b>95.90%</b>	<b>2,624.79</b>	<b>94.33%</b>	<b>2,075.22</b>	<b>100.00%</b>

For further details of our state-wise revenue break up, please see chapter titled “Our Business” - Revenue Break-Up on page 126 of this Prospectus. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be

applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, relevant government authorities or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**27. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities are as set out below:

*(₹ in Lakhs)*

Particulars	For the period ended	For the Financial Year ended on		
	December 31, 2023	2023	2022	2021
Net Cash Generated/(Used) from Operating Activities	281.44	1.20	(428.52)	(17.08)
Net Cash Generated/(Used) from Investing Activities	(692.03)	(103.30)	(37.25)	(148.99)
Net Cash Generated/(Used) from Financing Activities	412.86	101.94	464.35	165.98

For further details and reasons of such negative cash flow, please see chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 216 of this Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**28. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuation.**

Our Company is involved in various business transactions with international supplier and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows

**29. Industry information included in this Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

**30. We face significant competitive pressures from other players in our business as the industry segments in which we operate being fragmented, our inability to compete effectively would be detrimental to our business and prospects for future growth.**

The market for textile printing inks and wood coating polymers products is competitive, and we expect competition to intensify and increase from a number of sources. We compete in the industry on the basis of quality of our products, timely delivery of products and distribution network. The industry and markets for our products are characterized by factors such as technological change and evolving industry standards. Factors affecting our competitive success include, amongst other things, price, demand for our products, brand recognition, reliability and consistency. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian textile printing inks and wood coating industry as compared with us. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance.

**31. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013. Some of our corporate records are not traceable. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.**

Our company has not complied with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes attachment of unsigned financial statements for financial year 2017-18 & 2018-19, our Company has filed Form GNL-2 dated February 12, 2024 vide SRN No. AA6827667, where we have attached signed financial statements for FY 2017-18 & 2018-19; wrong selection of authority passing or agreeing to the resolution in form MGT-14 filed for increase in Authorised Share Capital dated April 24, 2018, our Company has filed Form GNL-2 dated February 12, 2024 vide SRN No. AA6827573, where we have explained and informed the Registrar of Companies about the discrepancies made by selection of authority passing or agreeing to the resolution in forms MGT-14.

The details of ROC late filings are as follows:

ROC Form	Event Date	Due Date of Compliance	Actual Date of Compliance	Delay in days
DIR-12	27-07-2022	25-08-2022	29-12-2022	126
DIR-12	14-08-2023	12-09-2023	12-10-2023	30
DPT-3	30-06-2019	30-06-2019	12-05-2020	317
DPT-3	30-06-2020	30-06-2020	08-02-2021	223
DPT-3	31-07-2023	31-07-2023	12-08-2023	12

Although, the Company has paid requisite late fees for such filings, no show cause notice in respect of the above has been received by the Company till date, 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. Therefore, we cannot confirm that no action from authorities would be taken against the Company pursuant to the above explained instances which may adversely affect our business and financial operations.

**32. We do not own the premises in which our branch offices and warehouses are located and the same are on leasehold basis. Any termination of such agreement and/or non-renewal thereof or are required to negotiate it, our cash flows, business, financial conditions and results of operations could adversely affect.**

Our Company has entered into certain lease agreements and leave and license agreements in relation to our branch offices and warehouses. To meet our PAN India presence and also to meet timely supply of our products, we have 5 (five) branch offices in India, one of each situated in the state of Gujarat, Maharashtra, Tamil Nadu, Rajasthan and Punjab. For further details of our properties, please see "Our Business – Our Properties" on page 126 of this Prospectus. Any of these lease or license agreements can be terminated, and any such termination could result in any of these offices being

shifted. There can be no assurance that we will, in the future, be able to retain, renew or extend the leases for the existing locations on same or similar terms, or will be able to find alternate locations for these offices on similar terms favourable to us, in time or at all. Accordingly, we may experience business disruption, and this may materially and adversely affect our business, financial condition and result of operations.

**33. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including termination of our contracts, regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees, agents and / or technicians may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition and results of operations could be adversely affected.

**34. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors would always exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see the chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on page 159 and 174 respectively of this Prospectus and the section titled “*Restated Financial Statement*” beginning on page 181 of this Prospectus.

**35. *We depend on skilled personnel and if we are unable to recruit and retain skilled personnel, our ability to operate or grow our business could be affected.***

Our business operation required skilled and creative manpower intensive and we engage a considerable number of skilled personnel every year to sustain our growth. Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

**36. *If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.***

The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by continuing to strengthen our existing product portfolio with attractive growth and profitability prospects, to strive for cost efficiency, attracting and retaining talented employees and focusing on consistently meeting quality standards. As we continue to grow our business and expand into newer markets, we may face several challenges, including • acquiring new customers; • identifying customer requirements and preferences in such markets; • obtaining approvals and certifications for our products in such jurisdictions; • making accurate assessments of the resources we will require; • preserving a uniform culture, values and work environment; • developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems; • recruiting, training and retaining sufficient skilled management, technical and marketing personnel; • maintaining high levels of customer satisfaction; and • adhering to expected performance and quality standards. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. An inability to implement our future business plan, manage our growth effectively,

further expand into new markets or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

**37. *We may not be fully insured for all losses we may incur.***

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions, limitations of liability set forth in our contracts may not be enforceable in all instances or may not otherwise protect us from liability for damages. In addition, certain liabilities, such as claims of third parties for which we may be required to indemnify our clients, are generally not limited under those agreements. We have taken insurance policies, details of which are mentioned in the section titled, “Insurance” under the chapter titled, **“Our Business”** on page 126 of this Prospectus. Although we believe we have adequate insurance coverage but that coverage may not continue to be available on reasonable terms or to be available in sufficient amounts to cover one or more large claims, and our insurers may disclaim coverage as to any future claim. Insurance coverage may be an inadequate remedy where the loss suffered is not easily quantifiable, for example, in the event of severe damage to our reputation. The successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, reputation, results of operations, financial condition and cash flows.

**38. *Certain agreements /deeds are in the previous name of the Company.***

Our rent agreements of all branch offices and sale deeds of our registered office and other sale deeds are in the name of the erstwhile name of our Company i.e., Silkflex Polymers (India) Private Limited. Though in the case of change in name from private company to public company, there is no change in the assets and liabilities of our Company. Our Company is taking necessary actions for changing the name and getting the agreements in the new name of our Company. For further details, please refer to the chapter titled **“Government and Other Statutory Approvals”** beginning on page 231 of this Prospectus.

**39. *Our Promoter, Tushar Lalitkumar Sanghavi has registered trade mark ‘UNAXOL’ and has also applied for registration of trade mark ‘SILKFLEX’ in his personal name.***

Our Promoter, Tushar Lalitkumar Sanghavi has registered the Trade Mark ‘UNAXOL’ in his personal name. Further, he has also applied for registration of trade mark ‘SILKFLEX’ in the years 2015 and 2020, which has been opposed by Berger Paints India Limited (Berger Paints) in the years 2018 and 2021 respectively, claiming infringement on the mark in question. Though the matter is still pending adjudication in the Trade Mark Registry without any adverse development, it cannot be assured that the Registry will give a favourable report to our Promoter. Further, Berger Paints may decide to take the matter of infringement to a court of law and the Promoter may lose his right to use the said trade mark, which may adversely affect our business, financial condition and results of operations.

**40. *The possibility of counterfeit or fake products could result in liability issues and harm our reputation.***

Our company is engaged in the business of trading and distribution of textile printing inks and water-based wood coating polymers products. There are chances of receiving counterfeit and products that does not meet the required standards from our vendors, therefore, our business is exposed to the risk of product liability. Therefore, if our products fail to meet the quality standard of our customers then it will lead to negative publicity which will harm the reputation and brand image of the Company. Consequently, it has the potential to impact our business, financial positions and operational outcomes.

**41. *Our Company’s logo “SILKFLEX”/ “UNAXOL” is not registered with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business. Further, our Promoter, Tushar Lalitkumar Sanghavi has registered the ‘UNAXOL’ in his personal name and also applied for registration of trade mark ‘Silkflex’ in his personal name.***

Our Company has not registered any Trade Mark. However, our Promoter, Tushar Lalitkumar Sanghavi has registered the Trade Mark ‘UNAXOL’ in his personal name and has given an NOC to our Company to use the said Trade mark. Presently, our Promoter has allowed to use this Trademark, in future, he may not allow the same. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot

guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

**42. *We are subject to various laws and extensive government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required in the ordinary course of our business, including environmental, health and safety laws and other regulations, our business financial condition, results of operations and cash flows may be adversely affected.***

We are required to comply with Indian laws, among other things, relating to occupational health and safety (including laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of hazardous waste materials into soil, air or water, and the health and safety of employees) and mandatory certification requirements for our facilities and products. For regulations and policies applicable to our Company, see “*Key Industry Regulations and Policies*” beginning on page 146 of this Prospectus. There can be no assurance that we will be in compliance at all times with such laws, regulations and the terms and conditions of any such consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators.

Our business and operations are subject to a number of approvals, licenses, registrations and permissions for construction and operation of our manufacturing facilities, in addition to extensive government regulations for the protection of the environment and occupational health and safety. We have either made or are in the process of making an application or renewal for obtaining necessary approvals that are not in place or have expired. Further, we may also need to apply for additional approvals including the renewal of approvals which may expire from time to time, in the ordinary course of business. We cannot assure you that these approvals will be granted by the relevant authorities. In the event these approvals are not granted, we will have to make alternate arrangements, which may adversely impact our business, financial condition, results of operations, cash flows and prospects. For further details of pending renewals and pending material approvals, see “*Government and Other Statutory Approvals*” on page 231 of this Prospectus. If we fail to retain, renew or receive any of such approvals, licenses, registrations, permissions or renewals, in a timely manner or at all, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

Further, our government approvals and licenses are onerous and require us to make substantial compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied and orders closure of our offices where it is found to be non-compliant with the applicable norm our business, prospects, financial condition, results of operations and cash flows may be adversely affected.

In addition, we may be subject to additional laws, regulations and rules with respect to environment protection, health and safety in the jurisdiction we currently operate. Our inability to control the costs involved in complying with these and other relevant laws and regulations could have an adverse effect on our business, financial condition, results of operations and cash flows.

**43. *If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.***

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run. Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the business process. A significant number of our employees have access to confidential information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in our sector could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain

necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**44. Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices.**

Our customers often pursue price reduction initiatives and objectives with their suppliers including us. Adopting cost cutting measures while maintaining stringent quality standards may lead to a decrease in our margins, which may have a material adverse effect on our business, financial condition, results of operations and future prospects. Our customers typically negotiate for larger discounts in price as the volume of their orders increases. If we are unable to efficiently generate sufficient cost savings in the future to offset price reductions or if there is any reduction in consumer demand for consumer goods, our sales, gross margin and profitability may reduce, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

**45. Our Company has availed unsecured loans from our directors and directors' relatives, which may be recalled on demand.**

As on December 31, 2023, we have outstanding unsecured loan amounting to ₹ 230.50 Lakhs as unsecured loans from our promoters cum directors, which are repayable on demand to them. These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, we may be required to repay the entirety of the unsecured loans together with accrued interest. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow. For further details of our unsecured loans, please refer the chapter titled "Financial Indebtedness" beginning on page 221 of this Prospectus.

**46. Our Promoters cum Directors have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters/Directors and thereby, impact our business and operations.**

Residential property of our Managing Director, Mr. Tushar Lalit Kumar Sanghavi have been provided as collateral securities along with our whole-time director, Mrs. Urmi Raj Mehta have extended personally guarantee towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoters/Directors of our Company, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer the chapter titled "Financial Indebtedness" beginning on page 214 of this Prospectus.

**47. Our financing agreements contain covenants that limit our flexibility in operating our business. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders, our lenders may accelerate the repayment schedules, and enforce their respective security interests, leading to a material adverse effect on our business and financial condition.**

As at December 31, 2023, our total borrowings, were ₹ 1716.18 Lakhs. A portion of these borrowings is secured by mortgage of immovable properties of our Company, hypothecation of current assets (both present and future), plant and machineries and movable assets, personal guarantees given by our Promoters and Directors. Our existing financing arrangements contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to, without prior consents from the lenders, engage in acts that may be in our long-term best interest, including restrictions on our ability to, among other matters, make regular inspections and audits.

If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders or if any events of default occur, our lenders may accelerate the repayment schedules or terminate our credit facilities.

Further, certain of our subsisting loans may be recalled at any time at the option of the lender. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. Subsequently, if we are unable to pay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness. Further, such covenant defaults could result in cross-defaults in our other debt financing agreements. In the event our lenders accelerate the repayment of our borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

**48. *We might infringe upon the intellectual property rights of others and may be susceptible to claims from third parties, affecting our operations and financial condition***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may require us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers; (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. While in the last three financial years we have not been involved in litigation or incurred litigation expenses in connection with third party intellectual property rights, in the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement that we are not aware of. Any of the foregoing could adversely affect our business, financial condition and results of operations.

**49. *Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.***

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled "Financial Indebtedness" beginning on page 214 of this Prospectus.

**50. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks. Despite our internal control systems, we may be exposed to operational risks, including fraud, petty theft and embezzlement, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may affect ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, which may in turn adversely affect our business, financial condition or results of operations.

Further, given the high volume of transactions we process on a daily basis, notwithstanding the internal controls that we have in place, we may be exposed to the risk of fraud or other misconduct by employees, contractors, or customers. Fraud and other misconduct can be difficult to detect and deter. Certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.

**51. *We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

We are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. For the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 our trade receivables were ₹ 546.49 Lakhs, ₹ 210.00 Lakhs, ₹ 220.75 Lakhs and ₹ 276.77 Lakhs respectively. There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. While we have not faced such incidents in the past, if we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

**52. *Our Promoters and Promoter Group will continue to retain a majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.***

After the completion of the Issue, our Promoters and Promoter Group is expected to hold 69.89% of the Post Issue Equity Share Capital. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business and prospects.

Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Promoters' shareholding may limit the ability of a third party to acquire control. The interests of our Promoters and Promoter Group, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or in investor favor.

**53. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon

the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” beginning on page 180 of this Prospectus

**54. *The determination of the Issue Price is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange.***

The determination of the Price is based on various factors and assumptions, and is determined by our Company in consultation with the Lead Manager. These are based on numerous factors, including those described under “Basis for Issue Price” on page 92 of this Prospectus, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

**55. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company’s financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our restated financial statements, including the financial statements provided in this Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled “Presentation of Financial Industry and Market Data” beginning on Page 15 of this Prospectus.

Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”), which was announced by the MCA, through the press note dated January 22, 2010. These “IFRS based / synchronized Accounting Standards” are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards, i.e., IND (AS) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

## **EXTERNAL RISKS**

**56. *An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.***

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

**57. *The recent outbreak of the novel coronavirus could have a significant effect on our results of operations, and could negatively impact our business, revenues, financial condition and results of operations.***

An outbreak of COVID-19 was recognized as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures our operations and to build confidence in the safety protocols deployed at our office. If we do not respond appropriately to the pandemic, or if customers do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future. Further, the lockdown was again imposed by the government in some parts of India during April 2021, which was partially relaxed in June 2021, during this lockdown although we have continued with our business, the execution of our business operations was delayed by few weeks. We cannot predict the degree to, or the time period over, which our business will be affected by the COVID-19 outbreak. For example, this pandemic could necessitate further lockdowns, resulting in significant additional effects on our revenue, financial condition and results of operations. There are numerous uncertainties associated with the COVID-19 outbreak, including the number of individuals who will become infected, availability of a vaccine or a cure that mitigates the effect of the virus, the extent of the protective and preventative measures imposed by governments and whether the virus' impact will be seasonal, among others. Consequently, there may be adverse effects of this pandemic on our short-term business operations and our financial results may be impacted.

**58. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined by fixed price method. The price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 92 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- i. quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- ii. changes in revenue or earnings estimates or publication of research reports by analysts;
- iii. results of operations that vary from those of our competitors;
- iv. speculation in the press or investment community;
- v. new laws and governmental regulations applicable to our industry;
- vi. future sales of the Equity Shares by our shareholders;
- vii. general market conditions; and
- viii. domestic and international economic, legal and regulatory factors unrelated to our performance.

**59. *We have issued Equity Shares during the last one year at a price below the Issue Price.***

Our Company had issued equity shares pursuant to Bonus shares of 56,25,000 equity shares on October 04, 2023 in the ratio of 9:4 i.e., 9 Bonus Equity Shares for every 4 Equity Shares held, in the last 12 months which is lower than the Issue Price. The Equity Shares allotted to shareholders pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see “Capital Structure” on page 67 of this Prospectus. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Issue Price and the trading price of our Equity Shares after listing.

**60. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined in consultation with Lead Manager in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading

of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**61. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the NSE Emerge Platform in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the NSE Emerge. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**62. *Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**63. *There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for the price at which it can sell, equity shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is said by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**64. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source.

The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2024 and the Finance Act, 2023 received assent from the President of India on March 31, 2023. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or in the industry we operate in.

**65. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**66. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the exchange control regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the approval of the Reserve Bank of India will be required for such transaction to be valid.

Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Neither the Consolidated FDI Policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change may differ in practice, which may have an adverse effect on our ability to raise foreign capital. We cannot assure you that any required approval from the Reserve Bank of India or any other governmental agency can be obtained on any particular terms or at all.

**67. *Natural calamities, climate change and health epidemics could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.***

Our operations including our offices may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our management team's ability to

administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our offices. Any of the above factors may adversely affect our business, financial condition and results of operations. India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

**68. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**69. *Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

***70. Regulation of greenhouse gas emissions and climate change issues may adversely affect our operations.***

Many governments are moving to enact climate change legislation and treaties at the international, national, state, provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are generally becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs, and this may have a material adverse impact on our financial condition and results of operations. Further, India and many other nations are signatories to international agreements related to climate change including the 1992 United Nations Framework Convention on Climate Change, which is intended to limit or capture emissions of greenhouse gas, such as carbon dioxide and the 2016 Paris Agreement, which extended the potentially binding set of emissions targets to all nations. Our compliance with any new environmental laws or regulations, particularly relating to greenhouse gas emissions, may require significant capital expenditure or result in the incurrance of fees and other penalties in the event of non-compliance. We cannot guarantee that future legislative, regulatory, international law, industry, trade or other developments will not negatively impact our operations and the demand for the products we sell. If any of the foregoing were to occur, our business, financial condition and results of operations may be adversely affected.

***71. Our business is substantially affected by prevailing economic, political and other conditions political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

We are incorporated in and all our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations and cash flows are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;

- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its manufacturing sector.

On February 24, 2022, Russian military forces invaded Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict and responses from international communities could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

To date, we have not experienced any material interruptions in our supply chain and distribution network in connection with these conflicts. We have no way to predict the progress or outcome of the conflict in Ukraine as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

***72. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

***73. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

***74. The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition

***75. Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of

administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

**76. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The Consumer Price Index increased from 3.4% (average) in Fiscal 2019 to 4.8% (average) in Fiscal 2020 to an estimated 6.2% (average) in Fiscal 2021 although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In February 2022, hostilities between Russia and the Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which could have an inflationary effect in India. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

**77. *A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian Law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI SAST Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of SEBI SAST Regulations.

**78. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition. The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have in the past experienced substantial dislocations, liquidity disruptions and market corrections.

**79. *Non-Institutional Investors are not permitted to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an application, and Retail Individual Investors are not permitted to withdraw their Applications after Application/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, Non-Institutional Investors are required to pay the Application Amount on submission of the Application and are not permitted to withdraw or lower their application (in terms of quantity of Equity

Shares or the Application Amount) at any stage after submitting an application. Similarly, Retail Individual Investors can revise or withdraw their applications at any time during the Application/Issue Period and until the Application/Issue Closing Date, but not thereafter. Therefore, Non-Institutional Investors will not be able to withdraw or lower their applications following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their applications.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>Equity Shares Issued<sup>(1)</sup>: Present Issue of Equity Shares by our Company:<sup>(2)</sup></b>	34,82,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ 52 per Equity Share aggregating ₹ 1,810.64 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,78,000 Equity Shares of face value of ₹ 10/- each fully paid up for cash at a price of ₹ 52 per Equity Share aggregating ₹ 92.56 Lakhs
<b>Net Issue to Public</b>	<b>Of which<sup>(3)</sup>:</b>
	16,52,000 Equity Shares of having face value of ₹ 10/- each fully paid-up for cash at a price of ₹ 52 per Equity Share will be available for allocation for Investors of ₹ 2.00 Lakhs
	16,52,000 Equity Shares of having face value of ₹ 10/- each fully paid-up for cash at a price of ₹ 52 per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lakhs
<b>Equity shares outstanding prior to the Issue</b>	81,25,000 Equity Shares of face value of ₹ 10/- each fully paid-up
<b>Equity shares outstanding after the Issue</b>	1,16,07,000 Equity Shares of face value of ₹ 10/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 80 of this Prospectus

**Notes:**

- (1) *This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please see the chapter titled “Issue Structure” beginning on page 257 of this Prospectus.*
- (2) *The present Issue has been authorized pursuant to a resolution of our Board dated December 26, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on December 28, 2023.*
- (3) *Since present issue is a Fixed Price Issue, the allocation in the Net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations shall be made as follows:*
- a) *Minimum fifty percent to Retail Individual Investors; and*
  - b) *Remaining to*
    - (i) *individual applicants other than Retail Individual Investors; and*
    - (ii) *Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*
  - c) *The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*If the Retail individual investor category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

For details, including in relation to grounds for rejection of Applications, refer to “*Issue Structure*” and “*Issue Procedure*” beginning on 257 and 259, of this Prospectus respectively. For details of the terms of the Issue, see “*Terms of the Issue*” beginning on page 250 of this Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

*(₹ in Lakhs)*

Sr. No.	Particulars	Note No.	As at December 31, 2023	As at 31st March		
				2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	812.50	250.00	250.00	205.45
	Reserves & Surplus	<b>A.2</b>	260.78	566.62	488.03	308.06
	<b>Share application money pending allotment</b>		-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	251.79	209.27	197.78	411.18
	Other Non-Current Liabilities		-	-	-	-
	Long-Term Provisions	<b>A.4</b>	17.84	14.93	12.72	9.97
	Deferred Tax Liabilities (Net)	<b>A.5</b>	6.31	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	<b>A.6</b>	1,464.39	999.04	796.72	201.63
	Trade Payables:	<b>A.7</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	<b>A.7</b>	354.57	167.75	55.80	52.67
	Other Current Liabilities	<b>A.8</b>	226.01	162.82	162.21	124.09
	Short Term Provisions	<b>A.9</b>	52.16	4.30	5.55	1.01
	<b>Total</b>		<b>3446.35</b>	<b>2,374.73</b>	<b>1,968.81</b>	<b>1,314.06</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	<b>A.10</b>	631.51	393.31	340.82	140.29
	Intangible Assets		386.36	9.10	5.13	6.27
	Capital Work in progress		-	-	-	114.80
	Intangible Assets Under Development		-	-	-	-
	Non-Current Investments	<b>A.11</b>	161.44	140.14	112.65	160.41
	Deferred Tax Assets	<b>A.5</b>	-	2.80	3.26	2.39
	Long Term Loans & Advances		-	-	-	-
	Other Non-Current Assets	<b>A.12</b>	13.54	13.04	13.04	13.01
<b>2</b>	<b>Current Assets</b>					
	Current Investments		-	-	-	-
	Inventories	<b>A.13</b>	1267.18	1463.54	1119.09	521.90
	Trade Receivables	<b>A.14</b>	546.49	210.00	220.75	276.77
	Cash and Cash Equivalents	<b>A.15</b>	6.06	3.78	3.94	5.37
	Short-Term Loans and Advances	<b>A.16</b>	19.02	13.20	9.86	13.41
	Other Current Assets	<b>A.17</b>	114.57	125.81	140.27	59.44
	<b>Total</b>		<b>3446.35</b>	<b>2374.73</b>	<b>1968.81</b>	<b>1314.06</b>

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, B & C

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

*(₹ in Lakhs)*

Sr. No	Particulars	Note No.	For the Period ended December 31, 2023	For The Year Ended 31st March		
				2023	2022	2021
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	3348.42	3421.33	2782.47	2075.22
	Other income	<b>B.2</b>	33.13	20.92	22.04	20.84
	<b>Total Income</b>		<b>3381.55</b>	<b>3442.25</b>	<b>2804.52</b>	<b>2096.07</b>
<b>B.</b>	<b>Expenses:</b>					
	Purchase of Stock in Trade	<b>B.3</b>	2437.51	2817.84	2490.89	1642.15
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	(103.64)	(344.45)	(597.19)	(116.21)
	Employees Benefit Expenses	<b>B.5</b>	159.28	165.18	130.68	113.79
	Finance costs	<b>B.6</b>	95.01	111.87	73.27	80.48
	Depreciation and Amortization	<b>B.7</b>	72.57	39.77	20.75	5.32
	Other expenses	<b>B.8</b>	375.33	544.00	593.94	309.87
	<b>Total Expenses</b>		<b>3036.07</b>	<b>3334.20</b>	<b>2712.33</b>	<b>2035.39</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	Extraordinary items		-	-	-	-
	<b>Profit before tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	<b>Tax expense:</b>					
	Current tax		79.72	28.99	24.46	17.73
	Deferred Tax	<b>B.9</b>	9.11	0.45	(0.87)	(2.41)
	Profit (Loss) for the period from continuing operations		<b>256.66</b>	<b>78.59</b>	<b>68.59</b>	<b>45.35</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		0.97	0.97	0.85	0.68
	(2) Diluted		0.97	0.97	0.85	0.68

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

*(₹ in Lakhs)*

Particulars	For the Period ended December 31, 2023	For The Year Ended 31st March		
		2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	345.49	108.03	92.19	60.68
Adjustments for:				
Depreciation	72.57	39.77	20.75	5.32
Provision for Gratuity	3.55	2.98	4.59	10.98
Finance Cost	95.01	111.87	73.27	80.48
Investment Income	(17.79)	(20.42)	(20.35)	(17.24)
(Profit)/loss on sale of Fixed Assets/Investments	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>498.82</b>	<b>242.23</b>	<b>170.44</b>	<b>140.21</b>
Movements in working capital:				
(Increase)/Decrease in Inventories	(103.64)	(344.45)	(597.19)	(116.21)
(Increase)/Decrease in Trade Receivables	(336.49)	10.75	56.01	(47.83)
(Increase)/Decrease in Short Term Loans & Advances	(6.00)	(3.34)	3.56	(2.08)
(Increase)/Decrease in Other Current Assets	11.24	14.46	(80.83)	(19.61)
Increase/(Decrease) in Trade Payables	186.82	111.95	3.12	(71.07)
Increase/(Decrease) in Other Current Liabilities	63.19	0.61	38.12	119.13
<b>Cash generated from operations</b>	<b>313.94</b>	<b>32.21</b>	<b>(406.76)</b>	<b>2.54</b>
Income tax paid during the year	32.50	31.01	21.75	19.61
<b>Net cash from operating activities (A)</b>	<b>281.44</b>	<b>1.20</b>	<b>(428.52)</b>	<b>(17.08)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	(21.30)	(27.49)	47.76	(22.81)
Investment Income	17.79	20.42	20.35	17.24
Purchase of Fixed Assets	(688.03)	(96.23)	(249.79)	(144.70)
Sale of Fixed Assets	-	-	144.46	-
(Increase)/ Decrease in Other Non Current Assets	(0.50)	(0.00)	(0.03)	1.27
<b>Net cash from investing activities (B)</b>	<b>(692.03)</b>	<b>(103.30)</b>	<b>(37.25)</b>	<b>(148.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(95.01)	(111.87)	(73.27)	(80.48)
Proceeds/(Repayment) of Borrowings	507.87	213.81	381.69	52.39
Proceeds from Security Premium	-	-	111.38	138.63
Proceeds from Issue of Share Capital	-	-	44.55	55.45
<b>Net cash from financing activities (C)</b>	<b>412.86</b>	<b>101.94</b>	<b>464.35</b>	<b>165.98</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2.27</b>	<b>(0.17)</b>	<b>(1.41)</b>	<b>(0.08)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.78</b>	<b>3.95</b>	<b>5.36</b>	<b>5.43</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6.06</b>	<b>3.78</b>	<b>3.95</b>	<b>5.36</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	5.17	3.29	3.70	5.23
Balance With Bank in Current Accounts	0.90	0.49	0.24	0.14
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

## GENERAL INFORMATION

### REGISTERED OFFICE

**Silkflex Polymers (India) Limited**

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**Corporate Identity Number:** U51909WB2016PLC215739

**Registration Number:** 215739

For further details regarding changes in the registered office of our Company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 155 of this Prospectus

### CORPORATE OFFICE OF OUR COMPANY

N.A.

### REGISTRAR OF COMPANIES

**Registrar of Companies, Kolkata**

Ministry of Corporate Affairs,  
Nizam Palace, 2<sup>nd</sup> MSO Building  
2<sup>nd</sup> Floor, 234/4, A.J.C.B. Road  
Kolkata – 700020, West Bengal, India.

**Tel No.:** 033-2287 7390

**Fax.:** 033-22903795

**Email.:** [roc.kolkata@mca.gov.in](mailto:roc.kolkata@mca.gov.in)

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

### DESIGNATED STOCK EXCHANGE

**NSE Emerge**

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E) Mumbai – 400 051  
Maharashtra, India

**Tel No.:** 022 – 2659 8100/ 8114

**Website:** [www.nseindia.com](http://www.nseindia.com)

### BOARD OF DIRECTORS

As on the date of this Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Mr. Tushar Lalit Kumar Sanghavi	Chairman & Managing Director	07476030	52, Kamdhenu, 4A Ray Street, Near Jain Temple Bhowanipur, L.R. Sarani, Kolkata, Circus Avenue, West Bengal - 700020, India.
Ms. Urmi Raj Mehta	Whole time Director	09008119	B-3 304, Hari Om Apts, Shashtri Nagar, SV Rd, Mumbai, Maharashtra – 400092, India.
Mr. Atanu Bhuniya	Non-Executive Non-Independent Director	10141352	Rathtala, Khalisani, Uluberia, Raghudebpur, Khalisani, Uluberia-II, Howrah, West Bengal-711307, India.

Name	Designation	DIN	Residential Address
Mr. Rajendrakumar M. Shah	Non-Executive Non-Independent Director	00200267	7 Anand Society, Vibhag-1, Opp. Jaymala Society, Isanpur Road, Ghodasar, Ahmadabad City, Ahmadabad- 380050, Gujarat, India.
Mr. Hardikkumar Dasharathbhai Patel	Non-Executive Independent Director	10388882	C-402, Ashraya-9, Near Khodiyar Temple, New Ranip, GST Compound, Ahmedabad city, Ahmedabad-382480, Gujarat, India.
Mr. Sugoto Ghosh	Non-Executive Independent Director	03227177	F-703, Acme Amay CHS, Vishweshwar Nagar Road, Near Udipi Restaurant, Goregaon East, Mumbai, Maharashtra - 400063, India.

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 159 of this Prospectus.

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. Sourabh Sharma** is our Company Secretary and Compliance Officer. His contact details are as follows;

**Mr. Sourabh Sharma**

Daga Complex, Sulati Jaladhulagori,  
Sankrail, Howrah,  
Howrah - 711302,  
West Bengal, India.

**Tel No.:** +91 9674912615

**Email:** [investors@silkflexindia.in](mailto:investors@silkflexindia.in)

**Website:** [www.silkflexindia.in](http://www.silkflexindia.in)

#### CHIEF FINANCIAL OFFICER

**Ms. Urmi Raj Mehta**

Daga Complex, Sulati Jaladhulagori,  
Sankrail, Howrah,  
Howrah - 711302,  
West Bengal, India.

**Tel No.:** +91 9674912615

**Email:** [investors@silkflexindia.in](mailto:investors@silkflexindia.in)

**Website:** [www.silkflexindia.in](http://www.silkflexindia.in)

#### LEAD MANAGER TO THE ISSUE

**Shreni Shares Limited**

*(Formerly known as Shreni Shares Private Limited)*

Office No. 217, Hive 67 Icon, Poisar Gymkhana Road  
Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,  
Kandivali West, Mumbai - 400067, Maharashtra, India

**Tel No:** 022 - 2089 7022

**Email:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Website:** [www.shreni.in](http://www.shreni.in)

**Investor Grievance E-mail:** [info@shreni.in](mailto:info@shreni.in)

**Contact Person:** Ms. Tanya Goyal

**SEBI Registration Number:** INM000012759

#### REGISTRAR TO THE ISSUE

**Bigshare Services Private Limited**

Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,

Andheri (East) Mumbai – 400 093,  
Maharashtra, India.  
**Tel No:** 022 – 6263 8200  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Contact Person:** Mr. Vinayak Morbale  
**SEBI Registration Number:** INR000001385

#### **LEGAL ADVISOR TO THE ISSUE**

**M/s. Zenith India Lawyers**  
D-49, SL-III, Sector-57,  
Gurugram, Harayana-122003, India.  
**Tel:** 98990 16169  
**E-mail:** [raj@zilawyers.com](mailto:raj@zilawyers.com)  
**Website:** [www.zilawyers.com](http://www.zilawyers.com)  
**Contact Person:** Ms. Raj Rani Bhalla

#### **BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK**

**ICICI Bank Limited**  
Capital Market Division,  
5<sup>th</sup> Floor, HT Parekh Marg,  
Churchgate, Mumbai – 400 020,  
Maharashtra, India.  
**Tel:** 022-68052182  
**Contact Person:** Mr. Varun Badai  
**Email:** [ipocmg@icicibank.com](mailto:ipocmg@icicibank.com)  
**Website:** [www.icicibank.com](http://www.icicibank.com)  
**SEBI Registration Number:** INBI00000004

#### **BANKERS TO THE COMPANY**

**Punjab National Bank**  
Shashtri Park Branch,  
Opp. Nehru Nagar BRTS Station,  
Surendra Mangaldas Rd,  
Nehru Nagar, Ahmedabad,  
Gujarat – 380 015, India.  
**Email:** [bo1003@pnb.co.in](mailto:bo1003@pnb.co.in)  
**Website:** [www.pnbindia.in](http://www.pnbindia.in)  
**Contact No.:** +079-2630 0825  
**Contact Person:** Mr. Monish Mishra

#### **STATUTORY AND PEER REVIEW AUDITORS OF OUR COMPANY**

**M/s M B JAJODIA & ASSOCIATES,**  
**Chartered Accountants,**  
901, Aryan Workspaces-2, Near Navkar Public,  
School, Gulbai Tekra Road,  
Ahmedabad-380006,  
Gujarat, India.  
**Tel No.:** +91 79-40033502  
**Email:** [mbjajodia.associates@gmail.com](mailto:mbjajodia.associates@gmail.com)  
**Contact Person:** CA Manoj Jajodia & CA Rushita Jajodia  
**Firm Registration No.:** 139647W  
**Membership No:** 162116

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of SCSBs notified by SEBI for the ASBA process is available at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Applicant (other than an UPI Applicants using the UPI mechanism), not applying through Syndicate/Sub Syndicate or through a Registered Broker, may submit the ASBA Forms is available at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time. Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicants (other than UPI Applicants) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

## SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Applicants using the UPI mechanism may only apply through the SCSBs and mobile applications (apps) using the UPI handles whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. A list of SCSBs and mobile applications, which are live for applying public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43), respectively and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

## SYNDICATE SCSB BRANCHES

In relation to Applicants (other than Applications by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

## INVESTORS BANKS OR ISSUER BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

## REGISTERED BROKERS

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges

at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx)?and [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

#### **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), or such other websites as updated from time to time.

#### **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

#### **IPO GRADING**

Since the Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing an IPO Grading agency.

#### **DEBENTURE TRUSTEES**

Since this is not a debenture issue, appointment of debenture trustee is not required.

#### **MONITORING AGENCY**

Since our Issue size does not exceed ₹ 10,000 Lakhs, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **FILING OF THE DRAFT PROSPECTUS/ PROSPECTUS**

The Draft Prospectus and Prospectus shall be filed on NSE Emerge at Exchange Plaza, Plot no. C/1, G Block Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus has not been submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Kolkata situated at Nizam Palace, 2<sup>nd</sup> MSO Building 2<sup>nd</sup> Floor, 234/4, A.J.C.B. Road, Kolkata – 700020, West Bengal, India at least (3) three working days prior from the date of opening of the Issue.

#### **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue.

## TYPE OF ISSUE

The present Issue is considered to be 100% Fixed Price Issue.

## GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

## EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 09, 2024 from our Statutory Auditor, M/s M B Jajodia & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in respect of the reports on the Restated Financial Statements dated April 17, 2024 and the Statement of Special Tax Benefits dated April 17, 2024 issued by them and included in this Prospectus, as required under section 26(5) of the Companies Act, 2013 in this Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Prospectus.

Our Company has received written consent dated January 09, 2024 from M/s. V G T & Associates, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and their capacity as independent chartered engineer in respect of details in relation to technical evaluation and relevancy of the existing Inventory/capital goods of our Company and such consent has not been withdrawn as on the date of this Prospectus

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## CHANGES IN AUDITORS

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Prospectus. The members of the Company in the Annual General Meeting dated July 27, 2022, re-appointed Ms. M B Jajodia & Associates, Chartered Accountants as the Statutory Auditors of the Company for a further period of 5 years.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten by Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*) in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated January 03, 2024, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>Shreni Shares Limited</b> (Formerly known as Shreni Shares Private Limited) <b>Address:</b> Office No. 217, Hive 67 Icon, Poisar Gymkhana Road Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India <b>Tel No.:</b> 022 - 2089 7022 <b>Email:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> <b>Website:</b> <a href="http://www.shreni.in">www.shreni.in</a> <b>Investor Grievance E-mail:</b> <a href="mailto:info@shreni.in">info@shreni.in</a> <b>SEBI Registration Number:</b> INM000012759 <b>Contact Person:</b> Ms. Tanya Goyal	34,82,000*	1,810.64 Lakhs	100.00%

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
<b>Total</b>	<b>34,82,000</b>	<b>1,810.64 Lakhs</b>	<b>100.00%</b>

*\*Includes 1,78,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In the opinion of the Board of our Directors of our company, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

## **MARKET MAKER**

### **Shreni Shares Limited**

*(Formerly known as Shreni Shares Private Limited)*

Office No. 217, Hive 67 Icon, Poisar Gymkhana Road

Lokmanya Tilak Nagar Poisar, Near Raghuleela Mall,

Kandivali West, Mumbai - 400067, Maharashtra, India

**Tel:** 022 - 2089 7022

**Email:** [shrenisharespvtltd@yahoo.in](mailto:shrenisharespvtltd@yahoo.in)

**Website:** [www.shreni.in](http://www.shreni.in)

**Contact Person:** Mr. Hitesh Punjani

**SEBI Registration No.:** INZ000268538

**NSE Clearing Number:** 14109

## **DETAILS OF THE MARKET MAKING AGREEMENT**

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated January 03, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Shreni Shares Limited (Formerly known as Shreni Shares Private Limited), registered with NSE Emerge will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 52/- per share the minimum lot size is 2000 Equity Shares thus minimum depth of the quote shall be 2000 until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25%

equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.

5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
16. **Risk containment measures and monitoring for Market Maker:** NSE Emerge Platform will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. **Punitive Action in case of default by Market Maker:** NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The

Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

18. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 Crores, the applicable price bands for the first day shall be:

- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

19. The following spread will be applicable on the NSE Emerge:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

20. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

21. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.

22. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

23. On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus and after giving effect to this Issue, is set forth below:

*(₹ in lakhs except share data)*

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,35,00,000 Equity Shares of face value of ₹10/- each	1350.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Issue</b>		
	81,25,000 Equity Shares of face value of ₹10/- each	812.50	-
<b>C.</b>	<b>Present Issue in Terms of this Prospectus</b>		
	Issue of 34,82,000 Equity Shares of face value of ₹10/- each <sup>(1)</sup>	348.20	1810.64
	<i>Of which:</i>		
	1,78,000 Equity Shares of face value of ₹10/- each at a price of ₹ 52/- per Equity Share reserved as Market Maker Portion	17.80	92.56
	Net Issue to Public of 33,04,000 Equity Shares of ₹10/- each at a price of ₹ 52/- per Equity Share to the Public	330.40	1718.08
	<i>Of which:</i> <sup>(2)</sup>		
	Allocation to Retail Individual Investors of 16,52,000 Equity Shares	165.20	859.04
	Allocation to other than Retail Individual Investors of 16,52,000 Equity Shares	165.20	859.04
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	1,16,07,000 Equity Shares of face value of ₹10/- each	1160.70	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		NIL*
	After the Issue		1,462.44

\*As certified by our Statutory Auditor, pursuant to their certificate dated January 06, 2024.

(1) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on December 26, 2023 and by our Shareholders pursuant to a Special Resolution passed at the Extra Ordinary General meeting held on December 28, 2023.

(2) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Size. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

### CLASS OF SHARES

As on the date of Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹10/- each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

- a) The initial authorized share capital of ₹ 10,00,000 /- divided into 1,00,000 Equity Shares of ₹10/- each.
- b) The Authorized Share Capital was increased from ₹ 10,00,000 /- divided into 1,00,000 Equity Shares of ₹ 10/- each to ₹ 60,00,000 /- divided into 6,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated April 24, 2018.
- c) The Authorized Share Capital was increased from ₹ 60,00,000 /- divided into 6,00,000 Equity Shares of ₹ 10/- each to ₹ 1,50,00,000 /- divided into 15,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated September 06, 2019.
- d) The Authorized Share Capital was increased from ₹ 1,50,00,000 /- divided into 15,00,000 Equity Shares of ₹ 10/- each to ₹ 2,50,00,000 /- divided into 25,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated October 12, 2020.
- e) The Authorized Share Capital was increased from ₹ 2,50,00,000 /- divided into 25,00,000 Equity Shares of ₹ 10/- each to ₹ 10,00,00,000 /- divided into 1,00,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated August 19, 2023.
- f) The Authorized Share Capital was increased from ₹ 10,00,00,000 /- divided into 1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 13,50,00,000 /- divided into 1,35,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated October 17, 2023.

## 2. Equity Share Capital History of our Company

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	1,00,000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	1,00,000	10,00,000	Nil
May 28, 2018	5,00,000	10/-	10/-	Cash	Rights Issue <sup>(ii)</sup>	6,00,000	60,00,000	Nil
November 13, 2019	9,00,000	10/-	16/-	Cash	Rights Issue <sup>(iii)</sup>	15,00,000	1,50,00,000	54,00,000
February 16, 2021	3,24,500	10/-	35/-	Cash	Rights Issue <sup>(iv)</sup>	18,24,500	1,82,45,000	1,35,12,500
March 15, 2021	2,30,000	10/-	35/-	Cash	Rights Issue <sup>(v)</sup>	20,54,500	2,05,45,000	1,92,62,500
May 10, 2021	4,45,500	10/-	35/-	Cash	Rights Issue <sup>(vi)</sup>	25,00,000	2,50,00,000	3,04,00,000
October 04, 2023	56,25,000	10/-	Nil	Other than Cash	Bonus Issue <sup>(vii)</sup>	81,25,000	8,12,50,000	Nil

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr No	Name	No of Equity Shares
1.	Late Sanghavi Lalitkumar Hargovinddas	50,000
2.	Tushar Lalit Kumar Sanghavi	50,000
	<b>Total</b>	<b>1,00,000</b>

(ii) Rights Issue of 5,00,000 Equity Shares of face value of ₹10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Late Sanghavi Lalitkumar Hargovinddas	2,50,000	1,00,000	3,50,000	3,50,000	0
2.	Tushar Lalit Kumar Sanghavi	2,50,000	(2,50,000)	0	0	0
3.	Lalitbhai H. Sanghvi HUF	-	1,50,000	1,50,000	1,50,000	0
	<b>Total</b>	<b>5,00,000</b>	<b>-</b>	<b>5,00,000</b>	<b>5,00,000</b>	<b>0</b>

(iii) Right Issue of 9,00,000 Equity Shares of face value of Rs. 10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Late Sanghavi Lalitkumar Hargovinddas	6,00,000	(6,00,000)	0	0	0
2.	Tushar Lalit Kumar Sanghavi	75,000	(75,000)	0	0	0
3.	Lalitbhai H. Sanghvi HUF	2,25,000	(2,25,000)	0	0	0
4.	Tushar Lalitkumar Sanghavi HUF	0	2,20,000	2,20,000	2,20,000	0
5.	Yogesh Jashvantlal Modi	0	95,000	95,000	95,000	0
6.	Shukla Trupti Sandipbhai	0	1,60,000	1,60,000	1,60,000	0
7.	Modi Rita Y	0	2,43,750	2,43,750	2,43,750	0
8.	Rajai Yash Chandubhai	0	1,00,000	1,00,000	1,00,000	0
9.	Sandip Kiritkumar Shukla HUF	0	81,250	81,250	81,250	0
	<b>Total</b>	<b>9,00,000</b>	<b>-</b>	<b>9,00,000</b>	<b>9,00,000</b>	<b>-</b>

(iv) Right Issue of 3,24,500 Equity Shares of face value of Rs. 10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Tushar Lalit Kumar Sanghavi	97,351	2649	1,00,000	1,00,000	0
2.	Lalitbhai H. Sanghvi HUF	32,450	(32,450)	0	0	0
3.	Yogesh Jashvantlal Modi	20,552	(20,552)	0	0	0
4.	Shukla Trupti Sandipbhai	34,613	(34,613)	0	0	0
5.	Modi Rita Y	52,731	(52,731)	0	0	0
6.	Rajai Yash Chandubhai	21,633	(21,633)	0	0	0
7.	Tushar Lalitkumar Sanghavi HUF	47,593	12407	60,000	60,000	0
8.	Sandip Kiritkumar Shukla HUF	17,577	40,923	58,500	58,500	0
9.	Shukla Nidhi Sandip	0	32,000	32,000	32,000	0
10.	Chandubhai Rajai HUF	0	74,000	74,000	74,000	0

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
	<b>Total</b>	<b>3,24,500</b>	<b>-</b>	<b>3,24,500</b>	<b>3,24,500</b>	<b>-</b>

(v) Right Issue of 2,30,000 Equity Shares of face value of Rs. 10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Tushar Lalit Kumar Sanghavi	69,334	1,30,666	2,00,000	2,00,000	0
2.	Lalitbhai H. Sanghvi HUF	18,909	(18,909)	0	0	0
3.	Yogesh Jashvantlal Modi	11,976	(11,976)	0	0	0
4.	Shukla Trupti Sandipbhai	20,170	(20,170)	0	0	0
5.	Modi Rita Y	30,728	(30,728)	0	0	0
6.	Rajai Yash Chandubhai	12,606	(12,606)	0	0	0
7.	Tushar Lalitkumar Sanghavi HUF	35,297	(35,297)	0	0	0
8.	Sandip Kiritkumar Shukla HUF	17,617	(17,617)	0	0	0
9.	Chandubhai Rajai HUF	9,329	(9,329)	0	0	0
10.	Shukla Nidhi Sandip	4,034	(4,034)	0	0	0
11.	Ami Ankit Sheth	0	30,000	30,000	30,000	0
	<b>Total</b>	<b>2,30,000</b>	<b>-</b>	<b>2,30,000</b>	<b>2,30,000</b>	<b>-</b>

(vi) Right Issue of 4,45,500 Equity Shares of face value of Rs. 10/- each. The details of Equity Shares Offered, Received, Renounced and Subscribed by the Existing shareholders is as under:

Sr. No	Name	Equity Shares Offered	Equity Shares Received /(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
1.	Tushar Lalit Kumar Sanghavi	1,62,630	(1,62,630)	0	0	0
2.	Lalitbhai H. Sanghvi HUF	32,526	(32,526)	0	0	0
3.	Yogesh Jashvantlal Modi	20,600	29,400	50,000	50,000	0
4.	Shukla Trupti Sandipbhai	34,695	805	35,500	35,500	0
5.	Modi Rita Y	50,632	(50,632)	0	0	0
6.	Rajai Yash Chandubhai	19,299	(19,299)	0	0	0
7.	Tushar Lalitkumar Sanghavi HUF	60,716	(60,716)	0	0	0
8.	Sandip Kiritkumar Shukla HUF	29,219	(29,219)	0	0	0
9.	Chandubhai Rajai HUF	17,130	12,870	30,000	30,000	0
10.	Shukla Nidhi Sandip	7,373	67,627	75,000	75,000	0
11.	Ami Ankit Sheth	7,318	52,682	60,000	60,000	0
12.	Shital Niravbhai Sheth	867	79,133	80,000	80,000	0
13.	Renudevi Bhagavatiprasad Agarwal	542	41,958	42,500	42,500	0
14.	Modi Sonam Dhaval	651	41,849	42,500	42,500	0

Sr. No	Name	Equity Shares Offered	Equity Shares Received/(Renounced)	Net Balance of Equity Shares	Equity Shares Subscribed/Received by Renunciation	Lapse of Equity Shares
15.	Tulsidas Kriplani HUF	651	29,349	30,000	30,000	0
16.	Nirav Sheth HUF	651	(651)	0	0	0
	<b>Total</b>	<b>4,45,500</b>	<b>-</b>	<b>4,45,500</b>	<b>4,45,500</b>	<b>-</b>

(vii) Bonus Issue of 56,25,000 Equity Shares of face value of Rs. 10/- each in the ratio of 9:4 i.e., 9 Bonus Equity Shares for every 4 Equity Shares held: allotted on October 04, 2023.

Sr. No	Name	No. of Equity Shares
1.	Tushar Lalit Kumar Sanghavi	46,14,750
2.	Tushar Lalitkumar Sanghavi HUF	6,30,000
3.	Lalitbhai H. Sanghvi HUF	3,37,500
4.	Urmi Raj Mehta	33,750
5.	Rajendrakumar M. Shah	9,000
	<b>Total</b>	<b>56,25,000</b>

3. Except as disclosed below, we have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
October 04, 2023	56,25,000	10/-	Nil	Bonus Issue	Capitalization of Surplus	Tushar Lalit Kumar Sanghavi	46,14,750
						Tushar Lalitkumar Sanghavi HUF	6,30,000
						Lalitbhai H. Sanghvi HUF	3,37,500
						Urmi Raj Mehta	33,750
						Rajendrakumar M. Shah	9,000

4. No equity shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as disclosed below, we have not issued any Equity Shares at price below Issue price within last one year from the date of this Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted	Part of Promoter Group
October 04, 2023	56,25,000	10/-	Nil	Bonus Issue	Capitalization of Surplus	Tushar Lalit Kumar Sanghavi	46,14,750	Yes
						Tushar Lalitkumar	6,30,000	Yes

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted	Part of Promoter Group
						Sanghavi HUF		
						Lalithbai H. Sanghvi HUF	3,37,500	Yes
						Urmi Raj Mehta	33,750	Yes
						Rajendrakumar M. Shah	9,000	No

## 8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Class-Equity	Class	Total			Total as a % of (A+B+C)	No (a)	As a % of total Shares held (b)	No (a)		As a % of total Shares held (b)
A	Promoter & Promoter Group	4	81,11,700	-	-	81,11,700	99.84	81,11,700	-	99.84	99.84	-	99.84	-	-	-	-	81,11,700
B	Public	4	13,300	-	-	13,300	0.16	13,300	-	0.16	0.16	-	0.16	-	-	-	-	13,300
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>81,25,000</b>	<b>-</b>	<b>-</b>	<b>81,25,000</b>	<b>100.00</b>	<b>81,25,000</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,25,000</b>

9. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Tushar Lalit Kumar Sanghavi	66,65,450	82.04%
2.	Lalitbhai H. Sanghvi HUF	4,87,500	6.00%
3.	Tushar Lalitkumar Sanghavi HUF	9,10,000	11.20%
	<b>Total</b>	<b>80,62,950</b>	<b>99.24%</b>

10. List of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Tushar Lalit Kumar Sanghavi	7,35,000	29.40%
2.	Lalitbhai H. Sanghvi HUF	1,50,000	6.00%
3.	Yogesh Jashvantlal Modi	1,45,000	5.80%
4.	Shukla Trupti Sandipbhai	1,95,500	7.82%
5.	Modi Rita Y	2,33,500	9.34%
6.	Rajai Yash Chandubhai	89,000	3.56%
7.	Sandip Kiritkumar Shukla HUF	1,34,750	5.39%
8.	Chandubhai Rajai HUF	1,09,000	4.36%
9.	Shukla Nidhi Sandip	1,09,000	4.36%
10.	Tushar Lalitkumar Sanghavi HUF	2,80,000	11.20%
11.	Ami Ankit Sheth	93,750	3.75%
12.	Shital Niravbhai Sheth	84,000	3.36%
13.	Nirav Sheth HUF	3,000	0.12%
14.	Modi Sonam Dhaval	45,500	1.82%
15.	Tulsidas Kriplani HUF	33,000	1.32%
	<b>Total</b>	<b>24,82,000</b>	<b>99.28%</b>

11. List of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Tushar Lalit Kumar Sanghavi	9,02,750	36.11%
2.	Lalitbhai H. Sanghvi HUF	1,50,000	6.00%
3.	Yogesh Jashvantlal Modi	1,45,000	5.80%
4.	Shukla Trupti Sandipbhai	1,95,500	7.82%
5.	Modi Rita Y	2,33,500	9.34%
6.	Rajai Yash Chandubhai	89,000	3.56%
7.	Shukla Nidhi Sandip	1,09,000	4.36%
8.	Tushar Lalitkumar Sanghavi HUF	2,80,000	11.20%
9.	Ami Ankit Sheth	93,750	3.75%
10.	Shital Niravbhai Sheth	84,000	3.36%
11.	Renudevi Bhagavatiprasad Agarwal	45,000	1.80%
12.	Modi Sonam Dhaval	45,500	1.82%
13.	Rajendrakumar M. Shah	1,09,000	4.36%
	<b>Total</b>	<b>24,82,000</b>	<b>99.28%</b>

12. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of 10 days prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre- Issue
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			Equity Share Capital (%)
1.	Tushar Lalit Kumar Sanghavi	66,65,450	82.04%
2.	Lalitbhai H. Sanghvi HUF	4,87,500	6.00%
3.	Tushar Lalitkumar Sanghavi HUF	9,10,000	11.20%
	<b>Total</b>	<b>80,62,950</b>	<b>99.24%</b>

13. Our Company has not made any public Issue (including any rights issue to the public) since its incorporation.
14. Our Company does not have any intention or proposal to alter our capital structure within a period of six (6) months from the date of opening of the issue by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise., except that if our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 15. Shareholding of our Promoters

As on the date of this Prospectus, our Promoters hold 99.84 % of the pre- Issue, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
<b>Tushar Lalit Kumar Sanghavi</b>									
Upon Incorporation	Subscription to MOA	Cash	50,000	50,000	10/-	10/-	0.62%	0.43%	No
November 28, 2020	Transmission from Late Sanghavi Lalitkumar Hargovinddas	Other than Cash	4,00,000	4,50,000	10/-	NIL	4.92%	3.45%	No
February 16, 2021	Rights Issue	Cash	1,00,000	5,50,000	10/-	35/-	1.23%	0.86%	No
March 15, 2021	Rights Issue	Cash	2,00,000	7,50,000	10/-	35/-	2.46%	1.72%	No
July 31, 2021	Transfer to Urmi Raj Mehta	Cash	(15,000)	7,35,000	10/-	35/-	(0.18%)	(0.13%)	No
August 04, 2022	Transfer from Sandip Kiritkumar Shukla HUF	Cash	1,34,750	8,69,750	10/-	26/-	1.66%	1.16%	No
March 10, 2023	Transfer from Tulsidas Kriplani HUF	Cash	33,000	9,02,750	10/-	34/-	0.41%	0.28%	No
June 15, 2023	Transfer from Yogesh Jashvantlal Modi	Cash	1,45,000	10,47,750	10/-	23/-	1.78%	1.25%	No
June 15,	Transfer from	Cash	75,000	11,22,750	10/-	20/-	0.92%	0.65%	No

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
2023	Shukla Trupti Sandipbhai								
June 15, 2023	Transfer from Rajai Yash Chandubhai	Cash	89,000	12,11,750	10/-	20/-	1.10%	0.77%	No
June 15, 2023	Transfer from Shukla Nidhi Sandip	Cash	1,09,000	13,20,750	10/-	34/-	1.34%	0.94%	No
June 15, 2023	Transfer from Ami Ankit Sheth	Cash	93,750	14,14,500	10/-	34/-	1.15%	0.81%	No
June 15, 2023	Transfer from Shital Niravbhai Sheth	Cash	84,000	14,98,500	10/-	34/-	1.03%	0.72%	No
June 15, 2023	Transfer from Nirav Sheth HUF	Cash	3,000	15,01,500	10/-	34/-	0.04%	0.03%	No
June 15, 2023	Transfer from Renudevi Bhagavatiprasad Agarwal	Cash	45,000	15,46,500	10/-	34/-	0.55%	0.39%	No
June 15, 2023	Transfer from Modi Sonam Dhaval	Cash	45,500	15,92,000	10/-	34/-	0.56%	0.39%	No
October 03, 2023	Transfer from Shukla Trupti Sandipbhai	Cash	1,20,500	17,12,500	10/-	20/-	1.48%	1.04%	No
October 03, 2023	Transfer from Modi Rita Y	Cash	2,33,500	19,46,000	10/-	20/-	2.87%	2.01%	No
October 03, 2023	Transfer from Rajendrakumar M. Shah	Cash	1,05,000	20,51,000	10/-	35/-	1.29%	0.90%	No
October 04, 2023	Bonus Issue	Other than cash	46,14,750	66,65,750	10/-	-	56.80%	39.76%	No
October 12, 2023	Transfer to Atindra Dholey	Cash	(100)	66,65,650	10/-	35/-	Negligible	Negligible	No
October 12, 2023	Transfer to Atanu Bhuniya	Cash	(100)	66,65,550	10/-	35/-	Negligible	Negligible	No
October 12, 2023	Transfer to Tripti Hazari	Cash	(100)	66,65,450	10/-	35/-	Negligible	Negligible	No
<b>Total</b>			<b>66,65,450</b>				<b>82.04%</b>	<b>57.43%</b>	
<b>Tushar Lalitkumar Sanghavi HUF</b>									
November 13, 2019	Right Issue	Cash	2,20,000	2,20,000	10/-	16/-	2.71%	1.90%	No
February 16, 2021	Rights Issue	Cash	60,000	2,80,000	10/-	35/-	0.74%	0.52%	No
October 04, 2023	Bonus Issue	Other than cash	6,30,000	9,10,000	10/-	-	7.75%	5.43%	No
<b>Total</b>			<b>9,10,000</b>				<b>11.20%</b>	<b>7.84%</b>	

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
<b>Urmi Raj Mehta</b>									
July 31, 2021	Transfer from Tushar Lalit Kumar Sanghavi	Cash	15,000	15,000	10/-	35/-	0.18%	0.13%	No
October 04, 2023	Bonus Issue	Other than Cash	33,750	48,750	10/-	-	0.42%	0.29%	No
<b>Total</b>			<b>48,750</b>				<b>0.60%</b>	<b>0.42%</b>	
<b>Lalitbhai H. Sanghvi HUF</b>									
May 28, 2018	Right Issue	Cash	1,50,000	1,50,000	10/-	10/-	1.85%	1.29%	No
October 04, 2023	Bonus Issue	Other than Cash	3,37,500	4,87,500	10/-	-	4.15%	2.91%	No
<b>Total</b>			<b>4,87,500</b>				<b>6.00%</b>	<b>4.20%</b>	

16. Pre-Issue and Post-Issue Shareholding of our Promoters and Promoter Group

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Equity Share Capital	No. of Shares	% of Post-Issue Capital
<b>Promoters</b>				
Tushar Sanghavi	66,65,450	82.04%	66,65,450	57.43%
Tushar Lalitkumar Sanghavi HUF	9,10,000	11.20%	9,10,000	7.84%
Urmi Raj Mehta	48,750	0.60%	48,750	0.42%
Lalitbhai H. Sanghvi HUF	4,87,500	6.00%	4,87,500	4.20%
<b>Total</b>	<b>81,11,700</b>	<b>99.84%</b>	<b>81,11,700</b>	<b>69.89%</b>

17. None of our Directors or Key Managerial Personnel or senior management hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
Tushar Sanghavi	Chairman, Managing Director	66,65,450	82.04	57.43%
Urmi Raj Mehta	Whole Time Director	48,750	0.60%	0.42%
Rajendrakumar M. Shah	Non- Executive Director	13,000	0.16%	0.11%
Atanu Bhuniya	Non- Executive Director	100	Negligible	Negligible

18. There were no equity shares purchased/sold by the Promoter(s) and Promoter Group, Directors of our Company and their relatives during last six months from the date of this Prospectus.

19. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of this Prospectus.

## 20. Promoters' Contribution and Lock-in details

### *Details of Promoter's Contribution locked-in for three (3) years*

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Prospectus, our Promoters hold 81,11,700 Equity Shares constituting 69.89% of the Post Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Prospectus until the commencement of the lock-in period specified below.

Details of the Equity Shares forming part of Promoters' Contribution and their lock-in details are as follows:

<b>Name of Promoter</b>	<b>Date of Allotment/Acquisition &amp; when made fully paid up</b>	<b>No of Equity shares locked in</b>	<b>Face Value (in ₹)</b>	<b>Issue Price (in ₹)</b>	<b>Nature of Allotment</b>	<b>% of Pre-Issue Paid-up Capital</b>	<b>% of Post-Issue Paid-up Capital</b>	<b>Lock-in Period</b>
Tushar Lalit Kumar Sanghavi	October 04, 2023	25,53,540	10/-	Nil	Bonus Issue	31.43%	22.00%	3 years

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this Prospectus, at a price lower than the price at which the Equity Shares are being issued to the public in this issue is not part of the minimum promoter's contribution.
- The Equity Shares held by the Promoters and issued for minimum 20% Promoter's Contribution are not subject to any pledge or any other form of encumbrances.
- Specific written consent has been obtained from the Promoters for inclusion of 25,53,540 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.00% of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.
- The minimum Promoters' Contribution consists of Equity Shares allotted to the promoters against the capital existing in the erstwhile limited liability partnership firm for a period of more than one year on a continuous basis.
- The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.
- We further confirm that our Promoters' Contribution of minimum 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

### ***Equity Shares locked-in for one year other than Minimum Promoters' Contribution***

Pursuant to Regulation 238(b) and 239 of the SEBI ICDR Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-issue 55,71,460 Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

### ***Inscription or recording of non-transferability***

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock - in period and in case such equity shares are dematerialized, the Company shall ensure that the lock - in is recorded by the Depository.

### ***Pledge of Locked in Equity Shares***

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- (a) if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;
- (b) if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

### ***Transferability of Locked in Equity Shares***

- (a) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
- (b) Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.

21. Neither the Company, nor it's Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
22. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.
23. As on the date of this Prospectus, the Lead Manager and their respective associates ((as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. As on date of this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

25. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “*Basis of Allotment*” in the chapter titled “*Issue Procedure*” beginning on page 259 of this Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
26. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
27. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
29. We have 8 (Eight) Shareholders as on the date of filing of this Prospectus.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans.
32. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
34. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
35. Our Promoters and Promoter Group will not participate in the Issue.
36. There are no safety net arrangements for this Public Issue.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### REQUIREMENT OF FUNDS

The Issue comprises of fresh issue of 34,82,000 Equity Shares by our Company aggregating to ₹ 1,810.64 Lakhs.

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Acquisition of land;
2. Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries;
3. Funding Working Capital Requirements of our Company; and
4. General corporate purposes.

(Collectively, referred to herein as the “*Objects of the Issue*”)

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue. In addition, our Company expects to receive the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

#### ISSUE PROCEEDS

The details of the proceeds of the Issue are set forth in the table below:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds of the Issue	1,810.64
Less: Issue related Expenses	170.60
<b>Net Proceeds of the Issue</b>	<b>1,640.04</b>

#### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

Sr. No	Particulars	Estimated Amt (₹ in Lakhs)	% Of Gross Proceeds	% Of Net Proceeds
1.	Acquisition of land	553.49	30.57%	33.75%
2.	Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries	207.82	11.48%	12.67%
3.	Funding Working Capital Requirements of our Company	468.00	25.85%	28.54%
4.	General corporate purposes <sup>#</sup>	410.73	22.68%	25.04%
	<b>Total</b>	<b>1,640.04</b>	<b>90.58%</b>	<b>100.00%</b>

<sup>#</sup>The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Issue (“**Net Proceeds**”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Total estimated cost	Total amount spent on the objects as of April 15, 2024	Total estimated amount to be financed from Net Proceeds*	Estimated utilization of Net Proceeds in F. Y. 2024-25
1.	Acquisition of land	800.00	246.51 <sup>@</sup>	553.49	553.49
2.	Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries	207.82	0.00	207.82	207.82
3.	Funding Working Capital Requirements of our Company	468.00	0.00	468.00	468.00
4.	General corporate purposes <sup>#</sup>	410.73	0.00	410.73	410.73
	<b>Total</b>	<b>1,886.55</b>	<b>246.51</b>	<b>1,640.04</b>	<b>1,640.04</b>

*#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue.*

*@ Our Company has made payment of ₹207.51 lakhs and ₹39.00 lakhs from internal accruals towards acquisition of Land. As certified by Our Statutory Auditors, by way of their certificates dated January 09, 2024 and April 18, 2024.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been verified or appraised by any bank, financial institution, or any other external agency or party. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, contractual terms and conditions and negotiation with lenders, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. For details in relation to the discretion available to our management in respect of use of the Net Proceeds. For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “Risk Factors” on page 26 of this Prospectus.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2024-25. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal years is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year towards the aforementioned Objects.

All quotations mentioned in this section are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the plant and machineries at the same costs. We are yet to place orders for any of the components of the Proposed Objects. The Proposed Objects may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties. Further, the Objects of the Issue includes orders for purchase of plant and machineries which have not yet been placed. There can be no assurance that we would be able to procure plant and machineries at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may

differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals.

## MEANS OF FINANCE

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds, internal accruals, net worth and existing debt financing. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Acquisition of Land

Our Company is engaged in the trading of the textile printing inks and water-based wood coating polymers products of a Malaysian based brand- “Silkflex” produced by Silkflex Polymers SDN BHD (“*Silkflex Malaysia*”). Silkflex Malaysia is one of the garment printing ink manufacturers of Malaysia. Silkflex Malaysia manufactures its products through its manufacturing unit located in Malaysia and the same products are then supplied around the globe through its authorised agents. As on this date of this Prospectus, our Company has the exclusive right to sell the products of Silkflex and the rights to use the brand name of Silkflex in India. Presently, our Company imports Silkflex brand products which consists of 108 textile printing ink products and 51 wood coating polymers products and sells through our distribution network in India. To cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to enter into the business of manufacturing of some of our products, which we presently import, binder, silkbond 35, and table glue.

To achieve this, we intend to setup a manufacturing unit at Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New Tenure, Gujarat, India and Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 592 Old Tenure, Gujarat, India. Further, by virtue of Technology Transfer Agreement (“TTA”) dated July 25, 2023, Silkflex Malaysia has exclusively permitted us to be the manufacturer of its products in India and agreed to provide full right, technology relating to products like Silkbond 35 and binder for table glue products. For setting up of manufacturing unit, we intend to acquire lands on which manufacturing unit will be constructed. The total area of the land is 5,19,455.05 Sq. ft. (approximate 11.93 acres) i.e., land bearing Block No.: 592 (4,87,163.35 Sq. ft. / approximate 11.19 acres / 45,259 Sq.mt.) and land bearing Block No.: 590 (32,291.7 Sq. ft. /approximate 0.74 acres / 2999.99 Sq. mt.). Further, the above-mentioned land bearing Block No. 590 relates to a smaller portion of property that will only be used for parking space.

The details of setting up of manufacturing unit along with details including cost of construction, list of necessary approvals required for construction, timeline for its initiation and completion, plan of action and other details are as follows:

#### Plan of Action for setting up of manufacturing unit:

Particulars	
<b>Expected cost of construction</b>	Rs. approx. 75 Lakhs
<b>List of necessary approvals required for construction</b>	<b>Non-Agriculture Land approval:</b> The Company has received the non-agricultural conversion order on April 19, 2024, for land situated at Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 592 Old Tenure, Gujarat, India.
	<b>Environmental Clearance approval:</b> The Company has applied for Environmental clearance on April 03, 2024 and it is expected to receive the clearance by end of July, 2024.
	<b>Factory plan approval for construction:</b> The Company will apply for factory plan approval with government authority around May, 2024

	and it is expected to receive the approval by end of June, 2024.
	<b>Permission for Extraction of Ground Water:</b> The Company will apply for permission for extraction of ground water with government authority, post receipt of environmental clearance and factory plan approval, around August 01, 2024 and it is expected to receive the approval by August 15, 2024.
	<b>Permission under Electricity Act/ Load Sanction</b> The Company will apply for permission under Electricity Act/ Load Sanction with government authority, post receipt of environmental clearance and factory plan approval, around August 01, 2024 and it is expected to receive the approval by August 20, 2024.
	<b>Stability Certificate for Factory/ Building Usage Permission, if any:</b> The Company will apply for building usage permission with government authority around October 15, 2024 and it is expected to receive the approval by November 10, 2024.
	<b>Factory License:</b> Post receipt of above all approval, the Company will apply for factory license.
	<b>Verification of Weights and Measures under Legal Metrology Act:</b> The Company will apply for Weights and Measures under Legal Metrology Act with government authority around November 1, 2024 and it is expected to receive the approval by November 10, 2024.
	<b>NOC from fire department:</b> The Company will apply for NOC from fire department with government authority around November 1, 2024 and it is expected to receive the approval by November 15, 2024.
<b>Timeline for initiation and completion</b>	Post receipt of Environmental Clearance approval and Factory plan approval, the Company will start construction work for its manufacturing unit and the same is expected to be completed within 3 months. i.e., by October, 2024.

### Schedule of Implementation

The expected schedule of implementation of the proposed construction of manufacturing unit:

Sr No.	Estimated Date (From – To)	Work Progressions
1	August 01, 2024, to August 03, 2024	Land filing and construction of boundary wall
2	August 04, 2024, to August 15, 2024	Completion of plain cement concrete work
2	August 16, 2024, to August 20, 2024	Shuttering and steel fabrication
3	August 21, 2024, to August 27, 2024	Concreting work – ground floor roofing
4	August 28, 2024, to August 30, 2024	Constructing of staircase to first floor and curing process for ground floor roof
5	August 30, 2024, to August 31, 2024	Material shifting to first floor and first floor column shuttering and steel fabrication
6	September 1, 2024, to September 6, 2024	Concreting, shuttering and steel fabrication of columns.
7	September 7, 2024, to September 10, 2024	Wall construction till lintel level with silt beam in window
8	September 11, 2024, to September 14, 2024	Ground floor roof shuttering – dismantling
9	September 15, 2024, to September 18, 2024	Lintel work – shuttering, steel fabrication, and concreting
10	September 19, 2024, to September 21, 2024	Ground floor inner wall plastering
11	September 19, 2024, to September 23, 2024	Lintel wall construction till second floor roof beam
12	September 24, 2024, to September 26, 2024	Lintel wall construction from lintel beam to roof bottom beam
13	September 27, 2024, to September 30, 2024	Shuttering and steel fabrication
14	October 1, 2024, to October 7, 2024	Concreting work – first floor roofing
15	October 8, 2024, to October 10, 2024	Steel structure fabrication
16	October 11, 2024, to October 14, 2024	First floor roof shuttering – dismantling

Sr No.	Estimated Date (From – To)	Work Progressions
17	October 15, 2024, to October 18, 2024	First floor inner wall plastering
18	October 19, 2024, to October 27, 2024	Outer wall Plastering
19	September 10, 2024, to October 31, 2024	Plumbing work, electrical work, painting work and tiles lying work etc.

Our Board in its meeting dated April 18, 2024 took note that an amount of ₹553.49 Lakhs is proposed to be utilized for acquisition Lands admeasuring 4,87,163.35 Sq. ft. to set up manufacturing unit from the Net Proceeds. We propose to acquire the said lands on ownership basis from Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai. We have entered into sale deeds to acquire the said lands with Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai, the brief details of the said sale deeds as follows:

Sr No.	Date of Sale Deed	Seller of land	Address	Area of the Property	Total consideration (Rs in lakhs)	Total consideration paid out of internal accruals as of April 15, 2024 (Rs in lakhs)	Total consideration to be financed from Net Proceeds (Rs in lakhs)	Purpose
1.	December 28, 2023	Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai	Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 592 Old Tenure, Gujarat, India	4,87,163.35 Sq. ft. (approximate 11.19 acres / 45,259 Sq.mt.)	751.00	197.51	553.49	Proposed manufacturing unit
2.	December 28, 2023	Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai	Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New Tenure, Gujarat, India	32,291.7 Sq. ft. (approximate 0.74 acres / 2999.99 Sq. mt.)	49.00	49.00 <sup>&amp;</sup>	Nil	Parking space for our manufacturing unit
<b>Total</b>				<b>5,19,455.05 Sq. ft. (approximate 11.93 acres)</b>	<b>800.00</b>	<b>246.51</b>	<b>553.49</b>	

<sup>&</sup>Our Company has made payment of ₹207.51 lakhs and ₹39.00 lakhs from internal accruals towards acquisition of Land. As certified by Our Statutory Auditors, by way of their certificates dated January 09, 2024 and April 19, 2024.

According to our expansion strategy, we believe this will allow us to function effectively and efficiently while meeting our growing company requirements. The said lands are free from all encumbrances and have clear titles, are registered in the name of our Company. The said lands proposed to be acquired from the Net Proceeds from Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai are not related to any of our Promoters, or any of our directors of our

Company. Presently, the Company has received the non-agricultural conversion order for land bearing Survey/ Block No. 592 and for land bearing Survey/ Block No. 590 is under process and application for conversion into non-agricultural land have been made on December 30, 2023.

## 2. Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries

As part of our strategy to diversify and achieve operational efficiencies through backward integration, we propose to venture into manufacturing activities leveraging the experience of our promoters and directors and our existing distribution network of textile printing ink products and wood coating products. We intend to increase our volume of sales by way of installation of new plant and machineries at our proposed manufacturing facility. We believe our investment in this plant and machineries will have overall estimated installed capacity for production of binder, Silkbond 35, of 3,600 MT per annum\* and table glue of 120 MT per annum\*, thus, enabling us to cater to the growing demand from our existing and new customers.

\* As certified by M/s VGT & Associates., Chartered Engineer, by way of their certificate dated January 09, 2024.

In relation to the installation of new plant and machineries at our proposed manufacturing facility, we are required to obtain certain approvals from certain governmental or local authorities, details of which have been mentioned in the chapter titled, "Government and Statutory Approvals" on page 231 of this Prospectus. We will continue to pursue such opportunities where we believe they will add value to our business, our stakeholders and our customers.

Our Board in its meeting dated January 12, 2024 took note that an amount of ₹ 207.82 Lakhs is proposed to be utilised for purchase of machineries from the Net Proceeds. Our Company has received quotations from various suppliers for such machineries and is yet to place any orders or enter into definitive agreements for purchase of such machineries. Our Company intends to utilise ₹ 207.82 Lakhs from the Net Proceeds to purchase these machineries. The break-down of such estimated costs are set forth below:

Description	Quantity	Total estimated Costs (₹ in Lakhs) *	Amount to be funded from the Net Proceeds (₹ in Lakhs) *	Total estimated costs (₹ in Lakhs) for which orders are yet to be placed	Percentage of total estimated costs for which orders are yet to be placed	Supplier	Date of Quotation	Validity
A) Cooling Tank -Capacity: Main volume 14MT -Size: 2,400 mm dia x 3,250 mm overall height -Material: Shell - Stainless Steel 304 liter (8mm thick), Jacketed - Mild Steel (12mm thick) -Gear Motor: 50HP without explosion proof	1 unit	207.82	207.82	207.82	100%	M/s. Inlex Corporation Sdn. Bhd.	January 09, 2024	180 days from the date of Quotation
B) MPE Mixer Tank Capacity: Main volume 10MT -Size: 2,550 mm dia x 2,250 mm overall height	1 unit							

Description	Quantity	Total estimated Costs (₹ in Lakhs) *	Amount to be funded from the Net Proceeds (₹ in Lakhs) *	Total estimated costs (₹ in Lakhs) for which orders are yet to be placed	Percentage of total estimated costs for which orders are yet to be placed	Supplier	Date of Quotation	Validity
-Material: Shell - Stainless Steel 316 liter (6mm thick), -Gear Motor: 10HP c/w explosion proof								
<b>Total</b>		<b>207.82</b>						

\*Excluding GST. GST payable on such machineries will be paid from our internal accruals. Certain quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals. The quotation has been received in USD, which have been converted to ₹ as on January 09, 2024 (Source: [www.rbi.org.in](http://www.rbi.org.in).)

Notes:

(a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.

(b) Quotation received from the vendor mentioned above is valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the machineries or at the same costs.

(c) The machinery models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

(d) We are not acquiring any second-hand machinery.

(e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries

proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost.

### 3. Funding working capital requirements of our Company

Our business is working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from banks. As on December 31, 2023, the aggregate amount sanctioned by the banks to our Company under the fund-based cash credit facilities amounted to ₹ 1,500.00 Lakhs. For details of facilities availed by us, see chapter titled “Financial Indebtedness” beginning on page 214 of this Prospectus. We propose to utilise ₹ 468.00 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal Year 2025. We propose to utilise ₹ 468.00 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal Year 2025.

The details of our Company’s working capital as at March 31, 2021, March 31, 2022, March 31, 2023 and nine months ended December 31, 2023 derived from Restated Financial Statements and source of funding of the same are provided in the table below:

(₹ In Lakhs)

S. No	Particulars	Actual	Actual	Actual	Actual
		31-Mar-21	31-Mar-22	31-Mar-23	31-Dec-23
I	<b>Current Assets</b>				
	Current Investments	-	-	-	-
	Trade receivables	276.77	220.75	210.00	546.49
	Inventories	521.90	1119.09	1463.54	1567.18
	Cash and cash equivalents	5.38	3.95	3.78	6.06
	Short term loan & Advances	13.41	9.86	13.20	19.20
	Other Current Assets	59.44	140.27	125.81	114.57
	<b>Total(A)</b>	<b>876.90</b>	<b>1493.92</b>	<b>1816.33</b>	<b>2253.50</b>
II	<b>Current Liabilities</b>				
	Trade payables	52.67	55.80	167.75	354.57
	Short Term Provisions	1.01	5.55	4.30	52.16
	Other Current Liabilities	124.09	162.21	162.82	226.01
	Current Maturities of Long-term loan	1.69	1.62	3.63	4.01
	<b>Total (B)</b>	<b>179.46</b>	<b>225.18</b>	<b>338.50</b>	<b>636.75</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>697.44</b>	<b>1268.74</b>	<b>1477.83</b>	<b>1616.75</b>
IV	<b>Funding Pattern</b>				
	Short-term borrowing from Bank	199.94	795.10	995.41	1460.38
	Internal Accruals	<b>497.50</b>	<b>473.64</b>	<b>482.42</b>	<b>156.37</b>

On the basis if the existing working capital requirements, the Board of Directors of the company pursuant to its resolution dated April 18, 2024 has approved the estimated and projected working capital requirements for Fiscal 2024 and 2025 as set forth below:

(₹ In Lakhs)

S. No	Particulars	Estimate	Projection
		31-Mar-24	31-Mar-25
I	<b>Current Assets</b>		
	Current Investments	-	-
	Trade receivables	361.64	513.70
	Inventories	2640.00	3362.08
	Cash and cash equivalents	51.30	55.00
	Short term loan & Advances	22.60	25.31
	Other Current Assets	128.51	180.60
	<b>Total(A)</b>	<b>3204.05</b>	<b>4136.69</b>
II	<b>Current Liabilities</b>		
	Trade payables	207.12	236.65
	Short Term Provisions	150.10	194.87
	Other Current Liabilities	321.91	357.70
	Current Maturities of Long-term loan	6.00	6.00
	<b>Total (B)</b>	<b>685.13</b>	<b>795.22</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>2518.92</b>	<b>3341.47</b>
IV	<b>Funding Pattern</b>		
	Short-term borrowing from Bank	1406.97	1500.00
	Internal Accruals	1111.95	1373.47
	IPO Proceeds	-	468.00

**Key assumptions for working capital projections made by the Company:**

**The table below sets forth the details of holding levels (in days) for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the period ended December 31, 2023 as well as projections for Fiscal 2024 and Fiscal 2025:**

Particulars	Actual March 31, 2021	Actual March 31, 2022	Actual March 31, 2023	Actual Dec 31, 2023	Estimate March 31, 2024	Projection March 31, 2025
Debtors (in days)	49	29	22	45	22	25
Creditors (in days)	12	8	22	40	14	14
Inventory (in days)	124	200	203	177	228	225

*Justification for "Holding Period" levels derived from our Restated Financial Statements*

S. No.	Particulars
Creditor Days	Combination of lesser credit terms and increased business volume to product suppliers will help us to get better price from them. This would enable us to offer competitive price to our customers. With the company's expansion, there will be a need to increase purchases, resulting in a slight rise in trade payables. This increase in payables is necessary to accommodate the larger volume of purchases required to support the business growth. The Trade payables in Fiscal 2023 was 22 days and expecting to keep payables at 14 days so as to negotiate better rates with the supplier. There is a slight increase in the Creditor days in the end of December 2023 due to Seasonal variations arising due to holiday seasons and fluctuations in the international market to preserve cash flow.
Debtor Days	The holding levels of trade receivables were 22 days in Fiscal 2023 and we expect to maintain the same around 22-25 days, as the distributors have accepted the credit period offered by the company. There is a slight increase in the credit period in the end of December 2023 due to seasonal variations arising due to increased sales in the end of quarter, holiday seasons and fluctuations in the international market.
Inventory days	The company has inventory days of around 203 days in Fiscal 2023 and we are expecting to increase the level marginally in Fiscal 2024 of average 228 days. Since the company is planning to introduce new products or expanding product lines and to take the advantage of discounts or favourable pricing, company will be required to make bulk purchase resulting into increase in inventory. The higher inventory days is also because we started to maintain a standard level of inventory to all the branches so as to reduce the transport related cost and also save time transit period
Cash and Cash Equivalents	The Cash and bank balance is maintained by the company to pay the direct operating expense or to meet working capital needs arising in any of the branches of the company.
Short Term Loan & Advances	This includes mostly advances given to vendors. Since company is expanding its business and there will be need to make advance payments to enhance cost efficiency of products there will be slight increase in short term loan & advances.
Other Current Assets	Other current assets relate to TDS c/f in case of excess TDS deducted and also relates to prepaid insurances including Fire and Bulgary insurance, transit insurances. It also includes prepaid expenses like electricity expense, computer expense, other office expense. It also relates to GST Input credits of various branches. As the business expands relatively TDS and GST Input credits will also increase, thus there is relative increase in other current assets by the Fiscal Year 2025.
Short Term Provisions	Short Term provisions majorly includes Income tax payable (net of Advance tax and TDS) and current portion of the gratuity provision made. Since business is growing, we have allocated reserve fund for liabilities related to taxes, and other such regulatory compliances.
Current Maturities of Long term loan	This includes Principal Repayment of the respective current year's Bank Term Loan availed by the company.
Other Current Liabilities	Other current liabilities include Salary payable as on period end, statutory dues and taxes payable like PT, GST. This also related majorly to Deposits received from customers against the supply of products as part of the company's policy to execute Dealer agreements to minimize the risk of bad debts and cancellation of orders. This figure is expected to increase due to increase in size of overall business of the company.

### **Justification for increase in working capital requirement**

To grow sustainably it is important that the products are priced competitively to our customers. To achieve competitive pricing, we need to source it at right price which is possible only when supplier credit terms are shorter. We intend to bring down the supplier's credit days which would help us to command competitive pricing from our suppliers.

Our company is embarking on a expansion strategy to enhance our product offerings and market reach. The fund raise is instrumental in supporting this growth initiative.

### **Extensive Product Portfolio:**

Currently, we offer a diverse range of products, including 108 textile printing inks and 51 wood coating polymers. Our order book, as of April 29, 2024, amounts to Rs. 4,091 Lakhs, out of which orders amounting to Rs. 3,894.52 Lakhs are unexecuted orders as of April 29, 2024 demonstrating a growing demand for our products due to factors such as quality, operational efficiency, and strong customer relationships.

### **Rationale for Increased Working Capital:**

Expanding our product range attracts a broader customer base and drives increased sales which requires larger investment in inventory, as the products are typically priced higher and require quality control. However, to stock this expanded inventory, we need to raise our working capital to maintain optimal stock levels.

### **Reduced Vendor Payable Days:**

Currently, we maintain a credit period of 18-21 days with our product suppliers. As part of our growth strategy, we aim to reduce this supplier credit period to 14 days.

### **Rationale:**

Shorter payment terms are vital to securing products at competitive prices. By reducing vendor payable days, we can negotiate better terms with suppliers, ensuring we can offer more attractive prices to our distributors. This adjustment aligns with our commitment to delivering high value and competitive pricing..

All the above-mentioned initiatives significantly increase our working capital requirements.

Rationale: Working capital is the lifeblood of our business. It enables us to maintain adequate inventory levels, fulfil customer orders promptly and leverage opportunities in the market. The fund raise is vital to meeting these growing working capital needs.

### **Utilization of Fund Raise:**

A portion of the net proceeds from the fund raise will be allocated to cover our working capital requirements, including inventory expansion and the reduction of vendor payable days.

### **Rationale:**

By investing in working capital, we are strengthening our ability to seize growth opportunities, optimize our inventory, and maintain competitive pricing, ultimately benefiting our customers and shareholders.

In summary, the need for a higher working capital post the fund raise is rooted in our strategic growth initiatives. As we widen our products ranges, enter into manufacturing process, enter into new markets, and negotiate more favorable supplier terms, a robust working capital position becomes essential to fuel these endeavours effectively. The fund raise is a strategic move that ensures we have the financial capacity to meet these requirements and continue delivering value to our customers while driving sustainable growth for our company.

### **4. General Corporate Purpose**

Our management will have flexibility to deploy the balance Net Proceeds of the Issue towards general corporate purposes, to be deployed towards including but not restricted to strategic initiatives, partnerships, joint ventures and

acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or repayment of liabilities (on demand) if any or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

We further confirm that in terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue

## ESTIMATED ISSUE RELATED EXPENSES

The details of the estimated issue related expenses are tabulated below:

Activity	Amount (₹ in Lakhs)	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead manager(s) fees including underwriting commission	72.25	42.35%	3.99%
Brokerage, selling commission and upload fees	0.20	0.12%	0.01%
Registrar to the Issue	1.50	0.88%	0.08%
Legal Advisors	1.50	0.88%	0.08%
Advertising and marketing expenses	2.00	1.17%	0.11%
Regulators including stock exchanges	3.75	2.20%	0.21%
Printing and distribution of offer stationary	0.70	0.41%	0.04%
Others, if any (market making, depositories, marketing fees, secretarial, consultancy, advisors, peer review auditors, etc.)	88.70	51.99%	4.90%
<b>Total Estimated Issue Expenses</b>	<b>170.60</b>	<b>100.00%</b>	<b>9.42%</b>

*The fund deployed out of internal accruals up to April 30, 2024 is ₹ 10.25 Lakhs towards issue expenses vide certificate dated May 01, 2024 having UDIN: 24162116BKBGRO4968 received from M/s M B Jajodia & Associates, Chartered Accountants and the same will be recouped out of issue expenses.*

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- 4) The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- 5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

## BRIDGE LOANS

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

## APPRAISING ENTITY

The objects of the Issue for which the Net Proceeds will be utilized have not been appraised.

#### **MONITORING OF UTILIZATION OF FUNDS**

As this is a Fresh Issue for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **VARIATION IN OBJECTS**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS**

There is no proposal whereby any portion of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with Our Promoters, Promoter Group, Directors, Group Companies, and/or Key Managerial Personnel.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the LM on the basis of an assessment of market demand for the Equity Shares issued through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Issue Price is 5.2 times of the face value.

Investors should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 26, 181, 216 and 126 respectively, of this Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths which form the basis for the Issue price are:

- ZDHC certified;
- Wide range of our products;
- Location Advantage;
- Well established relationship with clients;
- Leveraging the experience of our Promoter and Directors;
- Strong Marketing Practices;

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see chapter titled “Our Business” beginning on page 126 of this Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from Company’s Restated Financial Statements as at and for the period ended December 31, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, has been prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI as amended from time to time. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 181 of this Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”) as per AS 20

##### As per Restated Financial Statements - Post Bonus

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	0.97	3
March 31, 2022	0.85	2
March 31, 2021	0.68	1
<b>Weighted Average</b>	<b>0.88</b>	
For the period ended December 31, 2023 (Not annualised)	0.97	

##### Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

2. *Earnings per Equity Share = Profit for the year / Weighted average number of equity shares outstanding during the year.*
3. *Basic and diluted Earnings per Equity Share are computed in accordance with Accounting Standard 20.*
4. *The basic and diluted Earnings per Equity Share for the current year and previous year presented have been calculated/restated after considering the bonus issue subsequent to March 31, 2023.*
5. *The face value of each Equity Share is ₹10/-.*

**2. Price Earnings Ratio (“P/E”) in relation to the Issue Price of ₹ 52/- per Equity share of ₹ 10/- each fully paid-up**

Particulars	P/E (number of times) *
<b>Based on Restated Financial Statements- Post Bonus</b>	
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	53.61
P/E ratio based on the Weighted Average Basic & Diluted EPS	59.09

*Note: P/E ratio has been computed dividing the price per share by Earnings per Equity Share.*

**3. Industry P/E ratio**

Particulars	P/E Ratio
Highest	57.44
Lowest	40.12
Average	50.05

*Notes:*

- (1) *The industry high and low has been considered from the industry peer set provided later in this section. The industry average has been calculated as the arithmetic average P/E of the industry peer set provided later in this section.*
- (2) *The industry P / E ratio mentioned above is for the financial year ended March 31, 2023.*
- (3) *All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2023, as available on the website of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).*

**4. Return on Net worth (RoNW)**

*As per Restated Financial Statements*

Particulars	RONW (%)	Weights
March 31, 2023	9.62%	3
March 31, 2022	9.29%	2
March 31, 2021	8.83%	1
<b>Weighted Average</b>	<b>9.38</b>	
For the period ended December 31, 2023 (Not annualised)	23.91%	

*Note: Return on Net Worth (%) = Profit for the year / Net Worth at the end of the year.*

**5. Net Asset Value (NAV) of face value of ₹10/- each**

*As per Restated Financial Statements – Post Bonus*

Financial Year	NAV (₹)
March 31, 2023	10.05
March 31, 2022	9.14
March 31, 2021	7.69
For the period ended December 31, 2023 (Not annualised)	13.21
Net Asset Value per Equity Share after the Issue at Issue Price	23.38
Issue Price	52.00

Note: Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.

#### 6. Comparison of Accounting Ratios with listed Industry Peer

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
Silkflex Polymers (India) Limited	52.00	10.00	0.97	53.76	9.62	10.05
<b>Peer Group</b>						
BASF India Limited	3,735.05	10.00	93.10	40.12	14.92	623.97
Heubach Colorants India Limited	406.20	10.00	8.31	48.88	4.44	187.34
Berger Paints India Limited	508.90	1.00	8.86	57.44	20.67	42.86

Source: [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com)

Notes:

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2023 after taking effect of the Bonus Shares allotted on October 04, 2023.
- (2) The figures for the Peer Group are based on the Standalone Financial Statements filed for the financial year ended March 31, 2023.
- (3) P/E Ratio has been computed based on their respective closing market price on April 30, 2024 as divided by the Basic EPS as on March 31, 2023.
- (4) CMP is the closing prices or the last traded price of respective scripts as on April 30, 2024.
- (5) The Issue Price determined by our Company in consultation with the Lead Manager is justified by our Company in consultation with the Lead Manager on the basis of the above parameters.

#### 7. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 19, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/s M B Jajodia & Associates, Chartered Accountants by their certificate dated April 19, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 126 and 216 of this Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 2 of this Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

##### a) Key Performance Indicators of our Company.

As per Restated Financial Statements

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	For the period ended December 31, 2023	For the Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	3348.42	3421.33	2782.47	2075.22
EBITDA <sup>(2)</sup>	513.06	259.67	186.20	146.48

Key Financial Performance	For the period ended December 31, 2023	For the Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
EBITDA Margin (%) <sup>(3)</sup>	15.32%	7.59%	6.69%	7.06%
PAT	256.66	78.59	68.59	45.35
PAT Margin (%) <sup>(4)</sup>	7.67%	2.30%	2.47%	2.19%
Return on Equity (%) <sup>(5)</sup>	23.91%	10.11%	10.96%	11.52%
Debt to Equity Ratio (times) <sup>(6)</sup>	1.60	1.48	1.35	1.19
Current Ratio (times) <sup>(7)</sup>	1.07	1.36	1.46	2.31

Notes: M B Jajodia & Associates, Chartered Accountants by their certificate dated April 19, 2024.

**Explanation of KPIs:**

(1) Revenue from operations means the revenue from operations as appearing in the restated financial information.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

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

(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

\*For December 31, 2023, closing shareholder equity has been considered.

(6) Debt to Equity ratio is calculated as Total Debt divided by equity.

(7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

**b) Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Financial Information. We use these KPIs to evaluate our performance. Some of these KPIs are not defined under applicable Accounting Standards and are not presented in accordance with applicable Accounting Standards. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing results, when taken collectively with financial measures prepared in accordance with applicable Accounting Standards.

**Explanations for the certain financial data based on Restated Financial Statements**

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on Equity	Return on equity provides how efficiently our Company generates profits from shareholders' funds
Debt-Equity Ratio	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Current Ratio	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year

**c) Comparison with Listed Industry Peers**

**As on March 31, 2023:***(₹ in Lakhs, otherwise mentioned)*

Key Financial Performance	Silkflex Polymers (India) Limited	BASF India Limited	Heubach Colorants India Limited	Berger Paints India Limited
Revenue from Operations <sup>(1)</sup>	3421.33	1364477.00	76,641.66	947,062.00
EBITDA <sup>(2)</sup>	259.67	73,939.00	6059.54	142,300.00
EBITDA Margin (%) <sup>(3)</sup>	7.59%	0.05	7.91%	15.03%
PAT	78.59	40289.00	1,917.91	86040.00
PAT Margin (%) <sup>(4)</sup>	2.30%	2.95%	2.50%	9.08%
Return on Equity (%) <sup>(5)</sup>	10.11%	16.00%	4.53%	21.35%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	1.48	-	-	0.23
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	1.36	1.47	2.07	1.34

**As on March 31, 2022:***(₹ in Lakhs, otherwise mentioned)*

Key Financial Performance	Silkflex Polymers (India) Limited	BASF India Limited	Heubach Colorants India Limited	Berger Paints India Limited
Revenue from Operations <sup>(1)</sup>	2,782.47	1309973.00	83,951.00	774,093.00
EBITDA <sup>(2)</sup>	186.20	94,796.00	7031.60	124,565.00
EBITDA Margin (%) <sup>(3)</sup>	6.69%	7.24%	8.38%	16.09%
PAT	68.59	59,484.00	4,331.99	74986.00
PAT Margin (%) <sup>(4)</sup>	2.47%	4.54%	5.16%	9.69%
Return on Equity (%) <sup>(5)</sup>	10.96%	28.86%	10.55%	21.59%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	1.35	-	-	0.22
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	1.46	1.37	1.95	1.40

**As on March 31, 2021:***(₹ in Lakhs, otherwise mentioned)*

Key Financial Performance	Silkflex Polymers (India) Limited	BASF India Limited	Heubach Colorants India Limited	Berger Paints India Limited
Revenue from Operations <sup>(1)</sup>	2,075.22	955834.00	73,077.00	602,141.00
EBITDA <sup>(2)</sup>	146.48	105,145.00	35144.26	113,792.00
EBITDA Margin (%) <sup>(3)</sup>	7.06%	11.00%	48.09%	18.90%
PAT	45.35	55,261.00	21,866.67	68078.00
PAT Margin (%) <sup>(4)</sup>	2.19%	5.78%	29.92%	11.31%
Return on Equity (%) <sup>(5)</sup>	11.52%	36.47%	41.31%	23.44%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	1.19	0.10	-	0.05
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	2.31	1.27	0.67	1.69

**Explanation of KPIs:**

(1) Revenue from operations means the revenue from operations as appearing in the restated financial information.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

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

(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

(6) Debt to Equity ratio is calculated as Total Debt divided by equity.

(7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

**8. Justification for Basis for Issue price**

**a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares**

There has been no issuance of Equity Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares) during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

**b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)**

Except as set out below, there have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters or the members of our Promoter Group are a party to a transaction, during the 18 months preceding the date of this Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Transfer	Name of the Transferor	Name of Transferee	No. of Securities	% of pre-Issue paid-up share capital on fully diluted basis	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Total Consideration (₹)
June 15, 2023	Yogesh Jashvantlal Modi	Tushar Lalit Kumar Sanghavi	1,45,000	5.80%	10/-	23/-	Cash	33,35,000
June 15, 2023	Shukla Trupti Sandipbhai	Tushar Lalit Kumar Sanghavi	75,000	3.00%	10/-	20/-	Cash	15,00,000
June 15, 2023	Rajai Yash Chandubhai	Tushar Lalit Kumar Sanghavi	89,000	3.56%	10/-	20/-	Cash	17,80,000
June 15, 2023	Shukla Nidhi Sandip	Tushar Lalit Kumar Sanghavi	1,09,000	4.36%	10/-	34/-	Cash	37,06,000
June 15, 2023	Ami Ankit Sheth	Tushar Lalit Kumar Sanghavi	93,750	3.75%	10/-	34/-	Cash	31,87,500
June 15, 2023	Shital Niravbhai Sheth	Tushar Lalit Kumar Sanghavi	84,000	3.36%	10/-	34/-	Cash	28,56,000
June 15, 2023	Nirav Sheth HUF	Tushar Lalit Kumar Sanghavi	3,000	0.12%	10/-	34/-	Cash	1,02,000
June 15,	Renudevi	Tushar	45,000	1.80%	10/-	34/-	Cash	15,30,000

Date of Transfer	Name of the Transferor	Name of Transferee	No. of Securities	% of pre-Issue paid-up share capital on fully diluted basis	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Total Consideration (₹)
2023	Bhagavatiprasad Agarwal	Lalit Kumar Sanghavi						
June 15, 2023	Modi Sonam Dhaval	Tushar Lalit Kumar Sanghavi	45,500	1.82%	10/-	34/-	Cash	15,47,000
October 03, 2023	Shukla Trupti Sandipbhai	Tushar Lalit Kumar Sanghavi	1,20,500	4.82%	10/-	20/-	Cash	24,10,000
October 03, 2023	Modi Rita Y	Tushar Lalit Kumar Sanghavi	2,33,500	9.34%	10/-	20/-	Cash	46,70,000
October 03, 2023	Rajendrakumar M. Shah	Tushar Lalit Kumar Sanghavi	1,05,000	4.20%	10/-	35/-	Cash	36,75,000
October 12, 2023	Tushar Lalit Kumar Sanghavi	Atindra Dholey	(100)	Negligible	10/-	35/-	Cash	(3,500)
October 12, 2023	Tushar Lalit Kumar Sanghavi	Atanu Bhuniya	(100)	Negligible	10/-	35/-	Cash	(3,500)
October 12, 2023	Tushar Lalit Kumar Sanghavi	Tripti Hazari	(100)	Negligible	10/-	35/-	Cash	(3,500)
<b>Total</b>			<b>11,47,950</b>					<b>3,02,88,000</b>
<b>Weighted average cost of acquisition (WACA) (in ₹ per Equity Share) is ₹ 26.38/- per Equity Share</b>								

c) Since there is an eligible transaction of our Company reported in (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoters/Promoter Group entities, Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board are a party to the transaction) not older than three years prior to the date of this Prospectus, irrespective of the size of transactions, has not been computed.

d) **Weighted average cost of acquisition, Issue Price**

Based on the disclosures in (b) above, the weighted average cost of acquisition of Equity Shares as compared with the Issue Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Issue Price (₹ 52.00)
Weighted average cost of acquisition of primary issuances	N.A.	N.A.
Weighted average cost of acquisition for secondary transactions	26.38/-	1.97 times

\*As certified by Statutory Auditors of our Company, by way of their certificate dated May 01, 2024.

**Explanation for Issue Price being 1.97 times of weighted average cost of acquisition of secondary sale price of Equity Shares (set out in 8(d) above) along with our Company's key performance indicators and financial ratios for the period ended on December 31, 2023 and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 and in view of the external factors which may have influenced the pricing of the issue, if any.**

**e) The Issue Price is 5.2 times of the face value of the equity shares**

The face value of our share is ₹ 10/- per share and the Issue Price is of ₹ 52 per share i.e., 5.2 times of the face value. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 52 per share for the Public Issue is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled "*Risk Factors*" beginning on page 26 of this Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled "*Restated Financial Statements*" beginning on page 181 of this Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors,  
Silkflex Polymers (India) Limited**

Daga Complex,  
Sulati Jaladhulagori,  
Sankrail, Hawrah,  
West Bengal - 711302

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Silkflex Polymers (India) Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

### **Reference - Initial Public Offer of Equity Shares by Silkflex Polymers (India) Limited**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Silkflex Polymers (India) Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For, M B Jajodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: - 0139647W**  
**Peer Review No. 015630**

**CA Manoj Jajodia**  
**(Partner)**  
**Membership No. : 162116**  
**UDIN – 24162116BKBGQE2701**  
**Date: April 17, 2024**  
**Place: Kolkata**

## **ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Act.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

## **ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the GST Act.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the GST Act.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

## SECTION VI – ABOUT THE COMPANY

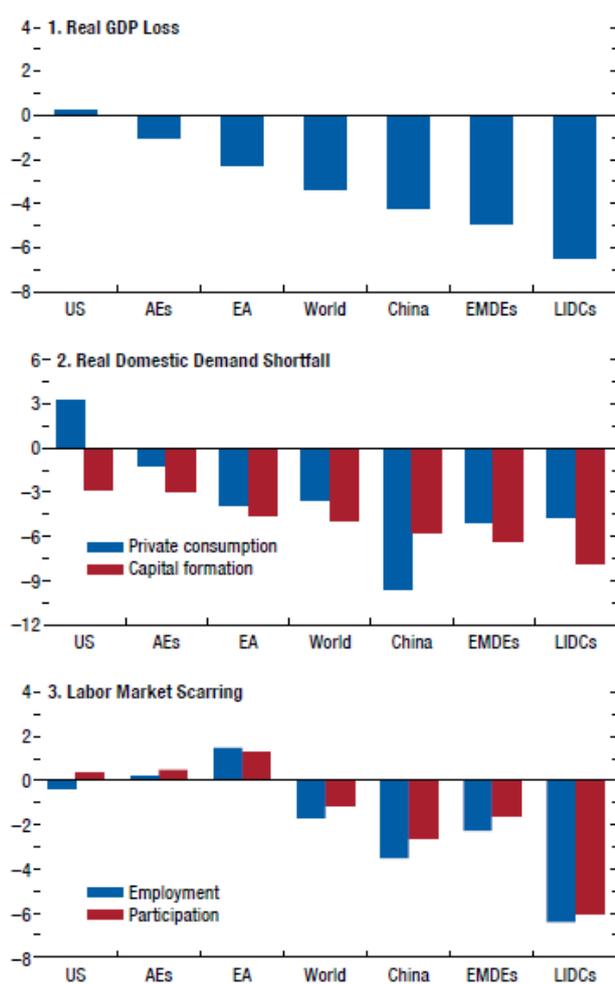
### INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Offer has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

#### GLOBAL ECONOMIC OVERVIEW

**Figure 1.1. Incomplete Recovery: Scarring from the Shocks of 2020–22**

(Percent; deviation in 2023 from prepandemic projections)



Source: IMF staff calculations.

Note: "Prepandemic projections" refers to those in the January 2020 *World Economic Outlook Update*. AEs = advanced economies; EA = euro area; EMDEs = emerging market and developing economies; LIDCs = low income developing countries.

The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

Monetary policy actions and frameworks are key at the current juncture to keep inflation expectations anchored. It emphasizes the complementary role of monetary policy frameworks, including communication strategies, in helping achieve disinflation at a lower cost to output through managing agents' inflation expectations. Given increasing concerns about geoeconomics fragmentation.

#### **Resilient Global Economy Is Limping Along, with Growing Divergences**

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled. Yet growth remains slow and uneven, with growing global divergences. The global economy is limping along, not sprinting.

According to the projections, global growth will slow from 3.5 percent in 2022 to 3 percent this year and 2.9 percent next year, a 0.1 percentage point downgrade for 2024 from our July projections. This remains well below the historical average. Headline inflation continues to

decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation, to 4.5 percent in 2024.

As a result, projections are increasingly consistent with a “soft landing” scenario, bringing inflation down without a major downturn in activity, especially in the United States, where the forecast increase in unemployment is very modest, from 3.6 to 3.9 percent by 2025.

### **Growing Global Divergences**

After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of prepandemic (January 2020) projections, especially in emerging market and developing economies (Figure 1.1, panel 1).

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below prepandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with prepandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$ 3.6 trillion in 2023 prices) below prepandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to prepandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes (Figure 1.1, panel 2). Among emerging market and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis.

Investment, on the other hand, has uniformly fallen short of prepandemic trends across regions. Businesses have shown

**Figure 1.2. The COVID-19 Shock: Returning to Normal**  
*(Standard deviations from average value; index, 100 = highest point worldwide during 2008–23, on right scale)*



Sources: Federal Reserve Bank of New York, Global Supply Chain Pressure Index; Google Trends.  
 Note: On right scale, numbers represent search interest relative to the highest point (100) during 2008–23 worldwide.

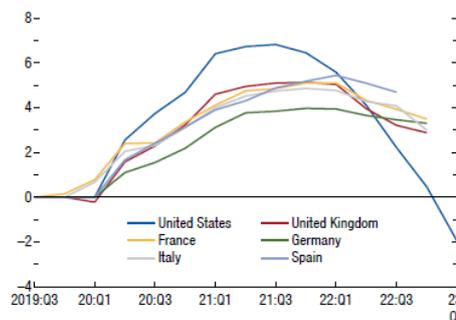
less enthusiasm for expansion and risk taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties 75 million to 95 million more people were living in extreme poverty in 2022 compared with prepandemic estimates. Spikes in food prices and related insecurities following Russia’s invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of catastrophic flooding, heat waves, and wildfires in many regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic (FAO and others 2023).

**Resilient Start to 2023, Signs of Slowdown**

Despite these persistent challenges, several headwinds to global growth subsided earlier this year. The World Health Organization announced in May that it no longer considered COVID-19 a global health emergency, and infections and hospitalizations appear to remain relatively limited, despite a recent uptick in some regions. Supply chains, which the pandemic disrupted, have largely normalized, with shipping costs and suppliers’ delivery times back to prepandemic levels. And global financial conditions eased after Swiss and US authorities took strong action in March to contain turbulence in their banking sectors.

Amid these conditions, global GDP expanded by 3.4 percent in the second quarter of 2023 compared with a year earlier outperforming forecasts, including those in the April 2023 WEO. The resilience reflected strong consumption amid tight labor markets in the United States and robust activity in economies with large travel and tourism sectors, such as Italy, Mexico, and Spain. These developments offset a slowdown in more interest-rate-sensitive manufacturing sectors.

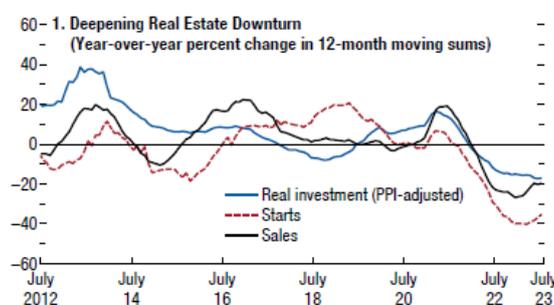
**Figure 1.3. Cumulative Excess Savings in Advanced Economies**  
(Percent of GDP)



**China: Slower Growth**

China’s growth momentum is fading following a COVID-19 reopening surge in early 2023. Growth slowed from 8.9 percent in the first quarter of 2023 (seasonally adjusted annualized quarterly rate) to 4.0 percent in the second quarter. With ample economic slack and declining energy and food prices, inflation fell to an estimated 0.2 percent (year over year) in the second quarter of 2023. Country Garden China’s largest property developer and a major beneficiary of government support—is facing severe liquidity stress, a sign that real estate distress is spreading to stronger developers, despite policy easing measures. Meanwhile, real estate investment and housing prices continue to decline, putting pressure on local governments’ revenues from land sales and threatening already fragile public finances. Commodity

**Figure 1.6. China’s Economy Losing Momentum**

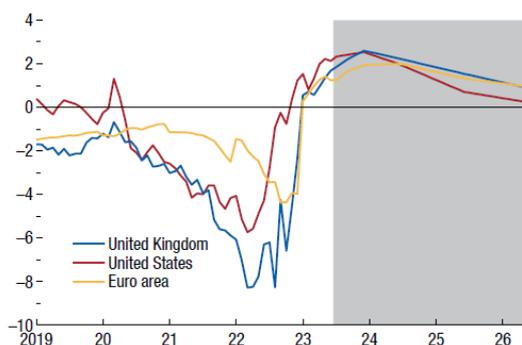


exporters and countries that are part of the Asian industrial supply chain are the most exposed to China's loss of momentum.

### **Tighter Monetary Policy, Tighter Credit**

Acute stress in the banking sector has receded. The March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse a Swiss globally systemically important bank on account of swift reaction by authorities in both countries. However, rapid rate hikes in major advanced economies over the past 18 months, a necessary response to rapidly rising inflationary pressures, have resulted in a tight monetary policy stance real rates above neutral rates that is expected to endure well into 2025.

**Figure 1.13. Monetary Policy to Remain Tight**  
(Percentage points)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>)

## **INDIAN ECONOMY OVERVIEW**

### **Introduction**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

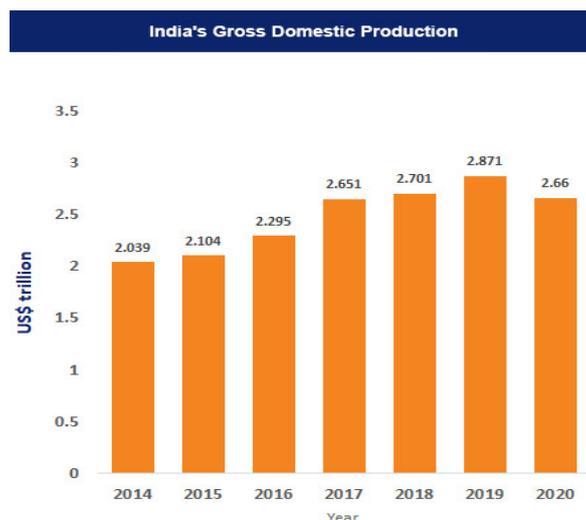
### **Market Size**

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs. 71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The

government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



### **Recent Developments**

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totalling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).

- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

### **Government Initiatives**

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of US\$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.

- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women's safety, security and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US\$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities

like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.

- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### **Road Ahead**

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview> )

### **GLOBAL TEXTILE INDUSTRY**

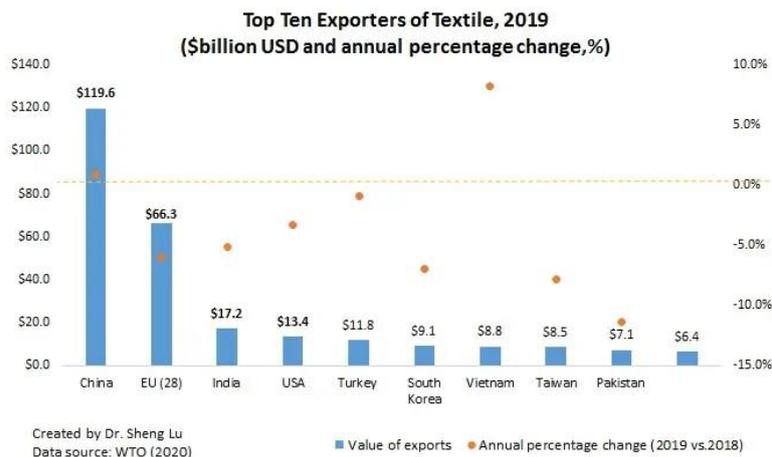
The global textile industry was estimated to be around USD 920 billion, and it is projected to witness a CAGR of approximately 4.4% during the forecast period to reach approximately USD 1,230 billion by 2024, according to a recent report.

The textile industry has evolved greatly since the invention of the cotton gin in the 18th century. This lesson outlines the most recent textile trends around the globe and explores the growth of the industry. Textiles are products made from fiber, filaments, yarn, or thread, and can be technical or conventional depending on their intended use. Technical textiles are manufactured for a specific function. Examples include an oil filter or a diaper. Conventional textiles are made for aesthetics first, but can also be useful. Examples include jackets and shoes.



The textile industry is an immense global market that affects every country in the world either directly or indirectly. For example, the people selling cotton increased prices in the late 2000s due to crop issues but then ran out of cotton as it was being sold so quickly. The price increase and the scarcity was reflected in the consumer prices of products that contained cotton, leading to lower sales. This is a prime example of how each player in the industry can affect others. Interestingly enough, trends and growth follow this rule as well.

From a global perspective, the textile industry is an ever-growing market, with key competitors being China, the European Union, the United States, and India.



### China: World's Leading Producer and Exporter

China is the world's leading producer and exporter of both raw textiles and garments. And although China is exporting less apparel and more textiles to the world due to the coronavirus pandemic, the country keeps its position as the top producer and exporter. Notably, China's market shares in world apparel exports fell from its peak of 38.8% in 2014 to a record low of 30.8% in 2019 (was 31.3% in 2018), according to the WTO. Meanwhile, China accounted for 39.2% of world textile exports in 2019, which was a new record high. It is important to recognize that China is playing an increasingly critical role as a textile supplier for many apparel-exporting countries in Asia.

### The US: Leader Producer and Exporter of Raw Cotton and Top Importer of Raw Textiles

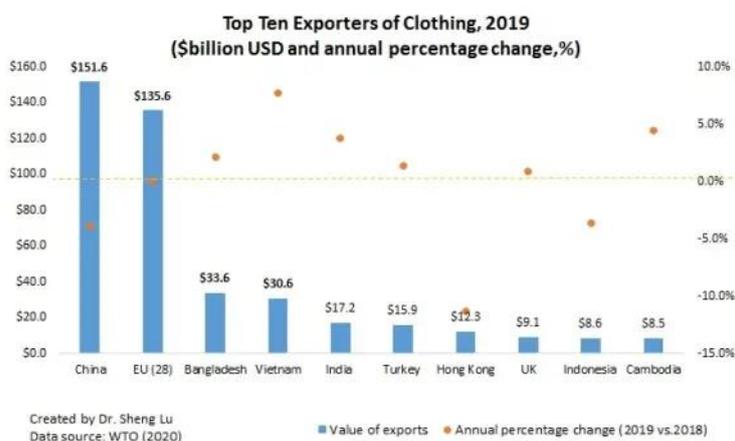
The United States is the leading producer and exporter of raw cotton, while also being the top importer of raw textiles and garments. The U.S. textile and apparel industry is a nearly \$70 billion sector when measured by value of industry shipments. It remains one of the most significant sectors of the manufacturing industry and ranks among the top markets in the world by export value: \$23 billion in 2018. At 341,300 jobs, the U.S. industry is a globally competitive manufacturer of textile raw materials, yarns, fabrics, apparel, home furnishings, and other textile finished products. Capital expenditures were \$2 billion in 2017, the latest year for which data are available. In recent years, companies have

focused on reorienting their businesses, finding more effective work processes, investing in niche products and markets, controlling costs through advanced technologies, and reshoring/nearshoring production.

### Europe: A Leader In World Markets

The textile industry of the European Union comprises Germany, Spain, France, Italy, and Portugal at the forefront with a value of more than 1/5th of the global textile industry, and it is currently valued at more than USD 160 billion. Textiles and clothing is a diverse sector that plays an important role in the European manufacturing industry, employing 1.7 million people and generating a turnover of EUR 166 billion. The sector has undergone radical change recently to maintain its competitiveness with a move towards products with higher value added.

According to the European Commission, the EU textile and clothing industry is a leader in world markets. EU exports to the rest of the world represent more than 30% of the world market while the EU Single Market is also one of the most important in terms of size, quality and design. The Commission works to ensure a level-playing field in international trade. It does this at multilateral level through the application of World Trade Organization agreements, at bilateral level through negotiations on Free Trade Agreements, and via dialogues such the Euro-Mediterranean Dialogue on the textile and clothing industry, and bilateral dialogues with Colombia and China.



### New Players: India, Vietnam and Bangladesh

According to the WTO, India is the third-largest textile manufacturing industry and holds an export value of more than USD 30 billion. India is responsible for more than 6% of the total textile production, globally, and it is valued at approximately USD 150 billion.

Vietnam exceeded Taiwan and ranked the world’s seventh-largest textile exporter in 2019 (\$8.8bn of exports, up 8.3% from a year earlier), the first time in history. The change also reflects Vietnam’s efforts to continuously upgrade its textile and apparel industry and strengthen the local textile production capacity are paying off.

On the other hand, even though apparel exports from Vietnam (up 7.7%) and Bangladesh (up 2.1%) enjoyed fast growth in absolute terms in 2019, their gains in market shares were quite limited (i.e., no change for Vietnam and marginally up 0.3 percentage point from 6.8% to 6.5% for Bangladesh). This result indicates that due to capacity limits, no single country has yet emerged to become the “Next China.” Instead, China’s lost market shares in apparel exports were fulfilled by a group of Asian countries altogether.

The textile market has experienced a roller coaster ride over the last decade. Due to specific country recessions, crop damage, and lack of product, there has been a variety of issues that hinder the growth of the textile industry. The textile industry in the United States saw serious growth in the last half dozen years and has increased by 14% in that time. Although employment has not significantly grown, it has evened out, which is a large difference from the late 2000s when there were immense layoffs.

As of today, it is estimated anywhere between 20 million and 60 million people are employed in the textile industry worldwide. Employment in the garment industry is particularly important in developing economies such as India, Pakistan, and Vietnam. The industry accounts for approximately 2% of global Gross Domestic Product and accounts for an even greater portion of GDP for the world’s leading producers and exporters of textiles and garments.

(Source: <https://www.fashionabc.org/global-textile-industry-overview-china-u-s-europe-dominates-market/> )

## INDIAN TEXTILE INDUSTRY

### INTRODUCTION



India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

### MARKET SIZE

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 billion in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 billion in 2022 and is expected to grow at 15% to reach US\$ 22.45 billion by 2027.

The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

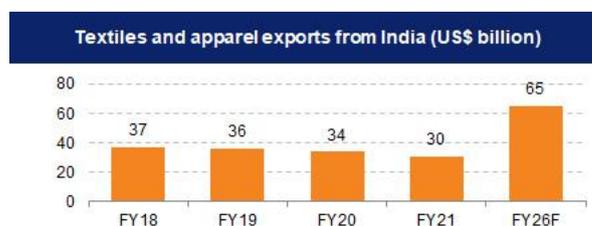
India is the world's largest producer of cotton. Estimated production stood at 343.4 lakh bales during the cotton season 2022-23. India's demand for domestic consumption of cotton is estimated to be 5.29 million metric tonnes in 2022-23. Domestic consumption for the 2021-22 cotton season was estimated to be 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) including accessories stood at US\$ 16.2 billion. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

India's textile and apparel exports (including handicrafts) stood at US\$ 36.68 billion in 2022-23. During April-November (2022-23), the total exports of textiles stood at US\$ 23.1 billion. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.



## INVESTMENT AND KEY DEVELOPMENT

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 4.31 billion from April 2000-June 2023. The textile sector has witnessed a spurt in investment during the last five years.

- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme “Cotton Value Chain- Local Innovations for Global Prosperity”.
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.
- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising cotton m elange yarn and PC grey yarn along with a dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile to technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specialises in rejuvenating textile waste into virgin grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company’s sustainable textiles business.

- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognised for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

## GOVERNMENT INITIATIVES

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.

- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs.133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

## ROAD AHEAD



The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian

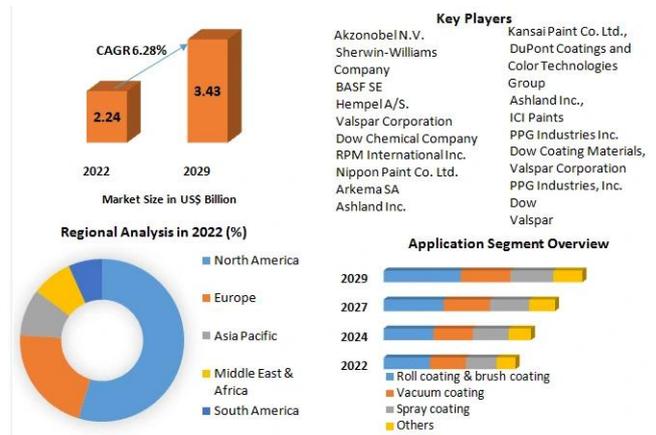
market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

(Source: <https://www.ibef.org/industry/textiles> )

## GLOBAL WOOD COATING INDUSTRY

Wood Coating Market was valued at US\$ 2.24 Bn. in 2022 and is expected to reach US\$ 3.43 Bn. by 2029, at a CAGR of 6.28% during a forecast period.

The report includes the analysis of impact of COVID-19 lock-down on the revenue of market leaders, followers, and disrupters. Since lock down was implemented differently in different regions and countries, impact of same is also different by regions and segments. The report has covered the current short term and long term impact on the market, same will help decision makers to prepare the outline for short term and long term strategies for companies by region.



### Wood Coating Market Dynamics:

Growing global population leads to an increase in demand for residential and commercial building which is driving the market growth. Increase in per capita income, betterment in living standard, rising expenditure on house are major factors driving market growth. Moreover, stringent regulation imposed by regulatory authorities towards the emission of VOC and other hazardous products is fueling penetration of eco-friendly wood coating market growth. However, the presence of cheaper alternatives is expected to restrain the market growth.

In the current development, the homeowners are interested in investing more in the keep of their floors, fences, siding and decks. Properly managed and highly sustained home adds the value of the home and saves money in the long term. Additionally, the increasing competition, stringent regulations and new product developments are some of the significant factors for the growth of the wood coatings market. However, the availability of quality and cheaper alternatives, for instance, plastic wood and wood composite are expected to hamper the growth of the global wood coatings market.

On the basis of coating type, stains & varnishes segment is dominating the market for wood coating. Owing to stains are easy to apply with either a paint brush. Stain can increase the grain on some wood types. Also, the use of varnish is in wood finishing applications where the natural tones and grains in the wood are intended to be visible.

Based on end user, the furniture segment is the fastest growing segment in the wood coating market. Wood coatings are mostly used in the exteriors and interiors in the furniture industry majorly owing to the finishing it provides to the furniture products.

In terms of region, the Asia Pacific region registered a more than 47% value share in 2022 and expected to cater a significant growth by 2029. The government investments for the infrastructural development and initiatives towards housing schemes in economics such as India, Vietnam and ASEAN countries among others, is expected to drive the wood coatings market in the region. In China, the demand for water-borne wood coatings is on increase owing to the new tax reform on VOC emissions.

The objective of the report is to present a comprehensive assessment of the market and contains thoughtful insights, facts, historical data, industry-validated market data and projections with a suitable set of assumptions and methodology. The report also helps in understanding Global Wood Coating Market dynamics, structure by identifying and analyzing the market segments and project the global market size.

Further, the report also focuses on the competitive analysis of key players by product, price, financial position, product portfolio, growth strategies, and regional presence. The report also provides PEST analysis, PORTER's analysis, SWOT

analysis to address the question of shareholders to prioritizing the efforts and investment in the near future to the emerging segment in the Global Wood Coating Market.

(Source: <https://www.maximizemarketresearch.com/market-report/global-wood-coating-market/28866/> )

## **INDIAN WOOD COATING INDUSTRY**

Wood coatings are generally created by combining various layers of shellac, drying oil, lacquer, varnish, etc. where every layer is followed by sanding. Whereas, on the contrary, waterborne wood coatings are made from a wide range of resins which include acrylic, polyester, polyurethane, fluoropolymer, waterborne powder, etc. Water is added in these coatings to enable the resin to get dispersed easily. These coatings are applied on the wood surface to protect and enhance its appearance. The high-water content of these coatings makes them easy to apply and environment-friendly as well. The consistency and the composition of the waterborne coatings vary and different solvents can be added to it. These coatings are often applied on furniture items such as tables, chairs, shelves, decorative wooden items, etc.

The market for waterborne wood coatings is currently exhibiting a continuous growth. Catalyzed by growing urbanization in emerging economies across the Asia Pacific, Latin America, and Eastern Europe, there has been a significant rise in the demand of waterborne wood coatings. Growing urbanization has triggered a rise in the residential, commercial, and industrial infrastructure, creating a positive impact on the demand of wooden products in these regions. Moreover, rising production of wooden artefacts and decorative items catalyzed by the growth of the global décor industry has also been driving the demand of these coatings. Additionally, waterborne wood coating offers numerous advantages compared to its substitutes. This includes robustness, stain resistance, corrosion resistance, flexibility, etc. Other factors driving the demand of waterborne wood coating include government regulations to reduce VOC (volatile organic compounds) emissions, product innovation, rising wood reuse, etc.

(Source: <https://www.imarcgroup.com/waterborne-wood-coatings-market> )

## **GLOBAL CHEMICAL INDUSTRY**

The chemical industry is of strategic importance to the sustainable development of national economies. The ILO estimates that there are up to 20 million people employed in the global chemical, pharmaceutical and rubber and tyre industries today. In 2013 the ILO held a Global Dialogue Forum on Initiatives to Promote Decent and Productive Work in the Chemical Industry , discussing innovative voluntary initiatives and social dialogue as effective tools to cope with existing and emerging challenges in the chemical industries.

### **Challenges in the sector**

Global competition has rapidly changed the world map of chemical production and consumption. Greater competitiveness and uncertainty have triggered restructuring processes with significant implications for employment and earnings, composition of employment and working conditions in general.

The improper use of chemicals can have adverse consequences for humans and the environment. Although occupational safety and health prevention practices in the chemical sector have generally improved, there is concern about the risk gaps between large and small companies, and especially between regular workers and outsourced workers. Moreover, new occupational risks have emerged due to technological innovation.

The share of women employed in the chemical industry varies significantly and has only increased slowly. Higher educational levels among women relative to men are being reflected in greater shares of professional jobs and lower management, but less so in upper management positions.

The Global Framework on Chemicals , which is backed up by a High-Level Declaration, sets concrete targets and guidelines across the lifecycle of chemicals, including the phasing out of some of the most harmful.

Since 2006, the ILO, and its constituents – workers’ and employers’ organizations as well as governments – have played a part in shaping the Global Framework and have worked to manage the use of hazardous chemicals in the working environment. Twenty-two international labour standards cover the management of these hazards.

The Framework’s text highlights a Just Transition as a “principle and approach” of the agreement. “A just transition towards an environmentally sustainable economy, with the sound management of chemicals and waste, contributes to the goals of decent work for all, social inclusion, protection of human rights and the eradication of poverty,” it states.

“This is an important step forward. The widespread use of hazardous chemicals impacts the safety and health of workers, the public and the environment, and threatens the broader goals of decent work and social justice for all,” said ILO Director-General, Gilbert F. Hounbo. “By prioritizing the sound management of chemicals and waste, within the context of a just transition, we can protect workers, green our economy, while supporting decent work opportunities.”

Every year, hazardous substances kill around 1.1 million workers worldwide, equivalent to approximately 2,900 per day, while toxic chemical exposures accounts for more than tens of millions of working days lost to disability, ill-health or premature death. The economic impact is estimated at 2.1 per cent of annual global GDP. The scope and cost of the impact is expected to rise, given the increasing use of chemical substances and increasing life expectancies.

As well as codifying the good management of chemicals and waste, the Framework’s 28 targets are intended to strengthen connections with other global development agendas, including climate change, biodiversity, human rights and occupational safety and health. “A safe and healthy working environment is a fundamental principle and right at work; therefore, all workers should be protected,” it states. “Workplace measures and policies, including the ratification and implementation of relevant international labour standards, should be integrated in chemical and waste management efforts.”

(Source: <https://www.ilo.org/global/industries-and-sectors/chemical-industries/lang--en/index.htm>  
<https://www.thebusinessresearchcompany.com/report/wood-products-global-market-report> )

## INDIAN CHEMICAL INDUSTRY

### INTRODUCTION

Covering more than 80,000 commercial products, India’s chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India’s GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

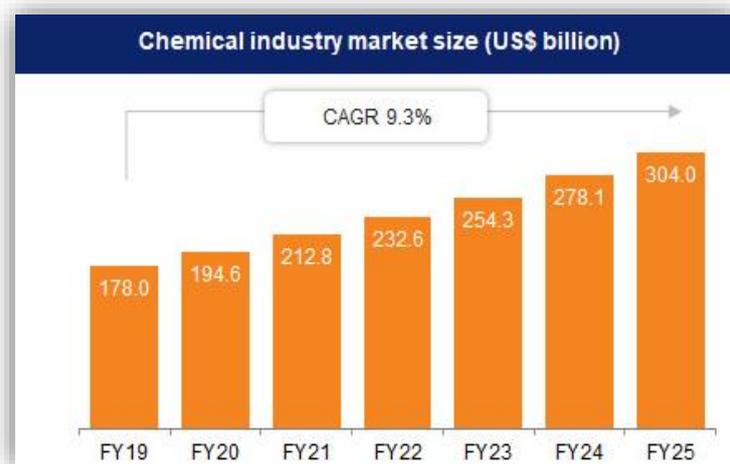
Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world production of dyestuffs and dye intermediates. As per Chemexcil (Chemicals Export Promotion Council), India’s agrochemicals export was estimated to be at US\$ 1.04 billion from April 2023-June 2023 (Provisional). Indian colorants industry has emerged as a key player with a global market share of ~15%. The country’s chemicals industry is de-licensed, except for few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totalled US\$ 561.56 million.

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040. India’s proximity to the Middle East, the world’s source of petrochemicals feedstock, enables it to benefit.

### MARKETS SIZE

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India’s GDP by 2030.

India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers, contributing more than 50% of the global vaccine supply. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.



An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22.

The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.

Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18-20% in 2022 and 14-15% in 2023.

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## INVESTMENTS AND RECENT DEVELOPMENTS

A few recent developments/investments in the Indian chemical sector are as follows:

- From April 2023 to June 2023 (Provisional), exports of organic (US\$ 1.88 billion) & inorganic (US\$ 483.16 million) chemicals were estimated at US\$ 2.37 billion.
- Imports of organic (US\$ 3.83 billion) and inorganic (US\$ 1.84 billion) chemicals totalled US\$ 5.63 billion from April 2023 to June 2023 (Provisional).
- From April 2023 to June 2023 (Provisional), exports of castor oil, essential oil and Cosmetics and others stood at US\$ 1.01 billion.
- Chemical production reached 926.99 million metric tonnes (MMT) in May 2023, while petrochemical production reached 1,786.39 MMT. In May 2023, production levels of various chemicals were as follows: Soda Ash: 259.52 MMT, Caustic Soda: 287.49 MMT, Liquid Chlorine: 207.18 MMT, Formaldehyde: 28.74 MT and Pesticides and Insecticides: 22.27 MMT.
- In August 2023, the Prime Minister announced a subsidy of US\$ 120.93 billion (Rs. 10 lakh crore) for providing cheaper Urea to farmers.

- In July 2023, Global Chemicals and Petrochemicals Manufacturing Hubs in India (GCPMH 2023) was organized in Delhi, India.
- In June 2023, Himadri Speciality Chemical invested US\$ 7.01 million (Rs. 58 crore) in Sicona Battery Technologies Pty Ltd, (Sydney) for a 12.79% stake.
- In June 2023, Mumbai-based UPL Ltd, will hive off its specialty chemicals business on a slump sale basis to wholly-owned arm UPL Speciality Chemicals Ltd for US\$ 431.96 million (Rs. 3,572 crore).
- In June 2023, Reliance plans to invest US\$ 9.06 billion (Rs. 75,000 crore) over 5 years to expand its oil to chemical business.
- Tata Chemicals intend to invest about US\$ 967.45 million (Rs. 8,000 crore) over the next 2-3 years as capex on an expansion spree that includes scaling businesses sustainably.
- In May 2023, Reliance Industries plans to set up 10 GW solar project in Andhra Pradesh.
- In March 2023, Chennai awaits more bio-CNG plants to enable switch to clean energy.
- On February 15th, 2023, Indian Speciality Chemical Manufacturer' Association (ISCMA) signed an MoU with USIIC to promote trade in speciality chemicals.
- In February 2023, the company is setting up a new formaldehyde plant with 300 TPD capacity at the existing manufacturing facility at GIDC, Ankleshwar in Gujarat.
- In January 2023, Tata Chemicals Europe signs pact with Essar-backed Vertex for sale of low-carbon hydrogen.
- In December 2022, GMM Pfaudler Ltd has entered into an agreement on December 8, 2022 to acquire Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. for US\$ 7.63 million.
- In September 2022, Royal Society of Chemistry (RSC) and CSIR work together to support chemistry in schools across India.
- In September 2022, Spanish perfume maker Puig acquired a controlling stake in Kama Ayurveda Pvt. owning 85% of the company.
- In May 2022, a global investment firm,PAG acquired Optimus group along with consortium partners CX Partners and Samara Capital.
- In April 2022, Dorf Ketal, a manufacturer of research based specialised chemicals has acquired Khyati Chemicals for US\$ 36.28 - 48.48 million (Rs. 300-400 crore).
- Advent International acquired a majority position in Avra Labs in January 2022, uniting it with two other businesses it had previously acquired, RA Chem Pharma and ZCL Chemicals.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to establish India's first commercial-scale Green Ammonia and Green Methanol plants.
- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest Rs. 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value specialty chemicals at its Panipat Refinery in Haryana.

- In November 2021, Praj Industries Limited and Indian Oil Corporation inked a memorandum of understanding (MoU) to explore opportunities in the production of alcohol-to-jet (ATJ) fuels, 1G & 2G ethanol, compressed bio-gas (CBG) and related opportunities in the biofuels industry.
- In November 2021, Coromandel International announced plans to set up 1,650-metric-tonnes-per-day sulphuric acid plant at its fertiliser complex in Visakhapatnam with an investment of Rs. 400 crore (US\$ 53.69 million).
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur.
- In October 2021, Nayara Energy announced that it expects 15-20 new integrated petrochemical plants to become operational within the next decade in the country, to meet the rising demand for raw materials used in the plastics and clothing industries.
- In October 2021, Rosneft, Russia, launched a large-scale petrochemical production development programme in India with investments worth ~US\$ 750 million at the current implemented stage.
- In September 2021, Bharat Petroleum Corporation (BPCL), announced plans to invest US\$ 4.05 billion, to improve petrochemical capacity and refining efficiencies over the next five years.
- The government is planning to hold roadshows in eight overseas markets for the proposed investors' summit planned in January 2022, with focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).

## GOVERNMENT INITIATIVES

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.
- In April 2023, Cabinet approves the National Medical Devices Policy, 2023.
- The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- Under the Union Budget 2023-24, the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.

- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 21.48 billion between April 2000-June 2023.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
  - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
  - Single window clearance for central and state-level approvals.
  - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020. The Gujarat Infrastructure Development Corporation (GIDC) has made an investment of around US\$ 2.09 billion (Rs. 17,317 crore) for infrastructure development in the PCPIR.

## ROAD AHEAD

Despite the current pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of Rs. 20 lakh crore (US\$ 276.46 billion) by 2035.

To bring about structural changes in the working of domestic chemical industry, future investments should not only focus on transportation of fuels such as petrol and diesel, but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

Note: Conversion rate used for May 2023 is Rs. 1 = US\$ 0.012

References: RBSA Advisors, Department of Chemicals and Petrochemicals, India Chem report 2020, Dyestuffs Manufacturers Association of India, Union Budget 2023-24.

(Source: <https://www.ibef.org/industry/chemical-industry-india> )

## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 26, 181 and 216 respectively, of this Prospectus.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for the period ended on December 31, 2023 and for the Financial Years ended on March 31, 2023, 2022 and 2021 included in this Prospectus. For further information, see “Restated Financial Statements” beginning on page 181 of this Prospectus.*

### OVERVIEW

Our Company is engaged in the trading of the textile printing inks and water-based wood coating polymers products of a Malaysian based brand- “Silkflex” produced by Silkflex Polymers SDN BHD (“**Silkflex Malaysia**”). Silkflex Malaysia, are one of the garment printing ink manufacturers of Malaysia. Silkflex Malaysia manufactures its products through its manufacturing unit located in Malaysia and the same products are then supplied around the globe through its authorised agents. The list of countries where Silkflex Malaysia supplies the products includes India, Thailand, Turkey, Russia, Sri Lanka, Bangladesh and Indonesia. As on this date of Prospectus, our Company have the right to sell the products of Silkflex and the rights to use the brand name of Silkflex in India.

#### Textile Ink / Coating



Replacement of traditional toxic cross-linking mechanism of textile inks with a new eco-friendly system which provides zero discharge of hazardous chemicals

#### Wood Coatings



A unique class of eco-friendly water-based wood coatings created from state-of-art polymer engineering has enabled the complete replacement of traditional oil-based lacquers.

Our Company was originally promoted by a father son duo. Late Lalit Kumar Hargovinddas Sanghavi and Mr. Tushar Lalit Kumar Sanghavi in the year 2016 started our Company with the intention of importing and selling the Silkflex brand products in India. Unfortunately, we lost Mr. Lalit Kumar Hargovinddas Sanghavi in the year 2020 due to COVID-19 pandemic. Thereafter, Mr. Tushar Lalit Kumar Sanghavi and his daughter Ms. Urmi Raj Mehta, i.e., the current promoters of our Company are actively and fully involved in the day-to-day affairs of Company’s operations. Mr. Tushar Lalit Kumar Sanghavi and Ms. Urmi Raj Mehta have 18 years and 3 years of experience in our industry. They play an instrumental role in the growth and success of our Company. Their experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships. For further details of our promoters, please see chapter titled “**Our Promoters and Promoter Group**” on page 174 of this Prospectus. Our Company is also guided by expertise management team which provides technical, marketing & sales guidance to our Company.

Our Company offers a wide variety of products which consists of 108 textile printing ink products and 51 wood coating polymers products. Our Company has entered into an agreement with Silkflex Malaysia on October 01, 2016, for distribution and selling, the water-based textile printing inks products of Silkflex. We also entered into agreement with Silkflex Malaysia on October 01, 2019 for distribution and selling, the wood coating polymers products of Silkflex Malaysia. These agreements also give us the rights to use the brand name of Silkflex in India. Further, by virtue of Technology Transfer Agreement (“TTA”) dated July 25, 2023, Silkflex Malaysia has permitted us to be the manufacturer of its products in India and agreed to provide full right, technology relating to products like Silkbond 35 and binder for

table glue products. However, as on the date of this Prospectus, our Company is in the process of setting up the manufacturing unit and has not started its production activities. For further details, please see chapter titled “*Objects of the Issue*” on page 80 of this Prospectus. We have been associated with Silkflex Malaysia since year 2016 and have over 7 years of business association with Silkflex Malaysia.

Silkflex products are certified to ZDHC Confidence Level 3 (Zero Discharge of Hazardous Chemicals). ZDHC aims to remove harmful chemicals from production and the supply chain to protect workers, consumers and the environment. Silkflex ensures that the products not only conform to the requirements of ZDHCs manufacturing restricted substances list but also to the strict manufacturing restricted substances list of global brands and retailers. Silkflex products are also accredited with Eco-Passport certificate issued by Oeko-Tex® and GOTS-version 7 (Global Organic Textile Standard) certificate.

As on the date of this Prospectus, the registered office of our Company is situated in the state of West Bengal. We also have 5 (five) branch offices in India, one of each situated in the state of Gujarat, Maharashtra, Tamil Nadu, Rajasthan and Punjab. Our offices are well equipped with the necessary infrastructure facilities. For further details of our properties, please see “*Our Business – Our Properties*” on page 126 of this Prospectus.

### Key Performance Indicators of our Company

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	For the period ended December 31, 2023	For the Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	3348.42	3421.33	2782.47	2075.22
EBITDA <sup>(2)</sup>	513.06	259.67	186.20	146.48
EBITDA Margin (%) <sup>(3)</sup>	15.32%	7.59%	6.69%	7.06%
PAT	256.66	78.59	68.59	45.35
PAT Margin (%) <sup>(4)</sup>	7.67%	2.30%	2.47%	2.19%
Return on Equity (%) <sup>(5)</sup>	23.91%	10.11%	10.96%	11.52%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	1.60	1.48	1.35	1.19
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	1.07	1.36	1.46	2.31

Notes: M B Jajodia & Associates, Chartered Accountants by their certificate dated April 19, 2024.

### Explanation of KPIs:

(1) Revenue from operations means the revenue from operations as appearing in the restated financial information.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

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

(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

\*For December 31, 2023, closing shareholder equity has been considered.

(6) Debt to Equity ratio is calculated as Total Debt divided by equity. (7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

### OUR SPECTRUM OF PRODUCTS

We offer a gamut of products, which is divided into two categories i.e., textile printing ink products and wood coating products.

### TEXTILE PRINTING INK PRODUCTS:



Printing Application			
1. Ready products suitable for textile screen printing			
Acrylic Polymers: Royalite White S +	Acrylic Polymers: Elastisol White M/C	Acrylic Polymers: Silkflex White TF	Acrylic Polymers: Elastisol Chilli Red
Acrylic Polymers: Royalite Clear S +	Acrylic Polymers: Elastisol Clear M/C	Acrylic Polymers: Silkflex Clear TF	Acrylic Polymers: Elastisol Black
Acrylic Polymers: Royalite White MX	Acrylic Polymers: Elastisol White S Matt	Acrylic Polymers: Elastisol PE White	Acrylic Polymers: Elastisol Navy Blue
Acrylic Polymers: Royalite Clear MX	Acrylic Polymers: Elastisol Clear S Matt	Acrylic Polymers: Elastisol PE Clear	Acrylic Polymers: Elastisol Green
Acrylic Polymers: Royalite White EX	Acrylic Polymers: Elastisol White Super Matt	Acrylic Polymers: Aqua Crack White	Acrylic Polymers: Elastisol Blue
Acrylic Polymers: Royalite Clear EX	Acrylic Polymers: Elastisol Clear Super Matt	Acrylic Polymers: Aqua Crack Clear	Acrylic Polymers: Elastisol Golden Yellow
Acrylic Polymers: Premium Rubber White Matt	Acrylic Polymers: Elastisol White XM	Acrylic Polymers: High Density White	Acrylic Polymers: Elastisol Orange
Acrylic Polymers: Premier Rubber Clear Matt	Acrylic Polymers: Elastisol Clear XM	Acrylic Polymers: High Density Clear	Acrylic Polymers: Elastisol Lemon Yellow
Acrylic Polymers: Premium Rubber White Super Matt	Acrylic Polymers: Elastisol PUMA White	Acrylic Polymers: Silicon White (Matt/Gloss)	Acrylic Polymers: Aquadis White
Acrylic Polymers: Premium Rubber Clear Super Matt	Acrylic Polymers: Elastisol PUMA Clear	Acrylic Polymers: Silicon Clear (Matt/Gloss)	Acrylic Polymers: Aquadis Clear
Acrylic Polymers: Premium Rubber White XM	Acrylic Polymers: Silkflex PUMA PU White	Acrylic Polymers: Elastic AOP White XT	
Acrylic Polymers: Premium Rubber Clear XM	Acrylic Polymers: Elastisol PUMA PU Clear	Acrylic Polymers: Elastic AOP Clear XT	
Acrylic Polymers: Elastisol Neo White LT	Acrylic Polymers: Nylon White	Acrylic Polymers: Premium Rubber White ATM	
Acrylic Polymers: Elastisol Neo Clear LT	Acrylic Polymers: Nylon Clear	Acrylic Polymers: Premium Rubber Clear ATM	
2. Fluorescent colour for textile printing			
Acrylic Polymers: Elastisol Fluorescent Green	Acrylic Polymers: Elastisol Fluorescent Red	Acrylic Polymers: Elastisol Fluorescent Orange	Acrylic Polymers: Elastisol Fluorescent Rubine
Acrylic Polymers: Elastisol Fluorescent Pink	Acrylic Polymers: Elastisol Fluorescent Blue	Acrylic Polymers: Elastisol Fluorescent Violet	Acrylic Polymers: Elastisol Fluorescent Lemon Yellow

Printing Application			
3. Pigments used for textile screen printing			
Acrylic Polymers: Pigment UNA White	Acrylic Polymers: Silkflex Red EC-S	Acrylic Polymers: Silkflex Blue EC-G	Acrylic Polymers: FL Orange SX
Acrylic Polymers: Silkflex Yellow EC-3G	Acrylic Polymers: Silkflex Red EC-B	Acrylic Polymers: Silkflex Brown EC-R	Acrylic Polymers: FL Lemon Yellow SX
Acrylic Polymers: Silkflex Yellow EC-R	Acrylic Polymers: Silkflex Deep Red EC-B	Acrylic Polymers: Silkflex Black RL	Acrylic Polymers: FL Pink SX
Acrylic Polymers: Silkflex Golden Yellow EC-3R	Acrylic Polymers: Silkflex Green EC-G	Acrylic Polymers: Silkflex Violete EC-R	Acrylic Polymers: FL Blue SX
Acrylic Polymers: Silkflex	Acrylic Polymers: Silkflex	Acrylic Polymers: FL	Acrylic Polymers: FL

Printing Application			
<b>3. Pigments used for textile screen printing</b>			
Orange EC-R	Green EC-B	Green SX	Rubine SX
Acrylic Polymers: Silkflex Orange EC-G	Acrylic Polymers: Silkflex Blue EC-R	Acrylic Polymers: FL Red SX	Acrylic Polymers: FL Violet SX

Printing Application		
<b>4. Additive used for textile screen printing</b>	<b>5. Special additive used for textile screen printing</b>	<b>6. Pressure-sensitive adhesive for textile printing</b>
Acrylic Polymers: Fixer 93	Acrylic Polymers: Anti-foil Gel	Acrylic Polymers: Pallet Glue
Acrylic Polymers: Fixer XF	Acrylic Polymers: Foil Glue(V)	Acrylic Polymers: Table Glue
Acrylic Polymers: Oxal	Acrylic Polymers: Matt Gel	
Acrylic Polymers: Part B	Acrylic Polymers: High Gloss Gel	
Acrylic Polymers: Cross linker		

Printing Application	
<b>7. Special Effect used for textile screen printing</b>	<b>7. Special effect for textile screen printing</b>
Acrylic Polymers: Emboss	Acrylic Polymers: Aqua Foil Gold
Acrylic Polymers: Silkflex GITD	Acrylic Polymers: Aqua Foil Silver
Acrylic Polymers: Glitter SP	Acrylic Polymers: Aqua Foil Clear
Acrylic Polymers: Glitter Paste	
Acrylic Polymers: Foil Glue	

Product Name	Printing Application
Acrylic Polymers: Silk Bond 35	Binder for making printing paste
Acrylic Polymers: Photosol TSP	Single pack pre-sensitized photo emulsion for screen coating
Acrylic Polymers: XF Sealer	Base coat to avoid Dye migration
Acrylic Polymers: Elastic AOP Clear	To make color for all over printing
Acrylic Polymers: Elastic AOP White	White Paste used for textile screen printing

#### WOOD COATING PRODUCTS:



The details of wood coating products offered by us are stated below:

<b>Sr No.</b>	<b>Products Description</b>	<b>Category</b>
1	WOODFLEX W8745PT MDF SEALER WHITE	Base Coat
2	WOODFLEX W8667SLB SANDING SEALER WHITE	Base Coat
3	WOODFLEX W8460SB SATIN WHITE (30%)	Top Coat
4	WOODFLEX W8748PT NGR SANDING SEALER	Base Coat
5	WOODFLEX W8029SLB SANDING SEALER	Base Coat
6	WOODFLEX W8228SB WOODY CLEAR (5%)	Top Coat
7	WOODFLEX W8542SB MATT (10%)	Top Coat
8	WOODFLEX W8031SB SATIN (30%)	Top Coat
9	WOODFLEX W8113SB SATIN EX (60%)	Top Coat
10	WOODFLEX W8035ATM ANTI-MIGRATION SEALER	Base Coat
11	UNAXOL W8677G CN GLAZE	Wipping Coat
12	UNAXOL W8046R REDUCER	Additive
13	WOODFLEX W8030HGB GLOSS (80%)	Top Coat
14	WOODFLEX W8676HGB GLOSS (90%)	Top Coat
15	W8018H PART B	Hardner
16	WOODFLEX W8754HGB SILVER BASE COAT	Base Coat
17	WOODFLEX W8672HGB GOLD BASE COAT	Base Coat
18	UNAXOL W8755G CRACK PROMOTION AGENT	Additive
19	WOODSTAIN UCS9383 UNA YELLOW	Pigment
20	WOODSTAIN UCS9384 UNA WHITE (M)	Pigment
21	WOODSTAIN UCS9442 EX BLACK	Pigment
22	UNAXOL WOODPIGMENT UCS9457 EX YELLOW	Pigment
23	WOODSTAIN UCS9675 EX BLUE	Pigment
24	UNAXOL WOODPIGMENT UCS9458 EX RED	Pigment
25	UNAXOL WOODSTAIN UCS9758 KS BROWN	Stain
26	UNAXOL WOODSTAIN UCS9760 KS YELLOW	Stain
27	WOODSTAIN UCS9763 KP RED	Stain
28	UNAXOL WOODSTAIN UCS9764 KS BLACK	Stain
29	UNAXOL W8757G SP GLUE	Additive
30	WOODFLEX W8523WS WL - WIPING STAIN	Wipping Coat
31	WOODFLEX W8775F GRF WHITE	Pigment
32	WOODFLEX W8776SLB SANDING SEALER GREY 25 KG	Base Coat
33	WOODFLEX WL WIPING STAIN TI0055 JR CHERRY	Stain
34	WOODFLEX WL WIPING STAIN TI0054 JR WALNUT	Stain
35	WOODFLEX W8670HGB XH GLOSS WHITE (95%)	Top Coat
36	UNAXOL W8381X GLZ WAX	Additive
37	UNAXOL WOODSTAIN UCS9761 KS ORANGE	Stain
38	UNAXOL W8677G CN GLAZE (SLOW DRYING)	Wipping Coat
39	UNAXOL WOODSTAIN BROWN 9917	Stain
40	UNAXOL WOODSTAIN CREAM 10002	Pigment
41	UNAXOL WOODSTAIN DARK BROWN 9969	Pigment
42	UNAXOL WOODSTAIN EBONY BLACK 9203	Pigment

Sr No.	Products Description	Category
43	UNAXOL WOODSTAIN ROYAL MAHOGONY 9945	Stain
44	WOODFLEX W8113SB SATIN CLEAR EX 10% (NEW)	Top Coat
45	WOODFLEX W8113SB SATIN CLEAR EX 30% (NEW)	Top Coat
46	WOODFLEX W8460SB SATIN WHITE (30%) TYPE 2	Top Coat
47	WOODFLEX W8667SLB SANDING SEALER WHITE TYPE 2	Base Coat
48	WOODFLEX W8748PT NGR SANDING SEALER (SOFT)	Base Coat
49	WOODFLEX W8723SB SEMI GLOSS CLEAR (60%)	Top Coat
50	WOODFLEX W8789 SLB SANDING SEALER WHITE (EXTRA WHITE)	Base Coat
51	WOODFLEX W8778SLB SANDING SEALER L	Base Coat

**Explanation of categories:**

**Base Coat** - The base coat is the first layer of paint applied to the surface after the primer, it provides the base colour, complexion and usually influences the finish of the topcoat. Typically, base coats do not use a gloss finish.

**Top Coat** - Topcoats are the final coats for use over primers or fillers. They are formulated to provide good adherence to the undercoat, the desired appearance colour, gloss, structure to the painted unit, additional protection from the weather and aid in other performance requirements.

**Wiping Coat** - A wiping coat will mask the wood's natural texture if you build up enough coats but also gives the wood a greater amount of protection against damage and moisture.

**Additive** - Additive is something that is added, as one substance to another, to alter or improve the general quality or to counteract undesirable properties of an additive that thins paint.

**Hardener** - It is a chemical product that is added to paint in 2-component products to cause a chemical reaction that leads to hardening polymerisation.

**Stain** - It is basically a colour to use mixing water or sealer.

**Pigment** – It is an intensely coloured molecule that often lends colour to other materials, and is either partially or completely insoluble in water. Pigments are different from dyes, because pigments require a binder (or binding agent) to dissolve into liquids.

**REVENUE BREAK-UP**

a) Following is our revenue bifurcation on the basis of our products category for the period ended December 31, 2023 and for the FY ending March 31, 2023 and the preceding two fiscals:

(₹ in lakhs)

Particulars	For the period ended on December 31, 2023		FY 2022-23		FY 2021-2022		FY 2020-21	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Textile printing ink products	3180.11	94.97%	3,261.59	95.33%	2,617.11	94.06%	2,075.22	100.00%
Wood coating products	168.31	5.03%	159.73	4.67%	165.36	5.94%	0.00	0.00%
<b>Total</b>	<b>3348.42</b>	<b>100.00%</b>	<b>3,421.32</b>	<b>100.00%</b>	<b>2,782.47</b>	<b>100.00%</b>	<b>2,075.22</b>	<b>100.00%</b>

b) Our state-wise revenue break up for the period ended December 31, 2023 and for the FY ending March 31, 2023 and the preceding two fiscals:

(₹ in lakhs)

State	For the period ended on December 31, 2023		FY 2022-23		FY 2021-2022		FY 2020-21	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
West Bengal	474.09	14.16%	584.79	17.09%	456.61	16.41%	317.71	15.31%
Tamil Nadu	1756.69	52.47%	2,033.20	59.43%	1,512.50	54.36%	1,268.37	61.12%
Punjab	398.19	11.89%	661.75	19.34%	638.62	22.95%	419.42	20.21%
Rajasthan	168.19	5.02%	140.15	4.10%	157.69	5.67%	0.00	0.00%
Gujarat	551.26	16.46%	1.44	0.04%	17.06	0.61%	69.72	3.36%
<b>Total</b>	<b>3348.42</b>	<b>100.00%</b>	<b>3,421.32</b>	<b>100.00%</b>	<b>2,782.47</b>	<b>100.00%</b>	<b>2,075.22</b>	<b>100.00%</b>

c) Following is our revenue bifurcation on the basis of industry of our customers for the period ended December 31, 2023 and for the FY ending March 31, 2023 and the preceding two fiscals:

(₹ in lakhs)

Industry Segment	For the period ended on December 31, 2023		FY 2022-23		FY 2021-2022		FY 2020-21	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
Textile Industries	3180.11	94.97%	3,261.59	95.33%	2,617.11	94.06%	2,075.22	100.00%
Wood Industries	168.31	5.03%	159.73	4.67%	165.36	5.94%	0.00	0.00%
<b>Total</b>	<b>3348.42</b>	<b>100.00%</b>	<b>3,421.32</b>	<b>100.00%</b>	<b>2,782.47</b>	<b>100.00%</b>	<b>2,075.22</b>	<b>100.00%</b>

d) Entire Textile Printing Ink Products are sold through B2B model and entire Wood Coating Products are sold through B2C model. Following is the revenue bifurcation on the basis of B2B or B2C model for the period ended December 31, 2023 and for the FY ending March 31, 2023 and the preceding two fiscals:

(₹ in lakhs)

Particulars	For the period ended on December 31, 2023		FY 2022-23		FY 2021-2022		FY 2020-21	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operations	%
B2B model	2400.71	71.70%	3,261.59	95.33%	2,617.11	94.06%	2,075.22	100.00%
B2C model	947.71	28.30%	159.73	4.67%	165.36	5.94%	0.00	0.00%
<b>Total</b>	<b>3348.42</b>	<b>100.00%</b>	<b>3,421.32</b>	<b>100.00%</b>	<b>2,782.47</b>	<b>100.00%</b>	<b>2,075.22</b>	<b>100.00%</b>

## OUR STRENGTHS

We believe that the following competitive strengths have contributed to our business growth and will continue to drive our success.

### 1. ZDHC certified

Silkflex products are certified to ZDHC Confidence Level 3 (Zero Discharge of Hazardous Chemicals). ZDHC aims to remove harmful chemicals from production and the supply chain to protect workers, consumers and the environment. Silkflex ensures that the products not only conform to the requirements of ZDHCs manufacturing restricted substances list but also to the strict manufacturing restricted substances list of global brands and retailers. Silkflex products are also

accredited with Eco-Passport certificate issued by Oeko-Tex® and GOTS-version 7 (Global Organic Textile Standard) certificate.

## **2. *Wide range of our products***

Our product mix has evolved over the past several years as we have entered into new product categories. Our Company deals in large number of products and offers a wide range of printing ink products used in textiles & garments industry. We also offer wood coating products to the furniture industry. The wood coating products sourced by us have a unique class of water-based wood coatings. We believe that maintaining a variety of products in our business provides us with an opportunity to cater to diverse needs of different customer segment. Our products undergo quality check to ensure that any quality defects or product errors are rectified.

## **3. *Location Advantage***

Reducing cost of operation is something which our company has been focusing on since its inception. We sell our products in West Bengal, Tamil Nadu, Punjab, Rajasthan, Gujarat. As a cost-effective measure, we import the goods and stock the same in our respective branch offices and supply locally. Hence reducing the cost of transportation substantially without compromising on the quality of the material procured. It also ensures us a continuous supply of products.

## **4. *Well established relationship with clients***

Our company generates its revenue from domestic operations; it has trusted buyers who give repeated orders at frequent intervals. The repetition of orders is basically owing to the quality of the product we provide and also the healthy relationship we maintain. Visits with customers are kept regularly to understand their needs, concerns and address them personally. We understand that the textile & furniture industry is highly competitive and maintaining healthy relationship with our customers will help us to be in the competition.

## **5. *Leveraging the experience of our Promoter and Directors***

Our Promoters, Chairman and Managing Director, Mr. Tushar Lalit Kumar Sanghavi and our Whole-Time Director, Mrs. Urmi Raj Mehta have 18 years and 3 years of experience in our industry. They play an instrumental role in the growth and success of our Company. The vision and growth strategies of our Company have been greatly influenced by their experience. Their expertise lies in business development, business strategy, product marketing, business planning, team management, sales management, entrepreneurship, strategic planning and competitive analysis. In order to meet the needs of the clients and deliver high yield, we have experienced team of employees in textile industries, marketing, and customer service, among other areas.

## **6. *Strong Marketing Practices***

The efficiency of the marketing and sales network is critical to the success of our Company. We produce distinctive marketing and advertising campaigns that generate high customer engagement. This marketing and campaigns include workshops, exhibitions and seminars including training programmes for product handling. To retain our customers and acquire new customers, our team having adequate experience and competencies, regularly interact with them through workshops, exhibitions, seminars and focus on gaining an insight into the additional needs of customers. Our technical team give technical demonstration to our customers on regular interval for new developing techniques & usage of products.



**Product handling training session**

## OUR STRATEGIES

The following are the key strategies of our Company for its business:

### **1. Focus on dealing in quality standard products:**

Quality along with consistency of the products is very important for the Company from both customer point of view and growth point of view. Silkflex products are manufactured in the plants of Silkflex Polymers Sdn. Bhd., Malaysia. We have the right to distribute and sell in India. Silkflex products are certified to ZDHC Confidence Level 3 (Zero Discharge of Hazardous Chemicals). Silkflex products are also accredited with Eco-Passport certificate issued by Oeko-Tex® and GOTS-version 7.0 (Global Organic Textile Standard) certificate. Providing the desired and quality products help us in maintaining long term relationship with customers.

Silkflex - Malaysia also manufactures water-based wood coating polymers products. We have the right to distribute and sell its products in India. The unique selling point of Silkflex wood coating products is that the coating is stable in hot boiling water and can also be used as exterior wood coating also.

### **2. Expanding our clientele network by geographic expansion:**

Since the garment manufacturers are scattered in various parts of India, our Company having presence in the states of West Bengal, Gujarat, Maharashtra, Tamil Nadu, Rajasthan and Punjab which covers majority of garment hubs. We believe that our growth in other states in the country can fetch us new business expansion and opportunities. We also intend to establish our presence in other locations of India through selling agents. Our emphasis is on scaling of our operations in other markets which provides us with attractive opportunities to grow our client base and revenues.

### **3. Reduction of operational costs and achieving functional efficiency:**

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. Since we have branches in major cities with necessary infrastructures, that allowed us to expand the wood coating business within the same infrastructure. This helps to reduce the operational cost. Efficiency is key to maintaining a competitive edge. We intend to implement process improvements across our organization, streamlining internal operations, optimizing inventory management, and enhancing logistics and distribution networks. Our Company for its registered office situated in West Bengal has also installed solar panel to meet the power requirements of the Company and save electricity expenses. These improvements will not only strengthen our financial performance but also attract investors seeking companies with robust operational frameworks.

### **4. Focus on cordial relationship:**

We believe that developing and maintaining long term sustainable relationships with our suppliers, customers and employees will help us in achieving the organizational goals, increasing sales and entering into new markets. Our dedicated, focused approach, efficient and timely delivery of products have helped us to build strong relationships over a number of years.

### **5. Focus on increase in volume of sales**

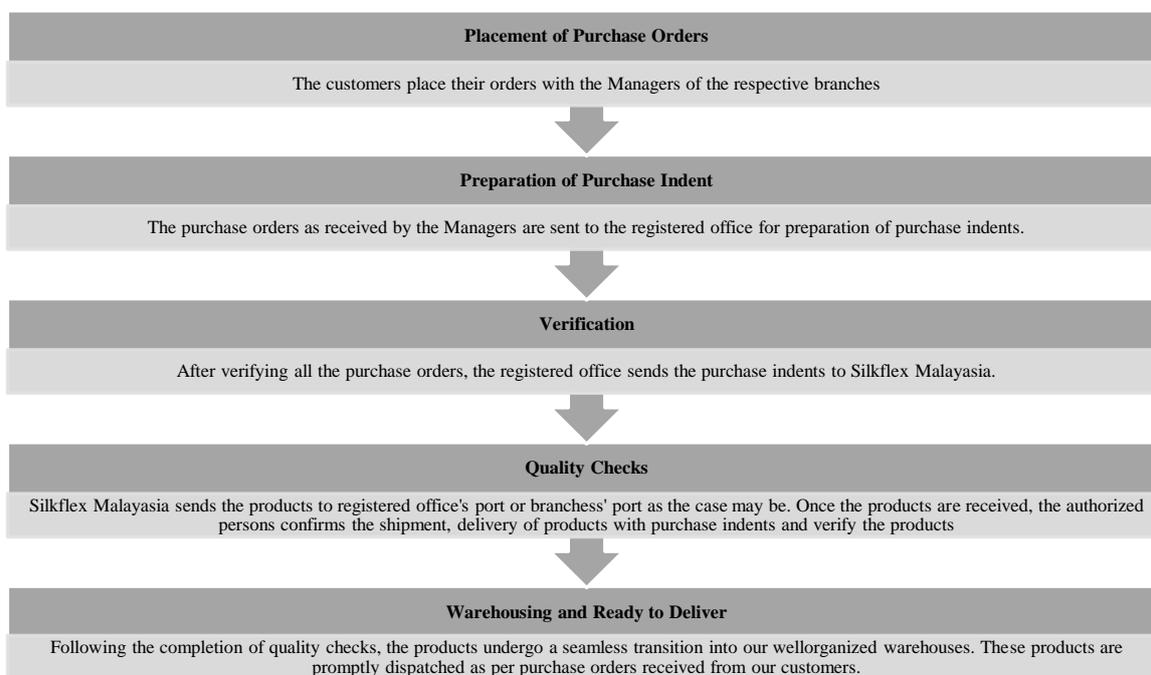
As part of our growth strategy, we intend to focus on increase in volume of sales. As a trading company we want to focus on larger volume of sales and further addition of new products in our portfolio to achieve our targeted sales. We are participating every year in Garments Machinery Manufacturers & Suppliers Association (GMMSA) garment exhibition held at Ludhiana, Knit Show exhibition at Tirupur. We also arrange seminars in regular interval to update the technical knowledge by our products.

### **6. Entering into manufacturing activities of textile printing products**

Our Company intends to expand its business operations by entering into segment of manufacturing of textile printing products. We are currently engaged in the business of supplying of textile printing products and water-based wood coating polymers products in domestic markets. Hence, in order to now expand our business operations, we intend to enter into manufacturing concern. By virtue of Technology Transfer Agreement (“TTA”) dated July 25, 2023, Silkflex Malaysia has permitted us to be the manufacturer of its products in India and agreed to provide full right, technology

relating to products like silkbond 35 and binder for table glue products. Our Company is not paying any royalty for using the brand Silkflex in Trading business. In relation to the proposed manufacturing process, the royalty fees shall be paid to Silkflex Malaysia only after commencement of production and the percentage amount will be mutually decided by the parties on the basis on the volume and cost of production. For setting up of manufacturing unit and to cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we intend to acquire lands on which manufacturing unit will be constructed and required plant and machineries. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 80 of this Prospectus.

## **OUR BUSINESS PROCESS**



## **PLANT AND MACHINERY**

Our Company does not have any plant and machinery since our business is not in the nature of a manufacturing concern as on the date of this Prospectus.

## **CAPACITY UTILIZATION**

As on the date of this Prospectus, our Company is into trading business, hence the same is not applicable on us.

## **RAW MATERIALS**

As on the date of this Prospectus, we are not engaged in manufacturing business so we don't procure any raw materials from suppliers.

## **LOGISTICS**

We outsource inward logistics. We also outsource the delivery of our products to either third-party logistics companies or as mutually agreed shipment terms as decided with the customers.

## **UTILITIES**

Our registered office is situated in the state of West Bengal. We also have 5 (five) branch offices and warehouses, one of each situated in the state of Gujarat, Maharashtra, Tamil Nadu, Rajasthan and Punjab. These offices and warehouses are well equipped with computer systems, internet connectivity, other communication equipment and other facilities which

are required for our business operations to function smoothly. These are well equipped with requisite utilities and facilities including the following:

### **Water**

Our offices have adequate water supply arrangements for human consumption and commercial purpose which is procured from local authorities.

### **Power**

The requirement of power for our operations, at our registered office and branch offices are met through state electricity boards. Our Company for its registered office situated in West Bengal has also installed solar panel to meet the power requirements of the Company.

## **INFORMATION TECHNOLOGY**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our IT infrastructure enables us to track government levies, procurement of materials from Malaysia and sale of products, payments to suppliers and receivables from customers.

## **ENVIRONMENT, HEALTH & SAFETY**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, please see the chapters titled “*Key Industry Regulations and Policies*” and “*Government and other Statutory Approvals*” beginning on page 146 & 231 of this Prospectus. We also organise training programmes where products related information are provided including instructions on handling of chemicals, precautions and protocols related to our products.

## **HUMAN RESOURCE**

We believe that a well-trained, motivated and satisfied employee base is key to our competitive advantage. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our kind of business. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

As on December 31, 2023, we have employed 28 personnel at our offices. All these personnel are permanent employees of the Company. The breakdown of our Company’s permanent employees in different functionalities as on December 31, 2023, has been provided below:

<b>Department/Function</b>	<b>No. of Personnel</b>
Finance Department	1
Administration, General and Human Resource Department	5
Sales & Marketing Department	6
Logistics Department	5
Accounts, Purchase & Procurement Department	3
Legal and Compliance Department	2
Technical Department	6
<b>Total</b>	<b>28</b>

## **SALES & MARKETING STRATEGY**

Our Company has marketing and brand strategy for our products. We undertake (i) trade exhibitions; (ii) dealer meets; and (iii) seminars, wherein our products are marketed and displayed. We also have dealers across different states where we sell our products, who ensures the marketing of our products. Technical staffs visit with dealer/or his/her/their authorized person is also provided to give the presentation and trial of our products.



**Screen Print India Exhibition, Mumbai**



**Knitshow 2023, Tiruppur**



**Seminar on premium wood coating, Ahmedabad**



**Seminar on premium wood coating, Jodhpur**



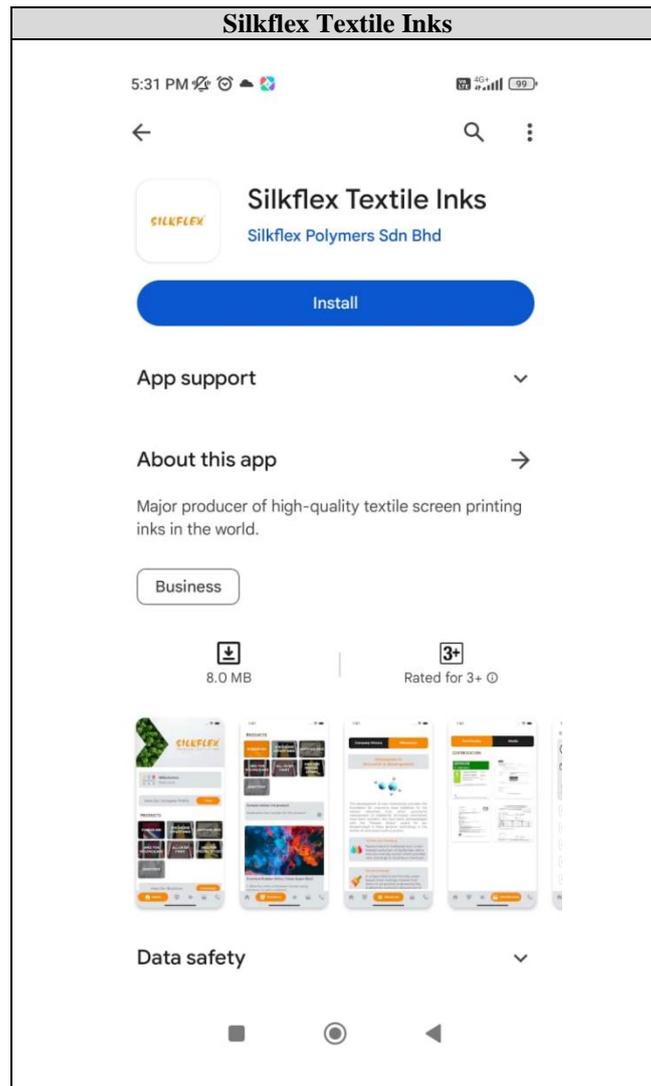
### **Technical Training on premium wood coating, Jodhpur**

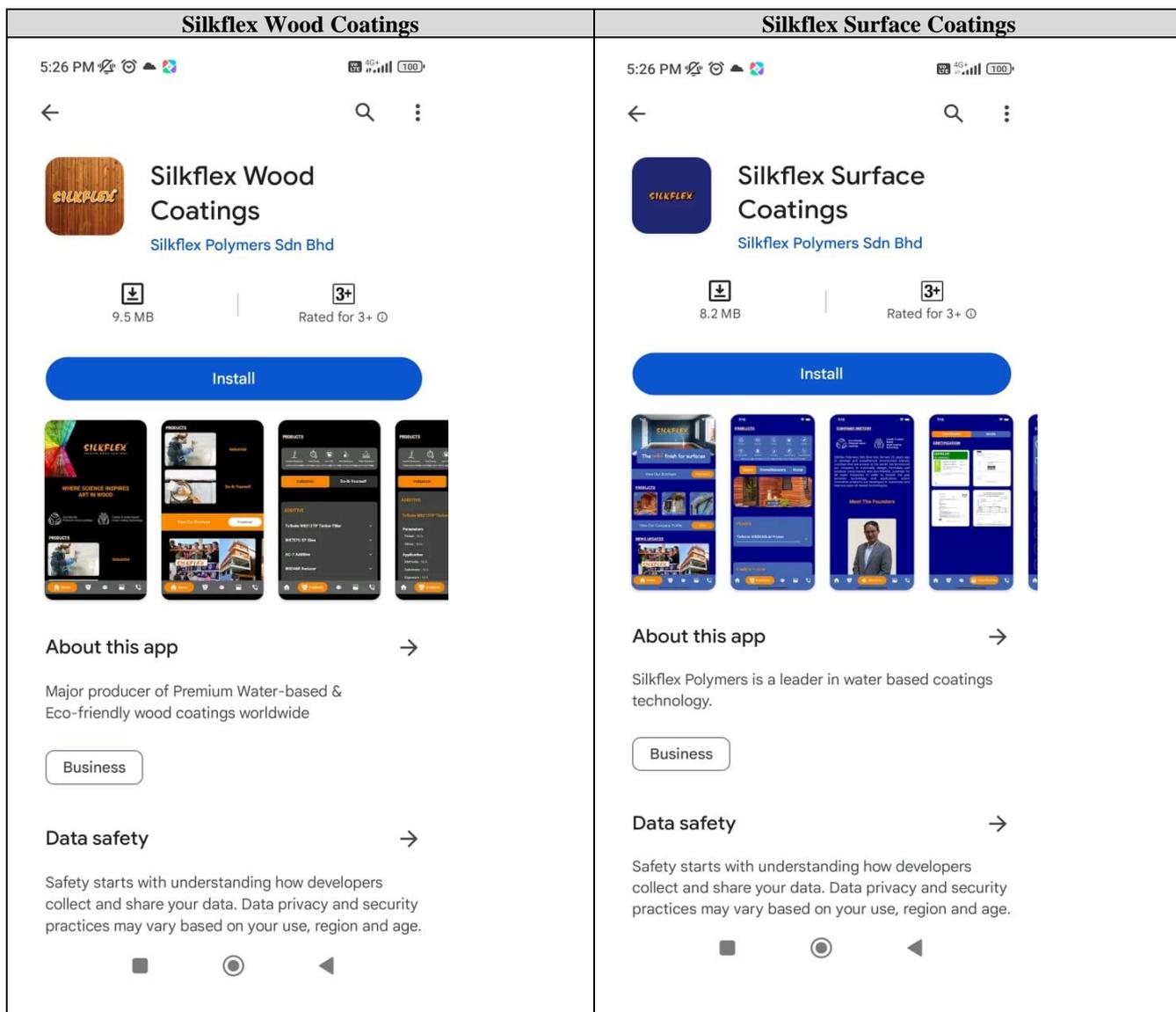
Our Company believes that the quality of the products is up to the mark and that's the major reason for being awarded with the orders. Our sales and marketing strategy focuses on enhancing revenue streams by leveraging established relationships and building competitive advantage through a wide range of product offerings. We intend to focus on following marketing strategies:

1. To expand our existing distribution base.
2. Fulfilment of order quantity at scheduled delivery time.
3. Focus on dealing in quality standard products.

In addition to the above, our website provides details of the range of products offered, product certifications, details of past and upcoming events, news coverage, customer feedbacks, contact support, which enables the prospective customers to know the company's products and reach. This facilitates customer decision making for placing orders without much inconvenience.

Mobile applications





*\*Silkflex Polymers Sdn. Bhd. Malaysia, is the absolute owner of all the mobile applications mentioned above. However, our Company enjoys the marketing benefits and product awareness caused due to the mobile applications.*

## COMPETITION

We face competition from various domestic and international players. We foresee this competition to continue to grow as the demand for our products increases. Most of our competitors in the regional level are from the unorganized sector of the industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, established relationship with suppliers and customers, brand recognition etc.

## EXPORT AND EXPORT OBLIGATIONS

As on the date of this Prospectus, our Company do not have any export obligation.

## COLLABORATION

As on this Prospectus, our Company has not entered into any technical or financial collaboration agreements.

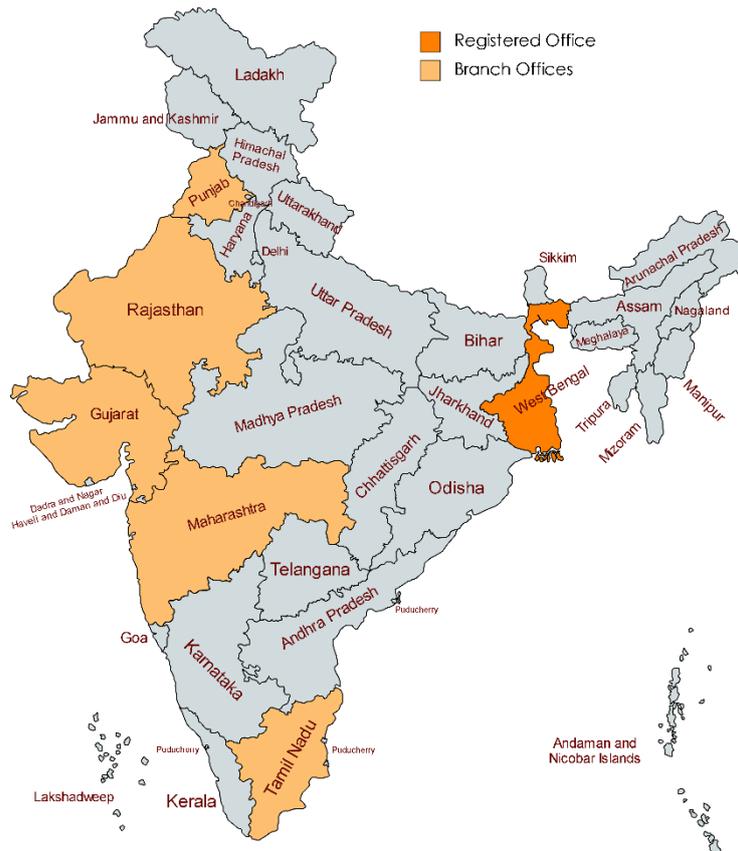
## INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with industry standards. At present our insurance policies provide for standard coverage against risks including fire, explosion, implosion, lightning, earthquake, volcanic eruption, or other convulsions of nature, storm, cyclone, typhoon, tempest, hurricane, tornado, tsunami, flood and inundation acts of terrorism, etc. These insurance policies are generally valid for one year and are renewed annually by us. The details of insurance policies are as stated below:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Policy No.	Sum Insured (₹ in Lakhs)	Premium p.a. (₹ in Lakhs)
1.	IFFCO-Tokio General Insurance Co. Limited	Bharat Laghu Udyam Suraksha	From March 10, 2024 to March 09, 2025	12729914	2,000.00	3.47/-
2.	IFFCO-TOKIO General Insurance Co. Limited	Burglary and House Breaking Insurance	From March 10, 2024 to March 09, 2025	44419626	2,000.00	0.02/-
3.	IFFCO-TOKIO General Insurance Co. Limited	Bharat Laghu Udyam Suraksha	From March 13, 2024 to March 12, 2025	12730874	861.00	1.45/-
4.	IFFCO-TOKIO General Insurance Co. Limited	Burglary and House Breaking Insurance	From March 13, 2024 to March 12, 2025	44419803	210.00	0.007/-

## PROPERTIES

The details of the immovable properties owned by our Company are given here below:



Sr. No.	Name of the Sellers	Address of the Property	Area of the Property	Date of sale Deed	Consideration (Rs. in Lakhs)	Purpose
1.	3M Enclave Private Limited and Treasure Projects LLP	Daga Complex, Sulati Jaladhulagori, Sankrail, Howrah, West Bengal, - 711302, India	8,807.02 Sq. ft.	September 06, 2018	60.00/-	Registered Office and warehouse.
2.	Mr. R. Manoharan	SIDCO Industrial Estate, S.F. No. 631/1, Shed No. 24 (northern portion) & 25 (southern portion), Tiruppur, Palladam, Ganapathipalayam, Tamil Nadu- 641605	2,072.00 Sq. ft.	August 20, 2022	6.96/-	Investment
3.	Mr. S. Hariharan	SIDCO Industrial Estate, S.F. No. 631/1, Shed No. 24 (southern portion), Tiruppur, Palladam, Ganapathipalayam, Tamil Nadu- 641605	4,844.00 Sq. ft.	March 12, 2020	17.00/-	
4.	Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai	Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 592 Old Tenure, Gujarat, India	4,87,163.35 Sq. ft.	December 28, 2023	751.00*	Proposed manufacturing unit
5.	Mr. Patel Alpeshkumar Pravinbhai and Mr. Patel Eleshkumar Pravinbhai	Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New Tenure, Gujarat, India	32,291.7 Sq. ft.	December 28, 2023	49.00	Parking space for our proposed manufacturing unit

*\*Our Company has made payment of ₹197.51 lakhs from internal accruals towards acquisition of Land and remaining payment are to be made from the Net Proceeds. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 80 of this Prospectus.*

#### Registered Office, Kolkata



The details of the immovable properties taken on lease / license/ sub lease basis by our Company are given here below:

Sr. No	Address	Name of Owner	Area of the Property	Period of Agreement	Rent details (Rs. in Lakhs)	Purpose
1.	17/2, Indiranagar, 1st Street, Muranganpalayam, Tirupur - 641602, Tamil Nadu	Mr. G. Mani	8,000 Sq. ft.	November 30, 2023 to October 30, 2024	0.70/- per month	Branch Office with warehouse
2.	Plot No.2, Opp. C-236, Road No. 6, Basni II, Jodhpur - 342006, Rajasthan	Mr. Surendra Borana	3,000 Sq. ft.	November 29, 2023 to October 29, 2024	0.45/- per month	Branch Office with warehouse
3.	B-XXXI, 369/4 Indra Colony, Chandigarh Road, Ludhiana, Punjab - 141001	Mr. Gaurav Nayyar	2,300 Sq. ft.	December 01, 2023 to November 01, 2024	0.36/- per month	Branch Office with warehouse
4.	Godown No. 16/A, Shyam Estate, Near Hotel Parichay, Aslali District, Ahmedabad - 382427, Gujarat	Ms. Amthiben Sakarchand Prajapati	1,184 Sq. ft.	December 01, 2023 to November 01, 2024	0.11/- per month	Branch Office with warehouse
5.	Office No. G/26, Zoom Plaza Co-Op Soc Ltd, C.T.S. No. 19, L T Road Gorai 1, Borivali (West), Mumbai - 400092, Maharashtra, India	Mrs. Jagushte Smita Abhay	185 Sq. ft.	January 01, 2024 to September 30, 2026.	0.11/- per month for the first 11 months 0.12/- per month for the next 11 months 0.13/- per month for the next 11 months	Branch Office

#### INTELLECTUAL PROPERTY

Our Company does not have any intellectual property registered in our name as on the date of this Prospectus. Further, one of our Promoters, Mr. Tushar Lalitkumar Sanghavi has registered the following Trademark in his name who has given No Objection Certificate vide letter dated December 26, 2023 to our Company for using the below mentioned Trade Mark:

Sr. No.	Description	Registration Number/Mark/Label	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration for Trade Mark	UNAXOL No. 4645873 in Class 2 under no. 4645873	Trade Marks Act, 1999	Registrar of Trademarks, Trade Marks Registry, Mumbai	March 20, 2021 with effect from September 08, 2020	September 07, 2030

#### DOMAIN DETAILS

Domain Name and ID	Sponsoring Registrar and ID	Registration Date	Registry Expiry Date
silkflexindia.in (D10091454-IN)	GoDaddy.com, LLC (146)	November 20, 2015	November 20, 2026

## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” beginning on page number 231 of this Prospectus.

For the current business of trading in printing ink and wood coating, there are no specific laws which apply for its regulation. However, Legal Metrology Laws and laws applicable to Small and Medium Enterprises may be said to be key regulations, details of which are given hereunder along with other general laws applicable to the Company. We understand that objects of the Issue are to purchase Land, Plant and Machinery for the Factory. In that case, the Company will be regulated by the Environmental Laws including Factories Act, etc.

#### **The Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“Legal Metrology Act”) came into force on March 1, 2011. The Legal Metrology Act provides that the units of weights and measures must be in accordance with the metric system based on the international system of units, and prohibits quotations made otherwise. The Legal Metrology (General) Rules, 2011, which came into force on April 1, 2011, also provide the detailed specifications of standard weights and measures and the standard equipment. The Legal Metrology Act regulates the trade and commerce in weights and measures, and provides for the appointment of a director, controller and other legal metrology officers, and empowers them to undertake inspection or forfeiture to ensure compliance with its provisions. The Legal Metrology Act provides for imposition of penalty on use of non-standard, or unverified weights and measures, and for making any transaction, deal or contract in contravention of the standards of weights and measures. The Legal Metrology Act allows companies to nominate a person who will be held responsible for the breach of provisions of this legislation.

#### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED:**

#### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments laws applicable in the States of Gujarat, Rajasthan, Punjab, West Bengal and Tamil Nadu establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Stamp Act in various states**

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Governments of Gujarat, Rajasthan, Punjab, West Bengal and Tamil Nadu, are empowered to prescribe or alter the stamp duty as per their need.

### **Professions, Trade, Callings and Employments Act in various states**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Governments of States of Gujarat, Punjab, West Bengal and Tamil Nadu, are empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and are also required to collect funds through professional tax. The professional taxes are charged on the income of individuals, profits of business or gains of vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such persons before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such persons and employer has to obtain the registration from the assessing authority in the prescribed manner.

### **GENERAL CORPORATE LAWS:**

#### **Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private companies into public companies and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, winding up, voluntary winding up, and appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

#### **The Sale of Goods Act, 1930**

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

#### **The Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

#### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Specific Relief Act, 1963**

The Specific Relief Act is complementary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means the Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to another party.

### **Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### **ENVIRONMENTAL LEGISLATIONS:**

#### **The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

#### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

#### **Air (Prevention and Control of Pollution) Act, 1981 (the Air Act)**

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control areas and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

#### **Water (Prevention and Control of Pollution) Act, 1974 (the Water Act)**

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution Control Boards constituted under this Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the Board constituted under this Act.

#### **The Hazardous and other Wastes (Management & Trans-boundary Movement) Rules, 2016**

Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use, reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final

notification of the Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008 in supersession of former notifications. The Rules lay down corresponding duties of various authorities such as the Ministry of Environment and Forests, Central Pollution Control Board, State/UT Govts., State Pollution Control Boards / Pollution Control Committees, Director General of Foreign Trade, Port Authority and Custom Authority. State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handling and their disposal.

### **TAX RELATED LEGISLATIONS:**

#### **Income Tax Act, 1961**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed for income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

#### **Goods and Services Tax Act, 2017**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **EMPLOYMENT AND LABOUR LAWS:**

#### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allow the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended by Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965**

The Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

- **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted 'The Occupational Safety, Health and Working Conditions Code, 2019 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business. Details of these existing Acts are as follows:

- **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months, 20 or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

- **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This law is applicable to all the establishments employing 5 or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed 5 or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

- **The Industrial Relations Code, 2020**

The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. This Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provides for the constitution of grievance settlement machineries in any establishment having 20 or more workers.

- **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provide that any dispute between employers and workmen or between workmen and workmen, or between employers and employees which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employees, or for imposing restrictive conditions on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments having 50 or more workmen employed, so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial establishment. The highlights of the Standing Orders are classification of workmen, manner of intimation to workers about work and wage related details, attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

- **The Code on Social Security, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 9 separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The relevant laws that the code shall subsume, are currently as follows:

- **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employee’s Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employee’s Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 days of death/serious bodily injury.

- **Employee’s State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees’ State Insurance Corporation.

- **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees’ Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to

shops and establishments in a state, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which 10 or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991**

The Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under this Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the “Act”)**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms ‘sexual harassment’ and ‘workplace’ are both defined in the Act. Every employer should constitute an “Internal Complaints Committee” and every officer and member of the Committee shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The CLPR Act seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **INTELLECTUAL PROPERTY RIGHTS**

Intellectual property in India enjoys protection under both common law and statutes. Under statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is party to several international intellectual property related instruments including the Patent Cooperation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the Berne Convention for the Protection of Literary and Artistic Works, 1886, the Universal Copyright Convention adopted at Geneva in 1952, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

### **The Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled,

subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### **Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “Copyright Laws”) governs copyrights subsisting in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programmes, tables and compilations including computer databases. Computer programme constitutes a literary work under Indian law and is afforded copyright protection and the owner of such computer programme becomes entitled to protect his works against unauthorized use and misappropriation of the copyrighted work or a substantial part thereof. Any act of this nature entitles the copyright owner to obtain relief from a court of law including injunction, damages and accounts of profits. Further, copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work and once registered, copyright protection remains valid until expiry of sixty years from the demise of the author. Reproduction of a copyrighted computer programme for sale or hire or trade exhibit in public or distribution or commercial rental, offer for sale or commercial rental, issuing copy(ies) of the computer programme or making an adaptation of the work without consent of the copyright owner amounts to infringement of the copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which would otherwise be considered copyright infringement.

### **The Patents Act, 1970**

The Patents Act, 1970 (“Patents Act”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. While the Patents Act prohibits patentability of a ‘computer programme’ as such, computer programmes in combination with novel hardware could be considered patentable depending on the substance of the invention and applicable provisions of the Patents Act. Computer programmes on their own are excluded from patent protection and are protected as a literary work under the Copyright Laws. In terms of the Patent Act, the patentee holds the exclusive right to prevent third parties from the using, offering for sale, selling or importing for such purposes, the patented product or product obtained directly by a process patented in India.

## **FOREIGN INVESTMENT LAWS:**

### **Foreign Trade (Development and Regulation) Act, 1992**

The FTDR is the main legislation concerning foreign trade in India. The FTDR, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTDR read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTDR.

### **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to

be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 as amended in 2019, provide that the total holding by any individual NRI, on a repatriation basis, shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

#### **The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974**

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments to issue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection of foreign exchange. The Government shall also issue an order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbouring any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

#### **Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who are eligible to make investments in India, for which eligibility criteria are prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

#### **ANTI-TRUST LAWS**

##### **Competition Act, 2002**

The Act is to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

#### **GENERAL LAWS**

Apart from the above list of laws, which is inclusive in nature and not exhaustive, general laws like the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Transfer of Property Act, 1882, Information Technology Act, 2000 etc. are also applicable to the Company.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated on May 13, 2016 as “*Silkflex Polymers (India) Private Limited*” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, the status of the Company was changed to public limited Company and the name of our Company was changed from “*Silkflex Polymers (India) Private Limited*” to “*Silkflex Polymers (India) Limited*” vide fresh certificate of incorporation dated December 21, 2023 by the Registrar of Companies, Kolkata. The Corporate Identification Number of our Company is U51909WB2016PLC215739.

Mr. Tushar Lalit Kumar Sanghavi and Late Lalit Kumar Hargovinddas Sanghavi were the initial subscriber to the Memorandum of Association of our Company. Mr. Tushar Lalit Kumar Sanghavi, Ms. Urmi Raj Mehta and Tushar Lalitkumar Sanghavi HUF and Lalitbhai H. Sanghvi HUF are current promoters of the company. For further details of our promoter please refer the chapter titled “*Our Promoter and Promoter Group*” beginning on page 174 of this Prospectus.

Our Company is engaged in the trading of the textile printing inks and water-based wood coating polymers products of a Malaysian based brand- “*Silkflex*” produced by Silkflex Polymers SDN BHD (“*Silkflex Malaysia*”). Silkflex Malaysia, are one of the garment printing ink manufacturers of Malaysia. Silkflex Malaysia manufactures its products through its manufacturing unit located in Malaysia and the same products are then supplied around the globe through its authorised agents. The list of countries where Silkflex Malaysia supplies the products includes India, Thailand, Turkey, Russia, Sri Lanka, Bangladesh and Indonesia. As on this date of Prospectus, our Company have the right to sell the products of Silkflex and the rights to use the brand name of Silkflex in India

For information on our Company’s profile, activities, products, market, growth, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages, 126, 104, 159, 181 and 216 respectively of this Prospectus.

Our Company has 8 (Eight) shareholders as on the date of filing of this Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

The registered office of our Company is situated at Daga Complex, Sulati Jaladhulagori, Sankrail, Howrah, Howrah-711302, West Bengal, India.

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation.

From	To	With effect from	Reason for Change
52, Kamdhenu, 5 <sup>th</sup> Floor 4A Ray Street, Bhowanipur Kolkata- West Bengal, India.	Daga Complex, Sulati, Jaladhulagori, Sankrail, Howrah- 711302, West Bengal, India.	July 9, 2020	Administrative Purpose

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events/Milestones/Achievements
2016	Incorporation of our company under the name “ <i>Silkflex Polymers (India) Private Limited</i> ”
2016	Company has entered into an agreement with Silkflex Malaysia on October 01, 2016, for distribution and selling, the water-based textile printing inks products of Silkflex
2019	Company has entered into an agreement with Silkflex Malaysia on October 01, 2019 for distribution and selling, the wood coating polymers products of Silkflex Malaysia
2023	Company has entered into an agreement with Silkflex Malaysia on July 25, 2023, for manufacturing the Silkflex products like Silkbond 35 and binder for table glue products.in India.
2023	Conversion of the Company from Private Limited Company i.e., <i>Silkflex Polymers (India) Private Limited</i>

Year	Key Events/Milestones/Achievements
	to “ <i>Silkflex Polymers (India) Limited</i> ”

## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

To carry on business as manufacturers, producers, processors, makers, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all byproducts and joint products thereof and to carry on the business as chemical engineers, analytical chemists, manufacturers, producers, processors, makers, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, subagents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in heavy chemicals of all kinds (solid, liquid, gaseous), drugs, medicines, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, plastics of all types, dyes stuffs, intermediates, textile auxiliaries, cellophanes, colors, dyes, paints, varnishes, vat and other organic dye stuff, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, biochemicals and pharmaceutical, medicinal, sizing, bleaching, photographic and other preparations and articles.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE LAST TEN YEARS

The following changes have been made in the Memorandum of Association of our Company since Ten Years:

Date of Meeting	Type	Nature of Amendment
April 24, 2018	EOGM	<b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 10,00,000/- divided into 1,00,000 Equity Shares of ₹10/- each to ₹ 60,00,000/- divided into 6,00,000 Equity Shares of ₹ 10/- each.
September 06, 2019	EOGM	<b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 60,00,000/- divided into 6,00,000 Equity Shares of ₹10/- each to ₹ 1,50,00,000/- divided into 15,00,000 Equity Shares of ₹ 10/- each.
October 12, 2020	EOGM	<b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 1,50,00,000/- divided into 15,00,000 Equity Shares of ₹10/- each to ₹ 2,50,00,000/- divided into 25,00,000 Equity Shares of ₹ 10/- each.
August 19, 2023	EOGM	<b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 2,50,00,000/- divided into 25,00,000 Equity Shares of ₹10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 10/- each.
October 17, 2023	EOGM	<b>Alteration in Capital Clause:</b> The authorised share capital of our Company increased from ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹10/- each to ₹ 13,50,00,000/- divided into 1,35,00,000 Equity Shares of ₹ 10/- each.
November 06, 2023	EOGM	<b>Alteration in Name Clause pursuant to conversion:</b> Change in the name clause from ‘Silkflex Polymers (India) Private Limited’ to ‘Silkflex Polymers (India) Limited’

## **AWARDS AND ACCREDITATIONS RECEIVED BY OUR COMPANY**

As on the date of this Prospectus, our Company has not received any material awards or accreditations.

## **OUR HOLDING COMPANY**

As on the date of this Prospectus, our Company does not have any Holding Company.

## **OUR SUBSIDIARY COMPANY**

As on the date of this Prospectus, our Company does not have any Subsidiary Company.

## **OUR ASSOCIATE COMPANY**

As on the date of this Prospectus, our Company does not have any Associate Company.

## **ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS**

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as mentioned under the Major Events table forming part of this chapter.

## **SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

We do not have any financial or strategic partnerships as on the date of this Prospectus.

## **CAPACITY/FACILITY CREATION, LOCATION OF PLANTS**

For details with respect to our capacity/facility creation, location of plants, see “*Our Business*” on page 126 of this Prospectus.

## **SHAREHOLDERS AGREEMENT**

Our Company has not entered into any Shareholders Agreement as on the date of this Prospectus.

## **LOCK OUTS AND STRIKES**

There have been no lock outs or strikes at any of the location of our Company as on the date of this Prospectus.

## **TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no time and cost overruns in the Company as on date of this Prospectus.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 126 of this Prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors except as mentioned in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 216 of this Prospectus.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Prospectus.

#### **JOINT VENTURES**

As on the date of this Prospectus, there are no joint ventures of our Company.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTER OR ANY OTHER EMPLOYEE**

Neither our Promoter, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

#### **GUARANTEES GIVEN BY OUR PROMOTERS**

As on the date of this Prospectus, the residential property of our Managing Director, Mr. Tushar Lalit Kumar Sanghavi have been provided as collateral securities and Ms. Urmi Raj Mehta have also extended personally guarantee towards loan facilities taken by our Company from Punjab National Bank. For further details, please see chapter titled "*Restated Financial Statements*" beginning on page no 181 of this Prospectus.

#### **CAPITAL RAISING (DEBT/EQUITY)**

Except as set out in the Sections titled "*Capital Structure*" and "*Financial Indebtedness*" beginning on page no 67 and 214 respectively of this Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

#### **MATERIAL AGREEMENTS**

Except as disclosed above and in the chapter titled "*Our Business*" on page 126 of this Prospectus, we have not entered into any material agreement / contract as on the date of this Prospectus.

#### **STRATEGIC PARTNERS**

As of the date of this Prospectus, our Company does not have any Strategic Partners.

#### **FINANCIAL PARTNERS**

As on the date of this Prospectus, our Company does not have any other financial partners.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Prospectus, our Company has 6 (Six) Directors on the Board, 1 (One) as Chairman & Managing Director, 1 (One) as Whole Time Director, 2 (Two) as Non-Executive Non- Independent Directors and 2 (Two) as Non-Executive Independent Directors. There is 1 (One) Woman Director on our Board.

The details of the Directors are as mentioned in the below table:

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>Name:</b> Mr. Tushar Lalit Kumar Sanghavi</p> <p><b>Father's Name:</b> Late Lalit Kumar Hargovinddas Sanghavi</p> <p><b>Age:</b> 58 years</p> <p><b>Date of Birth:</b> January 15, 1966</p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Residential Address:</b> 52, Kamdhenu, 4A Ray Street, Near Jain Temple Bhowanipur, L.R. Sarani, Kolkata, Circus Avenue, West Bengal - 700020, India.</p> <p><b>Occupation:</b> Salaried</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (five) years with effect from December 23, 2023.</p> <p><b>DIN:</b> 07476030</p>	<p>Originally appointed on the Board w.e.f. May 13, 2016.</p> <p>Redesignated as Chairman and Managing Director on December 23, 2023 for a period of 5 years.</p>	<p>Nil</p>
<p><b>Name:</b> Ms. Urmi Raj Mehta</p> <p><b>Father's Name:</b> Mr. Tushar Lalit Kumar Sanghavi</p> <p><b>Age:</b> 27 years</p> <p><b>Date of Birth:</b> May 18, 1996</p> <p><b>Designation:</b> Wholetime Director</p> <p><b>Residential Address:</b> B-3 304, Hari Om Apts, Shashtri Nagar, SV Rd, Mumbai, Maharashtra – 400092, India.</p> <p><b>Occupation:</b> Salaried</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (five) years with effect from December 23, 2023 and further designated as CFO with effect from December 23, 2023.</p>	<p>Originally Appointed as Director on December 22, 2020.</p> <p>Redesignated as Wholetime Director on December 23, 2023 for a period of 5 years.</p>	<p>Nil</p>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p><b>DIN:</b> 09008119</p> <p><b>Name:</b> Mr. Atanu Bhuniya</p> <p><b>Father's Name:</b> Mr. Nimai Chandra Bhuniya</p> <p><b>Age:</b> 46 years</p> <p><b>Date of Birth:</b> December 30, 1977</p> <p><b>Designation:</b> Non-Executive Non- Independent Director</p> <p><b>Residential Address:</b> Rathtala, Khalisani, Uluberia, Raghudebpur, Khalisani, Uluberia-II, Howrah, West Bengal-711307, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 10141352</p>	<p>Originally appointed as Additional Director on May 03, 2023.</p> <p>Change in designation as Non-Executive Non-Independent Director on December 23, 2023.</p>	<p>Nil</p>
<p><b>Name:</b> Mr. Rajendrakumar M. Shah</p> <p><b>Father's Name:</b> Mr. Mohanlal Jethalal Shah</p> <p><b>Age:</b> 59 years</p> <p><b>Date of Birth:</b> November 03, 1964</p> <p><b>Designation:</b> Non-Executive Non- Independent Director</p> <p><b>Residential Address:</b> 7 Anand Society, Vibhag-1, Opp. Jaymala Society, Isanpur Road, Ghodasar, Ahmadabad City, Ahmadabad- 380050, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00200267</p>	<p>Originally appointed as Additional Director on May 31, 2022.</p> <p>Change in designation as Non-Executive Non-Independent Director on December 23, 2023.</p>	<p>Nil</p>
<p><b>Name:</b> Mr. Hardikkumar Dasharathbhai Patel</p> <p><b>Father's Name:</b> Mr. Dasharathbhai Somabhai Patel</p> <p><b>Age:</b> 34 years</p> <p><b>Date of Birth:</b> July 08, 1989</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Residential Address:</b> C-402, Ashraya-9, Near Khodiyar Temple, New Ranip, GST Compound, Ahmedabad city,</p>	<p>Appointed as Non-Executive Independent Director on December 23, 2023 for a period of 5 years.</p>	<p>Nil</p>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Re appointment	Other Directorships
<p>Ahmedabad-382480, Gujarat, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from December 23, 2023, not liable to retire by rotation.</p> <p><b>DIN:</b> 10388882</p>		
<p><b>Name:</b> Mr. Sugoto Ghosh</p> <p><b>Father's Name:</b> Mr. Asim Chandra Ghosh</p> <p><b>Age:</b> 46 years</p> <p><b>Date of Birth:</b> December 23, 1977</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Residential Address:</b> F-703, Acme Amay CHS, Vishweshwar Nagar Road, Near Udipi Restaurant, Goregaon East, Mumbai, Maharashtra - 400063, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> 5 (Five) years with effect from December 23, 2023, not liable to retire by rotation.</p> <p><b>DIN:</b> 03227177</p>	<p>Appointed as Non-Executive Independent Director on December 23, 2023 for a period of 5 years.</p>	<p>Amserve Hospitality Services Private Limited</p>

## BRIEF PROFILE OF OUR DIRECTORS

**Mr. Tushar Lalit Kumar Sanghavi**, aged 58 years is one of the Promoters, Chairman and Managing Director of our Company. He has completed his Bachelor of Science (B.Sc.) degree from M. G. Science Institute, Ahmedabad in the year 1986. He is in the business of trading of textile printing ink through his proprietorship concern, M/s Judex Techno since 2005. He has been associated with our Company since incorporation and was redesignated as Chairman and Managing Director w.e.f. December 23, 2023 for a period of 5 years. He has a work experience of more than 18 years in the field of textile printing ink industry. He has been instrumental in taking major policy decision of our Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.

**Ms. Urmi Raj Mehta**, aged 27 years, is one of the Promoters, Whole Time Director and Chief Financial Officer of our Company. She has completed her Bachelor of Commerce (B.Com.) degree from St. Xavier's collage, University of Calcutta in the year 2017. She has been associated with our Company w.e.f. December 22, 2020 and has working experience of more than 3 years in our Company. She is responsible for looking overall accounts, finance and administration of our Company.

**Mr. Atanu Bhuniya**, aged 46 years is the Non-Executive Non-Independent Director of our Company. He has completed his Bachelor of Science (B.Sc.) degree from University of Calcutta in the year 1999. He has a work experience of over 17 years in the textile printing ink industry. In his previous stint, he was associated with M/s Judex Techno as marketing head for around 10 years handling marketing division for textile printing ink. He has been associated with our Company since June 2016 as commission agent and was appointed as the Director on the Board of our Company w.e.f. May 03,

2023 and is responsible for handling the marketing activities of our Company and its effective implementation of the same.

**Mr. Rajendrakumar M. Shah**, aged 59 years is the Non-Executive Non-Independent Director of our Company. He has completed his Diploma in Chemical Engineering from Dharmsinh Desai Institute of Technology, Nadiad in the year 1983. He is associated with M/s. Shree Vallabh Chemical, a firm engaged in production of chemicals used in textiles, paints and agriculture items and have experience of over 20 years in product development, technical leadership, quality control functions and others. He has been appointed as Director on the Board of our Company w.e.f. May 31, 2022 and provides his technical expertise, guidance to enhance our technical capabilities.

**Mr. Hardikkumar Dasharathbhai Patel**, aged 34 years, is the Non-Executive Independent Director of our Company w.e.f. December 23, 2023. He has completed his Master of Business Administration in finance (MBA) from Gujarat Technological University in the year 2012. He has a work experience of over 4 years in business development related activities and has also worked with M/s. Randstad India Private Limited, M/s. IKYA Human Capital Solutions and M/s. CARE Ratings Limited. He is engaged as Proprietor in a Proprietorship firm, M/s. Sneh Management Consultancy.

**Mr. Sugoto Ghosh**, aged 46 years, is the Non-Executive Independent Director of our Company w.e.f. December 23, 2023. He has completed his Master of Business Administration (MBA) from ICFAI University in the year 2004. He has a work experience of 5 years in the field of business development, consulting and financial services. He is engaged as Partner in a partnership firm, M/s. Amserve International Inc.

## CONFIRMATIONS

As on the date of this Prospectus:

- Except as disclosed below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.
  - Mr. Tushar Lalit Kumar Sanghavi and Ms. Urmi Raj Mehta are related to each other as Father and Daughter.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a Promoter or Director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on December 28, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 200 Crores.

## REMUNERATION OF OUR DIRECTORS

The compensation package payable to the Managing Director, Whole Time Director and other Directors w.e.f. December 23, 2023 as resolved in the Extra Ordinary General Meeting held on December 23, 2023 is stated hereunder:

### Mr. Tushar Lalit Kumar Sanghavi

The total remuneration payable to Mr. Tushar Lalit Kumar Sanghavi, Chairman and Managing Director, shall be a sum of up to ₹4.00 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

### Ms. Urmi Raj Mehta

The total remuneration payable to Ms. Urmi Raj Mehta, Whole time Director, shall be a sum of up to ₹0.75 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

### Mr. Rajendrakumar M. Shah

The total remuneration payable to Mr. Rajendrakumar M. Shah, Non-Executive Non- Independent Director, shall be a sum of up to ₹1.00 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

### Mr. Atanu Bhuniya

The total remuneration payable to Mr. Atanu Bhuniya, Non-Executive Non- Independent Director, shall be a sum of up to ₹1.00 Lakhs per month (inclusive of all salary, perquisites, benefits, incentives and allowances).

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, for the time being in force). The Remuneration / Sitting Fees paid to the Directors during the last F.Y. 2022 – 23 is as follows:

Sr. No.	Name	Designation	Remuneration paid (₹ in Lakhs)
1.	Mr. Tushar Lalit Kumar Sanghavi	Chairman & Managing Director	₹ 36.00/- p.a.
2.	Ms. Urmi Raj Mehta	Whole Time Director	₹ 6.00/- p.a.
3.	Mr. Rajendrakumar M. Shah	Non-Executive Non- Independent Director	₹ 7.00/- p.a.

## SITTING FEES

Pursuant to the resolution passed by the Shareholders of our Company on December 23, 2023 the Independent Directors of our Company would be entitled to a sitting fee of ₹ 15,000/- for attending every meeting of Board and its committee thereof.

## REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARIES OR ASSOCIATES

As on the date of this Prospectus, we do not have any subsidiaries or associates.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Prospectus are as follows:

<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>% of pre issue paid up capital</b>	<b>% of post issue paid up capital</b>
Mr. Tushar Lalit Kumar Sanghavi	Chairman and Managing Director	66,65,450	82.04%	57.43%
Ms. Urmi Raj Mehta	Whole time Director	48,750	0.60%	0.42%
Mr. Rajendrakumar M. Shah	Non-Executive Non-Independent Director	13,000	0.16%	0.11%
Mr. Atanu Bhuniya	Non-Executive Non-Independent Director	100	Negligible	Negligible

#### **INTEREST OF OUR DIRECTORS**

All our Independent Directors may be deemed to be interested to the extent of sitting fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent and reimbursement of expenses payable to them and also to other Non-Executive Director under the Articles of Association. Further our directors may be deemed to be interested to the extent shareholding held by them, their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoter and in any dividend distribution which may be made by our Company in the future.

Our directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company.

Except mentioned in the Restated Financial Statements, no loans have been availed by our directors or the Key Managerial Personnel from our Company. Our directors' may also be deemed to be interested to the extent of guarantees given by them for secured loans availed by our Company.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

For the shareholding of our directors, please refer chapter titled "Our Management" on page 159 of this Prospectus.

#### ***Interest in the property of the Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*”, beginning on page 126 of this Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company.

#### ***Interest in Business of the Company***

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 126 and 181 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

#### ***Interest in promotion of the Company***

Except for Mr. Tushar Lalit Kumar Sanghavi, and Ms. Urmi Raj Mehta who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment / Change in designation</b>	<b>Reason for Change</b>
1.	Mr. Tushar Lalit Kumar Sanghavi	December 23, 2023	Redesignated as Chairman and Managing Director
2.	Ms. Urmi Raj Mehta	December 23, 2023	Redesignated as Whole Time Director
3.	Mr. Atanu Bhuniya	May 03, 2023	Appointed as Additional Director
		August 14, 2023	Regularization as Non-Executive Director
		December 23, 2023	Change in designation as Non-Executive Non-Independent Director
4.	Mr. Rajendrakumar M. Shah	May 31, 2022	Appointed as Additional Director
		July 27, 2022	Regularization as Non-Executive Director
		December 23, 2023	Change in designation as Non-Executive Non-Independent Director
5.	Mr. Hardikkumar Dasharathbhai Patel	December 22, 2023	Appointed as an Additional Non-Executive Independent Director
		December 23, 2023	Regularization as a Non-Executive Independent Director
6.	Mr. Sugoto Ghosh	December 22, 2023	Appointed as an Additional Non-Executive Independent Director
		December 23, 2023	Regularization as a Non-Executive Independent Director

### **CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As of the date of this Prospectus, our Company has 6 (Six) Directors on the Board, 1 (One) as Chairman & Managing Director, 1 (One) as Whole Time Director, 2 (Two) as Non-Executive Non- Independent Directors and 2 (Two) as Non-Executive Independent Directors. There is 1 (One) Woman Director on our Board.

## COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI LODR Regulations: (i) Audit Committee, (ii) Stakeholders' Relationship Committee and (iii) Nomination and Remuneration Committee.

### Audit Committee

Our Board has constituted the Audit Committee vide Board Resolution dated January 08, 2024 which was in accordance with Section 177 of the Companies Act, 2013.

The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Hardikkumar Dasharathbhai Patel	Non-Executive Independent Director	Chairman
Mr. Sugoto Ghosh	Non-Executive Independent Director	Member
Mr. Tushar Lalit Kumar Sanghavi	Chairman & Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
16. Approval or any subsequent modification of transactions of the Company with related parties;
17. Scrutiny of inter-corporate loans and investments;
18. Valuation of undertakings or assets of the Company, wherever it is necessary;
19. Evaluation of internal financial controls and risk management systems;
20. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

*Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.*

*Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;
- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv) Internal audit reports relating to internal control weaknesses; and
  - v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations. (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.
22. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Meeting of Audit Committee and Relevant Quorum***

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**Stakeholders' Relationship Committee**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated January 08, 2024 pursuant to Section 178 of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Hardikkumar Dasharathbhai Patel	Non-Executive Independent Director	Chairman
Mr. Sugoto Ghosh	Non-Executive Independent Director	Member
Ms. Urmi Raj Mehta	Whole time Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. review of measures taken for effective exercise of voting rights by shareholders;
3. review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

6. approve, register, refuse to register transfer or transmission of shares and other securities;
7. sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. allotment and listing of shares;
9. authorise affixation of common seal of the Company;
10. issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. dematerialize or rematerialize the issued shares;
13. ensure proper and timely attendance and redressal of investor queries and grievances;
14. carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

***Meeting of Stakeholders' Relationship Committee and Relevant Quorum***

The stakeholders' Relationship committee shall meet once in a year. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

**Nomination and Remuneration Committee**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated January 08, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Sugoto Ghosh	Non-Executive Independent Director	Chairman
Mr. Hardikkumar Dasharathbhai Patel	Non-Executive Independent Director	Member
Mr. Atanu Bhuniya	Non-Executive Non-Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i) use the services of an external agencies, if required;

- ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
  4. devising a policy on Board diversity;
  5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
  6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  7. recommend to the board, all remuneration, in whatever form, payable to senior management.

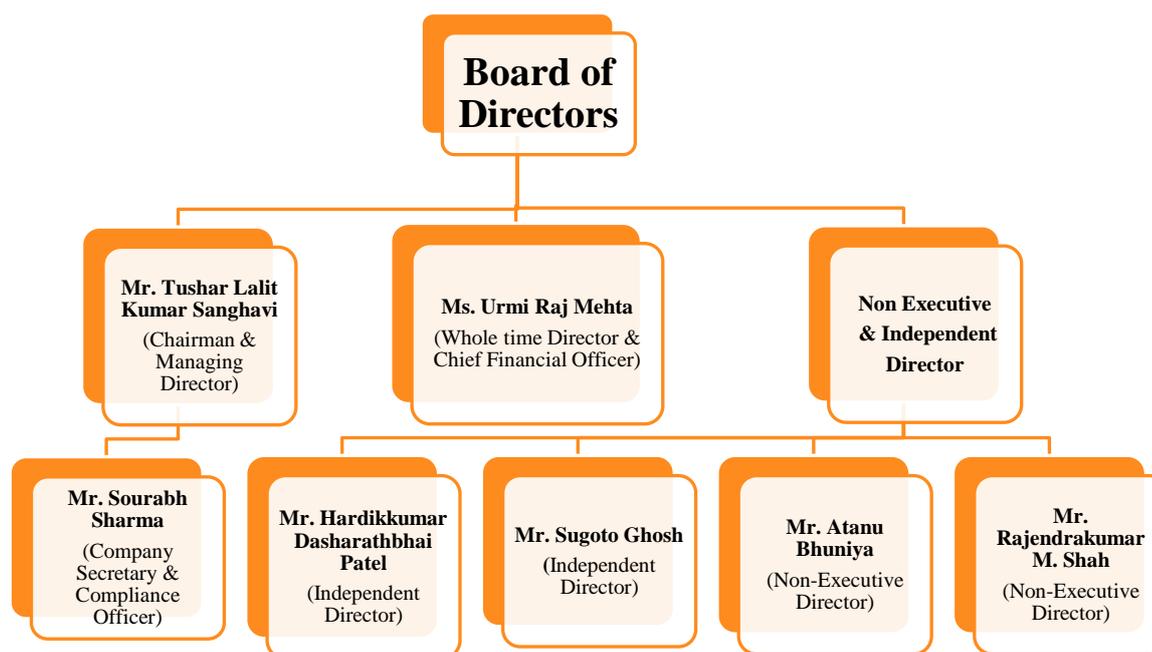
***Meeting of Nomination and Remuneration Committee and Relevant Quorum***

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

**POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and senior management of our Company:

### *Key Managerial Personnel of our Company:*

**Mr. Tushar Lalit Kumar Sanghavi**, is the Chairman and Managing Director of our Company. For detailed profile, see para, “Brief Profile of our Directors” on page 161 of this Prospectus.

**Ms. Urmi Raj Mehta**, is the Whole Time Director and Chief Financial officer of our Company. For detailed profile, see para, “Brief Profile of our Directors” on page 161 of this Prospectus.

**Mr. Sourabh Sharma**, aged 33 years, is the Company Secretary and Compliance Officer of our Company w.e.f. January 08, 2024. He is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. He has completed his Bachelor of Commerce from Manav Bharti University in the year 2012. He has experience of 2 years in the field of secretarial and corporate law compliances. He is currently responsible for the overall corporate governance and secretarial compliance and functions of our Company. He was not paid any remuneration in the Fiscal Year 2022-23.

### *Senior Management Personnel of our Company:*

Except as disclosed in “– Key Management Personnel” mentioned above, there are no other senior management personnel in terms of the SEBI ICDR Regulations in our Company as on the date of this Prospectus.

## STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

All our Key Managerial Personnel and senior management are permanent employees of our Company.

## **RELATIONSHIP BETWEEN OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL OR/AND SENIOR MANAGEMENT**

Except mentioned below, none of our directors are related to our Key Managerial Personnel and senior management.

- Mr. Tushar Lalit Kumar Sanghavi and Ms. Urmi Raj Mehta are related to each other as Father and Daughter.

## **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Managerial Personnel and Senior Management holds any shares of our Company as on the date of this Prospectus except as stated in the below table:

<b>Name</b>	<b>Designation</b>	<b>No. of Equity Shares held</b>	<b>% of pre issue paid up capital</b>	<b>% of post issue paid up capital</b>
Mr. Tushar Lalit Kumar Sanghavi	Chairman and Managing Director	66,65,450	82.04%	57.43%
Ms. Urmi Raj Mehta	Whole Time Director and Chief Financial Officer	48,750	0.60%	0.42%

For further details please see chapter titled “*Capital Structure*” on page 67 of this Prospectus.

## **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and senior management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

## **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Management Personnel and senior management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel and senior management may also be deemed to be interest to the extent of any dividend payable to them and other distributions in respect of Equity Shares.

## **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and senior management have been selected as the Key Managerial Personnel and senior management of our Company.

## **BONUS OR PROFIT-SHARING PLAN OF KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

## **LOANS GIVEN/AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT OF OUR COMPANY**

For details of unsecured loan taken from or given to our Directors/KMPs/ Senior Management and for details of transaction entered by them in the past please refer to “*Restated Financial Statements - Annexure J – Related Party Disclosures*” on page 181 of this Prospectus.

## **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

There is no contingent or deferred compensation payable to our Directors, Key Managerial Personnel and senior management, which does not form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS**

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Prospectus are set forth below:

<b>Name</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Mr. Tushar Lalit Kumar Sanghavi	December 23, 2023	Redesignated as Chairman and Managing Director
Ms. Urmi Raj Mehta	December 22, 2023	Appointed as Chief Financial Officer
	December 23, 2023	Redesignated as Whole Time Director
Mr. Sourabh Sharma	January 08, 2023	Appointed as Company Secretary and Compliance Officer

#### **ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Prospectus, our Promoters hold 81,11,700 Equity Shares, representing 99.84% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters shareholding in our Company, please see “*Capital Structure*” beginning on page 67 of this Prospectus.

The details of our Individual Promoters are as under:

<b>(i) Mr. Tushar Lalit Kumar Sanghavi</b>	
	<p><b>Mr. Tushar Lalit Kumar Sanghavi</b>, aged 58 years is one of the Promoters, Chairman and Managing Director of our Company. For his complete profile along with the details of his educational qualification, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please refer to the chapter titled “<i>Our Management</i>” on page 159 of this Prospectus.</p> <p><b>Date of Birth:</b> January 15, 1966</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> AFBPS1134B</p> <p><b>Residential Address:</b> 52, Kamdhenu, 4A Ray Street, Near Jain Temple Bhowanipur, L.R. Sarani, Kolkata, Circus Avenue, West Bengal-700020, India.</p>
<b>(ii) Ms. Urmi Raj Mehta</b>	
	<p><b>Ms. Urmi Raj Mehta</b>, aged 27 years is one of the Promoters and Wholetime Director of our Company. For her complete profile along with the details of her educational qualification, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, please refer to the chapter titled “<i>Our Management</i>” on page 159 of this Prospectus.</p> <p><b>Date of Birth:</b> May 18, 1996</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> JQKPS4235J</p> <p><b>Residential Address:</b> B-3 304, Hari OM Apts Shashtri Nagar, SV Rd, Mumbai, Maharashtra-400092, India.</p>
<b>(iii) M/s. Tushar Lalitkumar Sanghavi HUF</b>	
<p>M/s. Tushar Lalitkumar Sanghavi HUF came into existence on February 25, 2,000 and Mr. Tushar Lalit Kumar Sanghavi is its Karta with Ms. Shilpa Tushar Sanghavi, Mr. Darpan Tushar Sanghavi and Ms. Urmi Raj Mehta, as its Coparceners.</p> <p><b>PAN:</b> AACHT4630H</p> <p>As on the date of this Prospectus, M/s. Tushar Lalitkumar Sanghavi HUF holds 9,10,000 Equity Shares, representing 11.20% of the pre-issued, subscribed and paid-up equity share capital of our Company.</p>	

#### **(iv) M/s. Lalitbhai H Sanghvi HUF**

M/s. Lalitbhai H Sanghvi HUF came into existence on April 01, 1995 and Mr. Tushar Lalit Kumar Sanghavi is its Karta with Ms. Kusumben Lalitbhai Sanghvi and Mr. Bipin Lalitbhai Sanghavi, as its Coparceners.

**PAN:** AAAHL7013C

As on the date of this Prospectus, M/s. Lalitbhai H Sanghvi HUF holds 4,87,500 Equity Shares, representing 6.00% of the pre-issued, subscribed and paid-up equity share capital of our Company.

#### **DECLARATION**

1. We confirm that the Permanent Account Number, Bank Account number(s), Passport number and Aadhaar card number, Driving License Number of our Promoters will be submitted to the Stock Exchange at the time of filing of the Prospectus with the Stock Exchange.
2. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoters have not been declared as a fugitive economic offender under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

#### **OTHER VENTURES OF OUR PROMOTERS**

Other than as disclosed in “- Promoter Group” and “Our Management” on pages 174 and 159, respectively, our Promoters are not involved in any other venture.

#### **CHANGE IN MANAGEMENT AND CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

Our Promoters have adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 159 of this Prospectus.

#### **INTEREST OF OUR PROMOTERS**

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, commission, perquisites and compensation paid to or their relatives or them and fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of expenses payable to them as the directors of our Company, rents on properties owned by them or their relatives but used by our Company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 67, 181 and 159 of this Prospectus.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 181 of this Prospectus.

#### ***Interest of Promoters in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled ‘*Capital Structure*’ on page 67 of this Prospectus.

#### ***Interest of Promoters in the Property of our Company***

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 126 of this Prospectus Our Promoters does not have any interest in any land or property acquired by our Company in the three years preceding the date of this Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **COMMON PURSUITS OF OUR PROMOTERS**

Except as disclosed above, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

### **BUSINESS INTERESTS**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

### **PAYMENTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 181 of this Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

### **MATERIAL GUARANTEE**

Except as stated in the chapter titled “*History and Certain Corporate Matters*” and “*Restated Financial Statements*” beginning on pages 155 and 181 of this Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

Further, our Promoters have given personal properties as a mortgage and have given personal guarantee for the borrowings availed by our Company.

## OUR PROMOTER GROUP

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

### A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

Name of the Promoters	Name of the Relative	Relationship with the Promoter
<b>Mr. Tushar Lalit Kumar Sanghavi</b>	Late Lalit Kumar Hargovinddas Sanghavi	Father
	Ms. Kusumben Lalitbhai Sanghvi	Mother
	Ms. Shilpa Tushar Sanghavi	Spouse
	Mr. Bipin Lalitbhai Sanghavi	Brother
	-	Sister
	Mr. Darpan Tushar Sanghavi	Son
	Ms. Urmi Raj Mehta	Daughter
	Late Mahendra Mehta	Spouse's Father
	Ms. Jayshree Mehta	Spouse's Mother
	Mr. Mehul M Mehta	Spouse's Brother(s)
	Ms. Deepa Ashish Mehta	Spouse's Sister(s)
	Ms. Komal Premal Parekh	
<b>Ms. Urmi Raj Mehta</b>	Mr. Tushar Lalit Kumar Sanghavi	Father
	Ms. Shilpa Tushar Sanghavi	Mother
	Mr. Raj Nitin Mehta	Spouse
	Mr. Darpan Tushar Sanghavi	Brother
	-	Sister
	-	Son
	-	Daughter
	Mr. Nitin Mahipatrai Mehta	Spouse's Father
	Ms. Nita Nitin Mehta	Spouse's Mother
	-	Spouse's Brother(s)
	Ms. Kinjal Archit Shah	Spouse's Sister(s)

### B. Companies / Corporate Entities Forming Part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1.	M/s. Judex Techno (Prop. Firm of Mr. Tushar Lalit Kumar Sanghavi)
2.	M/s. Mehul Mahendra Mehta (HUF)
3.	M/s. Chandrakant M. Parekh (HUF)
4.	M/s. Premal C Parekh (HUF)
5.	M/s. Parekh Textiles Private Limited
6.	M/s. Orenda Power Solutions Private Limited
7.	M/s. Jade Biofuels Private Limited

## SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of shareholding of members of our Promoter Group as on the date of this Prospectus, please see the chapter titled "Capital Structure" beginning on page 67 of this Prospectus.

## **COMPANIES WITH WHICH THE PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Prospectus.

## **OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 26 and 227 respectively of this Prospectus.

## **OUR GROUP COMPANY**

The definition of 'Group Companies' as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which the Restated Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated December 26, 2023 our Group Companies includes:

- (i) Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (ii) All such companies which are deemed to be material by the Board of Directors.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,**  
**The Board of Directors,**  
**Silkflex Polymers (India) Limited**

Dear Sir,

We have examined the attached Restated Audited Financial Information of Silkflex Polymers (India) Limited (*hereinafter referred as "the Company" which was incorporated pursuant to conversion of "Silkflex Polymers (India) Pvt. Ltd" (erstwhile Private Company)*) comprising the Restated Audited Statement of Assets and Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021. the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on April 05, 2024. for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Kolkata in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the financial year ended December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – IV to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated April 05, 2024. in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.



These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the Stub period ended December 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
- b) Audited Financial Statement for the financial year ended March 31, 2023; March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates and which have been approved by the board of directors.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by us for the Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation.
- j) The related party transaction for purchase & sales of services entered by the company are at arm's length.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – I to this report, of the Company as at Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement



of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – II to this report, of the Company for Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – III to this report, of the Company Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Partner’s Capital, Share Capital, Reserves And Surplus	Annexure – A.1 & Annexure – A.2
Restated Statement of Long Term Borrowing	Annexure – A.3
Restated Statement of Long Term Provisions	Annexure – A.4
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.5
Restated Statement of Short Term Borrowing	Annexure – A.6
Restated Statement of Trade Payables	Annexure – A.7
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.8 & Annexure – A.9
Restated Statement of Fixed Assets	Annexure – A.10
Restated Statement of Non Current Investment	Annexure – A.11
Restated Statement of Non Current Assets	Annexure – A.12
Restated Statement of Inventories	Annexure – A.13
Restated Statement of Trade Receivables	Annexure – A.14
Restated Statement of Cash & Cash Equivalents	Annexure – A.15
Restated Statement of Short Term Loans & Advances	Annexure – A.16
Restated Statement of Other Current Assets	Annexure – A.17
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Changes in Inventory of WIP, Finished Goods & Stock in Trade	Annexure – B.3
Restated Statement of Employee Benefit Expenses	Annexure – B.4
Restated Statement of Finance Cost	Annexure – B.5
Restated Statement of Depreciation & Amortisation	Annexure - B.6
Restated Statement of Other Expenses	Annexure - B.7
Restated Statement of Deferred Tax Asset / Liabilities	Annexure - B.8
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F



Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M B JAJODIA & ASSOCIATES, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M B Jajodia & Associates**  
**Chartered Accountants**  
**Firm Registration Number: - 0139647W**  
**Peer Review No. 015630**

**CA Manoj Jajodia**  
**(Partner)**  
**Membership No. : 162116**  
**UDIN – 24162116BKBGQD7413**  
**Date: April 17, 2024**  
**Place: Kolkata**

**SILKFLEX POLYMERS (INDIA) LIMITED**  
(FORMERLY KNOWN AS SILKFLEX POLYMERS (INDIA) PRIVATE LIMITED)

**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at December 31, 2023	As at 31st March		
				2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	A.1	812.50	250.00	250.00	205.45
	Reserves & Surplus	A.2	260.78	566.62	488.03	308.06
	<b>Share application money pending allotment</b>		-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	A.3	251.79	209.27	197.78	411.18
	Other Non-Current Liabilities		-	-	-	-
	Long-Term Provisions	A.4	17.84	14.93	12.72	9.97
	Deferred Tax Liabilities (Net)	A.5	6.31	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	A.6	1,464.39	999.04	796.72	201.63
	Trade Payables :	A.7				
	(A) total outstanding dues of micro enterprises and small enterprises; and		-	-	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	A.7	354.57	167.75	55.80	52.67
	Other Current Liabilities	A.8	226.01	162.82	162.21	124.09
	Short Term Provisions	A.9	52.16	4.30	5.55	1.01
			<b>2,097.14</b>	<b>1,333.92</b>	<b>1,020.28</b>	<b>379.40</b>
	<b>Total</b>		<b>3,446.35</b>	<b>2,374.73</b>	<b>1,968.81</b>	<b>1,314.06</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	A.10	631.51	393.31	340.82	140.29
	Intangible Assets		386.36	9.10	5.13	6.27
	Capital Work in progress		-	-	-	114.80
	Intangible Assets Under Development		-	-	-	-
	Non-Current Investments	A.11	161.44	140.14	112.65	160.41
	Deferred Tax Assets	A.5	-	2.80	3.26	2.39
	Long Term Loans & Advances		-	-	-	-
	Other Non Current Assets	A.12	13.54	13.04	13.04	13.01
<b>2</b>	<b>Current Assets</b>					
	Current Investments		-	-	-	-
	Inventories	A.13	1567.18	1463.54	1119.09	521.90
	Trade Receivables	A.14	546.49	210.00	220.75	276.77
	Cash and Cash Equivalents	A.15	6.06	3.78	3.94	5.37
	Short-Term Loans and Advances	A.16	19.20	13.20	9.86	13.41
	Other Current Assets	A.17	114.57	125.81	140.27	59.44
			<b>2253.50</b>	<b>1,816.33</b>	<b>1,493.91</b>	<b>876.89</b>
	<b>Total</b>		<b>3446.35</b>	<b>2374.73</b>	<b>1968.81</b>	<b>1314.06</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

For M B Jajodia & Associates  
Chartered Accountants  
Firm Registration No : 0139647W

For Silkflex Polymers (India) Limited  
On behalf of Board of Directors

Tushar Sanghavi  
Chairman Cum Managing Director  
DIN : 07476030

Urmi Mehta  
Whole Time Director  
DIN : 09008119

CA Manoj Jajodia  
Partner  
M. No. : 162116  
UDIN : 24162116BKBGQD7413  
Peer Review No. -015630  
Date : 17/04/2024  
Place : Kolkata

Urmi Mehta  
Chief Financial Officer

**SILKFLEX POLYMERS (INDIA) LIMITED**  
**(FORMERLY KNOWN AS SILKFLEX POLYMERS (INDIA) PRIVATE LIMITED)**

**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period ended December 31, 2023	For The Year Ended 31st March		
				2023	2022	2021
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	3348.42	3421.33	2782.47	2075.22
	Other income	<b>B.2</b>	33.13	20.92	22.04	20.84
	<b>Total Income</b>		<b>3381.55</b>	<b>3442.25</b>	<b>2804.52</b>	<b>2096.07</b>
<b>B.</b>	<b>Expenses:</b>					
	Purchase of Stock in Trade	<b>B.3</b>	2437.51	2817.84	2490.89	1642.15
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	(103.64)	(344.45)	(597.19)	(116.21)
	Employees Benefit Expenses	<b>B.5</b>	159.28	165.18	130.68	113.79
	Finance costs	<b>B.6</b>	95.01	111.87	73.27	80.48
	Depreciation and Amortization	<b>B.7</b>	72.57	39.77	20.75	5.32
	Other expenses	<b>B.8</b>	375.33	544.00	593.94	309.87
	<b>Total Expenses</b>		<b>3036.07</b>	<b>3334.20</b>	<b>2712.33</b>	<b>2035.39</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	Extraordinary items		-	-	-	-
	<b>Profit before tax</b>		<b>345.49</b>	<b>108.03</b>	<b>92.19</b>	<b>60.68</b>
	<b>Tax expense :</b>					
	Current tax		79.72	28.99	24.46	17.73
	Deferred Tax	<b>B.9</b>	9.11	0.45	(0.87)	(2.41)
	Profit (Loss) for the period from continuing operations		<b>256.66</b>	<b>78.59</b>	<b>68.59</b>	<b>45.35</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		0.97	0.97	0.85	0.68
	(2) Diluted		0.97	0.97	0.85	0.68

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

**For M B Jajodia & Associates**  
Chartered Accountants  
Firm Registration No : 0139647W

**For Silkflex Polymers (India) Limited**  
On behalf of Board of Directors

CA Manoj Jajodia  
Partner  
M. No. : 162116  
UDIN : 24162116BKBGQD7413

Tushar Sanghavi  
Chairman Cum Managing Director  
DIN : 07476030

Urmi Mehta  
Whole Time Director  
DIN : 09008119

Date : 17/04/2024  
Place : Kolkata

Urmi Mehta  
Chief Financial Officer

**SILKFLEX POLYMERS (INDIA) LIMITED**  
(FORMERLY KNOWN AS SILKFLEX POLYMERS (INDIA) PRIVATE LIMITED)

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2023	For The Year Ended 31st March		
		2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	345.49	108.03	92.19	60.68
Adjustments for:				
Depreciation	72.57	39.77	20.75	5.32
Provision for Gratuity	3.55	2.98	4.59	10.98
Finance Cost	95.01	111.87	73.27	80.48
Investment Income	(17.79)	(20.42)	(20.35)	(17.24)
(Profit)/loss on sale of Fixed Assets/Investments	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>498.82</b>	<b>242.23</b>	<b>170.44</b>	<b>140.21</b>
Movements in working capital :				
(Increase)/Decrease in Inventories	(103.64)	(344.45)	(597.19)	(116.21)
(Increase)/Decrease in Trade Receivables	(336.49)	10.75	56.01	(47.83)
(Increase)/Decrease in Short Term Loans & Advances	(6.00)	(3.34)	3.56	(2.08)
(Increase)/Decrease in Other Current Assets	11.24	14.46	(80.83)	(19.61)
Increase/(Decrease) in Trade Payables	186.82	111.95	3.12	(71.07)
Increase/(Decrease) in Other Current Liabilities	63.19	0.61	38.12	119.13
<b>Cash generated from operations</b>	<b>313.94</b>	<b>32.21</b>	<b>(406.76)</b>	<b>2.54</b>
Income tax paid during the year	32.50	31.01	21.75	19.61
<b>Net cash from operating activities (A)</b>	<b>281.44</b>	<b>1.20</b>	<b>(428.52)</b>	<b>(17.08)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	(21.30)	(27.49)	47.76	(22.81)
Investment Income	17.79	20.42	20.35	17.24
Purchase of Fixed Assets	(688.03)	(96.23)	(249.79)	(144.70)
Sale of Fixed Assets	-	-	144.46	-
(Increase)/ Decrease in Other Non Current Assets	(0.50)	(0.00)	(0.03)	1.27
<b>Net cash from investing activities (B)</b>	<b>(692.03)</b>	<b>(103.30)</b>	<b>(37.25)</b>	<b>(148.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(95.01)	(111.87)	(73.27)	(80.48)
Proceeds/(Repayment) of Borrowings	507.87	213.81	381.69	52.39
Proceeds from Security Premium	-	-	111.38	138.63
Proceeds from Issue of Share Capital	-	-	44.55	55.45
<b>Net cash from financing activities (C)</b>	<b>412.86</b>	<b>101.94</b>	<b>464.35</b>	<b>165.98</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2.27</b>	<b>(0.17)</b>	<b>(1.41)</b>	<b>(0.08)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.78</b>	<b>3.95</b>	<b>5.36</b>	<b>5.43</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6.06</b>	<b>3.78</b>	<b>3.95</b>	<b>5.36</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	5.17	3.29	3.70	5.23
Balance With Bank in Current Accounts	0.90	0.49	0.24	0.14
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

For M B Jajodia & Associates  
Chartered Accountants  
Firm Registration No : 0139647W

For Silkflex Polymers (India) Limited  
On behalf of Board of Directors

CA Manoj Jajodia  
Partner  
M. No. : 162116  
UDIN : 24162116BKBGQD7413  
Peer Review No. -015630  
Date : 17/04/2024  
Place : Kolkata

Tushar Sanghavi  
Chairman Cum Managing Director  
DIN : 07476030

Urmi Mehta  
Whole Time Director  
DIN : 09008119

Urmi Mehta  
Chief Financial Officer

## ANNEXURE - A.1 : Restated Statement of Share Capital

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Equity Share Capital</b>				
<b>Authorised Share Capital</b>				
1,35,00,000 Equity Shares of Rs. 10 Each (Authorised share capital was increased to 1,35,00,000 equity shares of Rs. 10 each on October 20, 2023)	1,350	250	250	250
<b>Total</b>	<b>1,350</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
81,25,000 Equity Shares of Rs. 10 Each	813	250	250	205
<b>Total</b>	<b>813</b>	<b>250</b>	<b>250</b>	<b>205</b>

## A.1.1 Right, Preferences and Restrictions attached to Shares :

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for on vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

## Notes :

## A.1.2 Reconciliation of Number of Shares

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	2,500,000	2,500,000	2,054,500	1,500,000
Shares issued during the year	5,625,000	-	445,500	554,500
Share outstanding at the end of the year	<b>8,125,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,054,500</b>

## ANNEXURE – A.2 : Restated Statement of Reserves and Surplus

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Reserves &amp; Surplus</b>				
<b>I. Securities Premium</b>				
Balance as at the beginning of the year	304.00	304.00	192.63	54.00
Addition during the year	-	-	111.38	138.63
Issued for Bonus Issue	304.00	-	-	-
Balance as at the end of the year	-	<b>304.00</b>	<b>304.00</b>	<b>192.63</b>
<b>Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	262.62	184.03	115.44	70.08
Add: Profit/ (Loss) for the year	256.66	78.59	68.59	45.35
Less : Bonus Shares Issued during the year	258.50	-	-	-
Balance as at the end of the year	<b>260.78</b>	<b>262.62</b>	<b>184.03</b>	<b>115.44</b>
<b>Grand Total</b>	<b>260.78</b>	<b>566.62</b>	<b>488.03</b>	<b>308.06</b>

Note A.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.3 : Restated Statement of Long Term Borrowings

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Secured:</b>				
From Bank:				
PNB Car Loan	21.29	24.27	11.44	13.07
PNB GECL Loan	-	-	41.84	59.38
<b>Unsecured:</b>				
Loan from Bank/NBFC				
Loan from Directors	230.50	185.00	144.50	338.74
Others	-	-	-	-
<b>Total</b>	<b>251.79</b>	<b>209.27</b>	<b>197.78</b>	<b>411.18</b>

Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.4 : Restated Statement of Long Term Provisions

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Provision for Gratuity	17.84	14.93	12.72	9.97
<b>Grand Total</b>	<b>17.84</b>	<b>14.93</b>	<b>12.72</b>	<b>9.97</b>

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.5: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Deferred Tax Liability</b>				
Related to Fixed Assets & Gratuity	6.31	-	-	-
Loss Carried forward	-	-	-	-
<b>Total (a)</b>	<b>6.31</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets</b>				
Related to Fixed Assets & Gratuity	-	2.80	3.26	2.39
Loss Carried forward	-	-	-	-
<b>Total (b)</b>	<b>0.00</b>	<b>2.80</b>	<b>3.26</b>	<b>2.39</b>
<b>Net deferred tax asset/(liability){(b)-(a)}</b>	<b>-6.31</b>	<b>2.80</b>	<b>3.26</b>	<b>2.39</b>

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.6 : Restated Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Secured:</b>				
From Bank - PNB CC	1460.38	995.41	795.10	199.94
Current Maturities of Long Term Debt	4.01	3.63	1.62	1.69
<b>Unsecured:</b>				
Others	-	-	-	-
Loan from Directors	-	-	-	-
<b>Total</b>	<b>1,464.39</b>	<b>999.04</b>	<b>796.72</b>	<b>201.63</b>

Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.7 : Restated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Trade Payables due to				
- Micro and Small Enterprises	-	-	-	-
- Others	-	-	-	-
- Promoter/Promoter Group	-	-	-	-
- Others	354.57	167.75	55.80	52.67
<b>Total</b>	<b>354.57</b>	<b>167.75</b>	<b>55.80</b>	<b>52.67</b>

Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.8 : Restated Statement of Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Deposits	163.34	149.73	138.58	111.32
Other Liabilities	62.59	12.94	12.96	12.75
Outstanding Expenses	0.08	0.15	10.66	0.02
<b>Grand Total</b>	<b>226.01</b>	<b>162.82</b>	<b>162.21</b>	<b>124.09</b>

Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.9 : Restated Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Provision for Income Tax	47.91	0.69	2.71	-
Provision for Gratuity	4.26	3.62	2.84	1.01
<b>Grand Total</b>	<b>52.16</b>	<b>4.30</b>	<b>5.55</b>	<b>1.01</b>

Note A.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.11 : Restated Statement of Non-Current Investments

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Fixed Deposits	161.44	140.14	112.65	160.41
<b>Grand Total</b>	<b>161.44</b>	<b>140.14</b>	<b>112.65</b>	<b>160.41</b>

Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.12 : Restated Statement of Other Non Current Assets

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Deposits	13.54	13.04	13.04	13.01
<b>Grand Total</b>	<b>13.54</b>	<b>13.04</b>	<b>13.04</b>	<b>13.01</b>

Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.13 : Restated Statement of Inventories

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Finished Goods	1,567.18	1,463.54	1,119.09	521.90
<b>Grand Total</b>	<b>1,567.18</b>	<b>1,463.54</b>	<b>1,119.09</b>	<b>521.90</b>

Note A.13.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.14 : Restated Statement of Trade Receivables

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	-	-	-	-
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	546.49	210.00	220.75	276.77
Others	-	-	-	-
<b>Grand Total</b>	<b>546.49</b>	<b>210.00</b>	<b>220.75</b>	<b>276.77</b>

Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.15 : Restated Statement of Cash and Bank Balances

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Cash &amp; Cash Equivalents</b>				
Cash in hand	5.17	3.29	3.70	5.23
<b>Balances with Banks:</b>				
In Current Accounts	0.90	0.49	0.24	0.14
In Deposit Accounts	-	-	-	-
<b>Grand Total</b>	<b>6.06</b>	<b>3.78</b>	<b>3.94</b>	<b>5.37</b>

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.16 : Restated Statement of Short Term Loans and Advances

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Advance to Sundry Creditors	19.20	13.20	9.86	13.41
<b>Grand Total</b>	<b>19.20</b>	<b>13.20</b>	<b>9.86</b>	<b>13.41</b>

Note A.16.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.17 : Restated Statement of Other Current Assets

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Prepaid Expenses	4.93	-	-	-
Other	109.64	125.81	140.27	59.44
<b>Grand Total</b>	<b>114.57</b>	<b>125.81</b>	<b>140.27</b>	<b>59.44</b>

Note A.17.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.1: Restated Statement of Revenue from Operations

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Sale of Product	3348.42	3421.33	2782.47	2,075.22
<b>Grand Total</b>	<b>3348.42</b>	<b>3421.33</b>	<b>2782.47</b>	<b>2075.22</b>

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.2 : Restated Statement of Other Income

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Rental Income	10.80	13.20	13.20	8.80
Discount Received	0.00	0.13	0.04	0.02
Other Misc. Incomes	0.04	0.02	-	0.02
Interest on FDR	6.99	7.22	7.15	8.44
Insurance Claim Received	15.29	-	0.37	2.07
Interest on Late Payment	-	0.36	1.28	1.48
<b>Grand Total</b>	<b>33.13</b>	<b>20.92</b>	<b>22.04</b>	<b>20.84</b>

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.3 : Restated Statement of Purchase of Stock in Trade

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Purchases of Stock in Trade	2,437.51	2,817.84	2,490.89	1,642.15
<b>Grand Total</b>	<b>2,437.51</b>	<b>2,817.84</b>	<b>2,490.89</b>	<b>1,642.15</b>

Note B.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in

## ANNEXURE – B.4 : Restated Statement of Change in Inventories of WIP, Finished Goods &amp; Stock in Trade

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Opening Inventory</b>				
Opening Stock of Stock in Trade	1,463.54	1,119.09	521.90	405.69
<b>Closing Inventory</b>				
Closing Stock of Stock in Trade	1,567.18	1,463.54	1,119.09	521.90
<b>Grand Total</b>	<b>(103.64)</b>	<b>(344.45)</b>	<b>(597.19)</b>	<b>(116.21)</b>

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – B.5 : Restated Statement of Employee Benefit Expense

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Salaries & Wages	138.64	111.34	91.57	77.21
Employee's Accidental Insurance	0.77	0.65	0.53	0.25
Employee's Health Insurance	1.33	1.21	0.99	0.77
Director's Remuneration	15.00	49.00	33.00	24.59
Gratuity Expenses	3.55	2.98	4.59	10.98
<b>Grand Total</b>	<b>159.28</b>	<b>165.18</b>	<b>130.68</b>	<b>113.79</b>

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.6 : Restated Statement of Finance costs**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Interest Expenses	75.54	95.62	65.37	74.27
Interest on Income Tax	0.25			
Bank Charges & Commission	19.22	16.25	7.89	6.22
<b>Grand Total</b>	<b>95.01</b>	<b>111.87</b>	<b>73.27</b>	<b>80.48</b>

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.7 : Restated Statement of Depreciation & Amortization**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Depreciation	72.57	39.77	20.75	5.32
<b>Grand Total</b>	<b>72.57</b>	<b>39.77</b>	<b>20.75</b>	<b>5.32</b>

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.8 : Restated Statement of Other Expenses**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Freight Inward	18.66	22.70	18.28	13.70
Packing Expenses	18.96	65.16	149.82	35.38
Custom Clearing & Forwarding Charges	107.55	154.99	149.28	10.45
Discount Paid	-	-	0.37	2.47
Donation	0.21			
Commission & Brokerage	5.76	36.08	58.38	31.94
CFS Charges	0.70	6.82	5.56	3.72
Computer Expenses	3.57	3.24	3.30	2.75
Consultancy Expenses	12.25	3.00	5.96	7.64
Electricity Exp.	1.75	1.58	1.59	1.58
Container Detention Charges	2.54	1.42	1.37	10.38
Freight Outward	12.62	19.25	21.67	13.97
Fuel Exp	1.30	-	-	-
Forex Charges for TT	2.98	-	-	-
Insurance	4.15	14.42	13.61	21.89
Loading & Unloading	2.94	4.63	3.90	3.42
Legal (Advocate) fee	0.37			
Material Loss in transit	7.15	-	-	-
MCA fee & Filing Charges	9.04			
Office Expenses	8.14	9.83	9.48	6.12
Courier Charges	3.48	3.71	3.00	2.12
General & Misc. Expenses	1.82	21.35	13.70	20.31
Professional Fees	31.12	0.90	16.72	2.10
Shipping Charges	10.33	14.20	14.27	7.85
Travelling Expenses	18.33	37.60	14.25	5.90
Business Promotion Expenses	15.57	43.71	10.22	4.74
Chemical Testing Expenses	37.70	25.30	5.29	39.64
Screen Printing & Fabric Purchases Expenses	15.91	28.73	46.93	41.75
Audit Fees	1.00	1.00	0.90	0.80
Telephone & Internet Charges	1.63	2.06	2.00	0.68
Rent Exp.	16.10	21.99	21.02	17.76
Repairs & Maintenance	0.96	-	1.61	0.45
Rates & Taxes	0.72	0.34	1.44	0.33
<b>Grand Total</b>	<b>375.33</b>	<b>544.00</b>	<b>593.94</b>	<b>309.87</b>

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.9 : Restated Statement of Deferred Tax (Assets)/Liabilities**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
WDV as per Companies Act, 2013 (A)	669.37	316.42	259.96	60.86
WDV as per Income tax Act, 1961 (B)	622.21	309.02	257.34	59.38
Difference in WDV (A-B)	47.15	7.40	2.62	1.48
Timing Difference due to Provision for Gratuity (DTA)	22.10	18.54	15.56	10.98
Total Timing Difference	25.06	(11.14)	(12.94)	(9.49)
Deferred Tax (Asset)/ Liability (C)	6.31	(2.80)	(3.26)	(2.39)
Restated Closing Balance of Deferred Tax (Asset)/ Liability	6.31	(2.80)	(3.26)	(2.39)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(2.80)	(3.26)	(2.39)	0.02
Deferred Tax (Assets)/ Liability charged to Profit & Loss	9.11	0.45	(0.87)	(2.41)

Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – A.10 : Restated Statement of Property, Plant and Equipment

As At 31.12.2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2023	Additions	Deletion/Sale	Balance as at 31st December 2023	Balance as at 01st Apr 2023	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st December 2023	Balance as at 01st Apr 2023	Balance as at 31st December 2023
<b>A. Tangible Assets</b>										
Plant & Machinery	97.63	1.86	-	99.49	23.65	12.14	-	35.79	73.99	63.70
Furniture & Fittings	124.75	0.70	-	125.45	35.96	17.29	-	53.25	88.79	72.20
Computers & Data Processing Units	6.31	0.07	-	6.38	5.50	0.32	-	5.82	0.82	0.57
Land	93.74	254.76	-	348.50	-	-	-	-	93.74	348.50
Building	143.50	15.55	-	159.06	7.53	4.98	-	12.52	135.97	146.54
<b>B. Intangible Assets</b>										
Intangible	15.02	415.08	-	430.10	5.92	37.82	-	43.75	9.10	386.36
<b>C. Capital WIP</b>	-	-	-	-	-	-	-	-	-	-
<b>Total (A+B+C)</b>	<b>480.97</b>	<b>688.03</b>	-	<b>1,169.00</b>	<b>78.56</b>	<b>72.57</b>	-	<b>151.13</b>	<b>402.41</b>	<b>1,017.87</b>

As At 31.03.2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Balance as at 31st March 2023
<b>A. Tangible Assets</b>										
Plant & Machinery	61.71	35.92	-	97.63	12.41	11.24	-	23.65	49.31	73.99
Furniture & Fittings	77.70	47.05	-	124.75	17.04	18.92	-	35.96	60.66	88.79
Computers & Data Processing Units	6.31	-	-	6.31	4.39	1.11	-	5.50	1.93	0.82
Land	85.99	7.75	-	93.74	-	-	-	-	85.99	93.74
Building	143.50	-	-	143.50	0.57	6.96	-	7.53	142.93	135.97
<b>B. Intangible Assets</b>										
Intangible	9.51	5.51	-	15.02	4.38	1.54	-	5.92	5.13	9.10
<b>C. Capital WIP</b>	-	-	-	-	-	-	-	-	-	-
<b>Total (A+B+C)</b>	<b>384.74</b>	<b>96.23</b>	-	<b>480.97</b>	<b>38.79</b>	<b>39.77</b>	-	<b>78.56</b>	<b>345.95</b>	<b>402.41</b>

As At 31.03.2022

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Balance as at 31 March 2022
<b>A. Tangible Assets</b>										
Plant & Machinery	37.64	24.07	-	61.71	4.11	8.30	-	12.41	33.53	49.31
Furniture & Fittings	27.23	50.47	-	77.70	7.14	9.90	-	17.04	20.10	60.66
Computers & Data Processing Units	4.23	2.09	-	6.31	3.55	0.84	-	4.39	0.68	1.93
Land	85.99	-	-	85.99	-	-	-	-	85.99	85.99
Building	-	143.50	-	143.50	-	0.57	-	0.57	-	142.93
<b>B. Intangible Assets</b>										
Intangible	9.51	-	-	9.51	3.25	1.13	-	4.38	6.27	5.13
<b>C. Capital WIP</b>	114.80	29.66	144.46	-	-	-	-	-	114.80	-
<b>Total (A+B+C)</b>	<b>279.41</b>	<b>249.79</b>	<b>144.46</b>	<b>384.74</b>	<b>18.05</b>	<b>20.75</b>	-	<b>38.79</b>	<b>261.37</b>	<b>345.95</b>

As At 31.03.2021

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
<b>A. Tangible Assets</b>										
Plant & Machinery	7.55	30.09	-	37.64	2.71	1.40	-	4.11	4.84	33.53
Furniture & Fittings	12.19	15.04	-	27.23	5.19	1.95	-	7.14	7.00	20.10
Computers & Data Processing Units	3.91	0.32	-	4.23	2.93	0.62	-	3.55	0.98	0.68
Land	85.70	0.29	-	85.99	-	-	-	-	85.70	85.99
<b>B. Intangible Assets</b>										
Intangible	9.16	0.36	-	9.51	1.89	1.35	-	3.25	7.26	6.27
<b>C. Capital WIP</b>	16.20	98.97	0.37	114.80	-	-	-	-	16.20	114.80
<b>Total (A+B+C)</b>	<b>134.71</b>	<b>145.07</b>	<b>0.37</b>	<b>279.41</b>	<b>12.73</b>	<b>5.32</b>	-	<b>18.05</b>	<b>121.98</b>	<b>261.37</b>

Ageing Schedule of Capital Work in Progress

Particulars	31.03.2021				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	98.60	16.20	-	-	114.80
Projects temporarily suspended	-	-	-	-	-

**A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding						
Tushar Lalitkumar Sanghavi	6,665,450	82.04%	902,750	36.11%	735,000	29.40%	750,000	36.51%
Tushar Lalitkumar Sanghavi (HUF)	910,000	11.20%	280,000	11.20%	280,000	11.20%	280,000	13.63%
Lalitbhai H Sanghavi (HUF)	487,500	6.00%	150,000	6.00%	150,000	6.00%	150,000	7.30%
Rita Yogeshkumar Modi	-	-	233,500	9.34%	233,500	9.34%	243,750	11.86%
Trupti Sandipbhai Shukla	-	-	195,500	7.82%	195,500	7.82%	160,000	7.79%
Sandip Kirtikumar Shukla HUF	-	-	-	-	134,750	5.39%	139,750	6.80%
Yogesh Jashwantlal Modi	-	-	145,000	5.80%	145,000	5.80%	-	-

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**A.1.5 Shareholding of Promoters**

Name of Promoter	31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding						
Tushar Lalitkumar Sanghavi	6,665,450	82.04%	902,750	36.11%	735,000	29.40%	750,000	36.51%
Tushar Lalitkumar Sanghavi (HUF)	910,000	11.20%	280,000	11.20%	280,000	11.20%	280,000	13.63%
Lalitbhai H Sanghavi (HUF)	487,500	6.00%	150,000	6.00%	150,000	6.00%	150,000	7.30%
Urmi Tushar Sanghavi	15,000	0.60%	15,000	0.60%	15,000	0.60%	-	-

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**A.1.6 Change in Shareholding of Promoters**

Name of Promoter	31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding						
Tushar Lalitkumar Sanghavi	5,762,700	82.04%	167,750	36.11%	(15,000)	29.40%	-	-
Tushar Lalitkumar Sanghavi (HUF)	630,000	11.20%	-	-	-	-	-	-
Lalitbhai H Sanghavi (HUF)	337,500	6.00%	-	-	-	-	-	-
Urmi Tushar Sanghavi	-	0.60%	-	-	15,000	0.60%	-	-

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**ANNEXURE – A.3.2 & A.3.5**

**STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS (Amount in Lacs)**

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31.12.2023
Tushar L. Sanghavi	Business	N/A	N/A	N/A	N/A	N/A	206.00
Urmi Sanghavi	Business	N/A	N/A	N/A	N/A	N/A	24.50
<b>Total</b>		<b>N/A</b>					<b>230.50</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Lacs)**

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31.12.2023
PNB A/c No. #008900EV00000017	Car Loan	16.83	Hypothecation of Car	8.50%	84 Installments of Rs. 0.27 lacs each	N/A	15.08
PNB A/c No. #008900NG00002394		14.73		7.55%	84 Installments of Rs. 0.23 lacs each	N/A	10.23
PNB	CC Limit	1500.00	1. Hypothecation of entire Current Assets. 2. Plot/Bung - 9-A/2, Manav Purusharth CHS Society, SY no. 218, FP No. 67, TP-24, RajpurHirpur, Maninagar, Ahmedabad, Gujarat. 3. land adm. 10.09 dec. out of entire share of land 75 Dec. along with all structure/building, RS Dag-709/1997, LR Khatian-2953, Jaladhulagori, JL-2, PS-Sankrail, Dhulagori, Ranihati, Howrah 4. Land adm 10.13 dec. out of entire share of land 75 dec. along with all structure/ building (present/future), RS Dag-709/1997, LR Khatian-2953, Jaladhulagori, JIL-2, PS-Sankrail, Dhulagori, Ranihati, Howrah 5. FDR - Company. 6. Assignment of Metlife Policy 7. Personal Guarantee of Promoters and Directors	9.60%	N/A	N/A	1460.38
<b>Total</b>		<b>1531.56</b>					<b>1485.68</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT**

**1 Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustments :**

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period Ended December 31, 2023	For The Year Ended March 31,		
		2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	264.12	83.02	72.40	53.61
<b>Add/(Less) : Adjustments on account of -</b>				
1) Difference on Account of Calculation in Provision for Income Tax	5.28	(1.00)	(0.44)	(0.00)
2) Difference on Account of Calculation in Deferred Tax	(9.11)	(0.45)	1.23	2.71
3) Difference on account of Calculation in Gratuity	(3.55)	(2.98)	(4.59)	(10.98)
4) Difference on Account of Prepaid Expenses	-	-	-	-
5) Difference on Account of Provision for outstanding Expenses	(0.08)	-	-	-
<b>Total Adjustments (B)</b>	<b>(7.47)</b>	<b>(4.43)</b>	<b>(3.80)</b>	<b>(8.26)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>256.65</b>	<b>78.59</b>	<b>68.60</b>	<b>45.35</b>

**3. Notes on Material Adjustments pertaining to prior years**

**(1) Change in Provision for Current Tax**

Since the Restated profit has been changed so that the Provision for current tax is also got changed

**(2) Difference on Account of Calculation in Deferred Tax**

Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements

**(3) Difference on Account of Provision for Gratuity**

Provision for Gratuity is provided in Restated Financials Statement which was not provided in Audited Financial Statements

**(4) Difference on Account of Prepaid Expenses**

Expenses Related to Next Accounting Period is transferred to Prepaid Expenses

**(5) Difference on Account of Outstanding Expenses**

Expenses related to current accounting period has been provided as provision for outstanding expenses in current year itself

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

Particulars	For the Period Ended December 31, 2023	For The Year Ended March 31,		
		2023	2022	2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	1097.24	833.11	750.10	521.77
Add/(Less) : Adjustments on account of change in Profit/Loss	(23.96)	(16.49)	(12.06)	(8.26)
<b>Total Adjustments (B)</b>	<b>(23.96)</b>	<b>(16.49)</b>	<b>(12.06)</b>	<b>(8.26)</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>1,073.28</b>	<b>816.62</b>	<b>738.03</b>	<b>513.51</b>

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

Sr. No	Particulars	As at December 31, 2023	As at 31st March		
			2023	2022	2021
<b>A</b>	<b>Restated Profit before tax</b>	345.49	108.03	92.19	60.68
	Short Term Capital Gain at special rate		-	-	-
	Normal Corporate Tax Rates (%)	25.17%	25.17%	25.17%	25.17%
	Short Term Capital Gain at special rate	-	-	-	-
	MAT Tax Rates (%)	15.60%	15.60%	15.60%	15.60%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	86.95	27.19	23.20	15.27
	Short Term Capital Gain at special rate	-	-	-	-
	<b>Total</b>	<b>86.95</b>	<b>27.19</b>	<b>23.20</b>	<b>15.27</b>
	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	-	-	-	-
	Exempt Income	-	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	0.11	-
	Disallowance of Expenses under the Income Tax Act	0.21	0.21	-	-
	<b>Total Permanent Differences</b>	<b>0.21</b>	<b>0.21</b>	<b>0.11</b>	<b>-</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	(32.50)	2.96	(1.43)	(1.21)
	Provision for Gratuity disallowed	3.55	2.98	4.59	10.98
	Carried Forward of Previous Year Business Loss	-	-	-	-
	<b>Total Timing Differences</b>	<b>(28.95)</b>	<b>5.94</b>	<b>3.16</b>	<b>9.77</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>(28.74)</b>	<b>6.15</b>	<b>3.27</b>	<b>9.77</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>(7.23)</b>	<b>1.55</b>	<b>0.82</b>	<b>2.46</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>316.75</b>	<b>114.18</b>	<b>95.46</b>	<b>70.45</b>
	Taxable Income/ (Loss) as per MAT	345.49	108.03	92.19	60.68
<b>I</b>	<b>Income Tax as per normal provision</b>	79.72	28.74	24.02	17.73
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	53.90	16.85	14.38	9.47
	<b>Net Tax Expenses (Higher of I,J)</b>	79.72	28.74	24.02	17.73
<b>K</b>	Relief u/s 90/91			-	-
	<b>Total Current Tax Expenses</b>	<b>79.72</b>	<b>28.74</b>	<b>24.02</b>	<b>17.73</b>
<b>L</b>	Adjustment for Interest on income tax/ others	-	0.25	0.44	-
	<b>Total Current Tax Expenses</b>	<b>79.72</b>	<b>28.99</b>	<b>24.46</b>	<b>17.73</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
<b>Total</b>	-	-	-	-

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	256.66	78.59	68.59	45.35
<b>EBITDA</b>	<b>513.06</b>	<b>259.67</b>	<b>186.20</b>	<b>146.48</b>
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	<b>8,125,000</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>2,054,500</b>
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	8,125,000	8,125,000	8,075,733	6,677,125
Net Worth	1073.28	816.62	738.03	513.51
Current Assets	2253.50	1816.33	1493.91	876.89
Current Liabilities	2097.14	1333.92	1020.28	379.40
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	3.16	3.14	2.74	2.21
Eps (Post Bonus)	3.16	0.97	0.85	0.68
<b>Net Asset Value Per Share</b>				
Pre Bonus	13.21	32.66	29.52	24.99
Post Bonus	13.21	10.05	9.14	7.69
<b>Current Ratio</b>	<b>1.07</b>	<b>1.36</b>	<b>1.46</b>	<b>2.31</b>
<b>EBITDA</b>	<b>513.06</b>	<b>259.67</b>	<b>186.20</b>	<b>146.48</b>
<b>EBITDA Margin</b>	<b>15.32%</b>	<b>7.59%</b>	<b>6.69%</b>	<b>7.06%</b>
Nominal Value per Equity share(Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

1) The ratios have been calculated as below:

- a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

**ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION**

**(Rs. In Lakhs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>Pre issue</b>	<b>Post issue</b>
	<b>Debts</b>		
A	Long Term Debt*	251.79	251.79
B	Short Term Debt*	1,464.39	1,464.39
C	<b>Total Debt</b>	<b>1,716.18</b>	<b>1,716.18</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	812.50	1,160.70
	Reserves and Surplus	260.78	1,552.62
D	<b>Total Equity</b>	<b>1,073.28</b>	<b>2,713.32</b>
	Long Term Debt/ Equity Ratio (A/D)	0.23	0.09
	Total Debt/ Equity Ratio (C/D)	1.60	0.63
Notes :			
* The amounts are consider as outstanding as on 31.12.2023			

**ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**i. List of Related Parties and Nature of Relationship :**

Particulars	Name of Related Parties
a) Key Management Personnel's	Tushar Sanghavi
	Urmi Mehta
	Rajendrakumar Shah
	Atanu Bhuniya
b) Relative of KMP	Tushar Sanghavi HUF
	Lalit Sanghavi HUF
	Shilpa Sanghavi
c) Sister Concern	Judex Techno (Tushar Sanghavi Proprietorship)
<b>Note 1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
<b>1. Directors Remuneration</b>	Tushar Sanghavi	33.00	36.00	27.00	19.09
	Urmi Mehta	4.50	6.00	6.00	2.00
	Rajendrakumar Shah	9.00	7.00	-	-
	Lalit H. Sanghavi	-	-	-	3.50
	Atanu Bhuniya	13.50	-	-	-
<b>Total</b>		<b>60.00</b>	<b>49.00</b>	<b>33.00</b>	<b>24.59</b>
<b>2. Purchases</b>	Judex Techno	-	56.97	26.62	22.71
	<b>Total</b>	-	<b>56.97</b>	<b>26.62</b>	<b>22.71</b>
<b>3. Interest on Loan</b>	Tushar Sanghavi	-	1.54	1.56	2.03
	Urmi Mehta	-	2.70	0.03	-
	Tushar Sanghavi HUF	-	5.28	3.66	1.61
	Lalit Sanghavi HUF	-	0.53	0.52	-
	Lalit Sanghavi	-	-	-	1.44
<b>Total</b>	-	<b>10.05</b>	<b>5.77</b>	<b>5.07</b>	
<b>4. Rent</b>	Judex Techno	-	1.20	1.42	0.94
	Shilpa Sanghavi	-	-	-	0.75
<b>Total</b>	-	-	<b>1.20</b>	<b>1.42</b>	<b>1.69</b>
<b>5. Unsecured Loan</b>	<b>Lalit H. Sanghavi</b>				
	Opening Balance	-	-	-	10.04
	Add: Loan Received During the Year	-	-	-	31.44
	Less: Loan Repaid During the year	-	-	-	41.48
	Closing Balance	-	-	-	-
	<b>Tushar L. Sanghavi</b>				
	Opening Balance	11.50	33.00	10.13	-
	Add: Loan Received During the Year	481.00	33.54	100.56	78.51
	Less: Loan Repaid During the year	286.50	55.04	77.69	68.38
	Closing Balance	<b>206.00</b>	<b>11.50</b>	<b>33.00</b>	<b>10.13</b>
	<b>Lalit H. Sanghavi HUF</b>				
	Opening Balance	10.50	10.50	10.37	-
	Add: Loan Received During the Year	-	0.53	0.52	10.37
	Less: Loan Repaid During the year	10.50	0.53	0.39	-
	Closing Balance	-	<b>10.50</b>	<b>10.50</b>	<b>10.37</b>
	<b>Tushar L. Sanghavi HUF</b>				
	Opening Balance	48.50	44.00	16.13	14.52
	Add: Loan Received During the Year	-	5.28	28.66	1.61
	Less: Loan Repaid During the year	48.50	0.78	0.79	-
Closing Balance	-	<b>48.50</b>	<b>44.00</b>	<b>16.13</b>	
<b>Urmi Sanghavi</b>					
Opening Balance	24.50	20.00	-	-	
Add: Loan Received During the Year	-	5.20	45.03	-	
Less: Loan Repaid During the year	-	0.70	25.03	-	
Closing Balance	<b>24.50</b>	<b>24.50</b>	<b>20.00</b>	-	

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - J(iii) - Outstanding Balance as at the end of the year					
(Rs. In Lakhs)					
	Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
1. Payable	Tushar L. Sanghavi	220.24	11.50	33.00	11.72
	Lalit H. Sanghavi HUF	-	10.50	10.50	10.37
	Tushar L. Sanghavi HUF	-	48.50	44.00	16.13
	Urmi Sanghavi	26.98	24.50	20.00	1.25
	Judex Techno	-	-	-	0.01
	Atanu Bhuniya	3.74	-	-	-
<b>Total</b>		<b>250.97</b>	<b>95.00</b>	<b>107.50</b>	<b>39.47</b>
	Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
2. Receivables	Tushar L. Sanghavi	-	0.31	-	-
<b>Total</b>		<b>-</b>	<b>0.31</b>	<b>-</b>	<b>-</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – D

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A. COMPANY INFORMATION

Our Company was originally formed as a Private Limited under the provisions of The Companies Act, 2013 in the name and style of “Silkflex Polymers (India) Pvt. Limited” pursuant to certificate of incorporation was issued by the Registrar of Companies, Central Registration Centre, Kolkata on May 13, 2016. Silkflex Polymers (India) Pvt. Limited was thereafter converted to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of “Silkflex Polymers (India) Limited” and received a Certificate of Incorporation from the Registrar of Companies, Gujrat dated December 16, 2023. The Corporate Identity Number of our Company is U51909WB2016PLC215739.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 or 2001 as may be applicable and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

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

##### 5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

## 6. Investments

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## 7. Inventories

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw Material Inventories are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The Inter branch transfers have been removed while calculating the purchases.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for.

## 8. Revenue Recognition

Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like Sales Tax And/ Or Goods & Service Tax.

### Sale of Goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. Sales also excludes the Inter Branch Transfers done within the Companies. The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company.

Hence, they are excluded from revenue.

### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### Service Income

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

### Dividend Income

Dividend income from investments, if any, is accounted on the receipt basis.

### Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized/accrued.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## **B. NOTES ON ACCOUNTS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### **2. Segment Reporting**

The Company at present is engaged in the Business of selling products of Silkflex Polymers Sdn. Bhd. Malaysia, who are the leading Garment Printing Ink manufacturer and Fully water base wood coating products manufacturer in the brand name of UNAXOL at Malaysia. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### **3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

### **4. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006 or 2001 as may be applicable, as amended, in the Annexure – J of the enclosed financial statements.

5. Accounting for Deferred Taxes on Income (AS 22)

(Rs. In Lakhs)

Particulars	For the Period from 1 <sup>st</sup> April to 31 <sup>st</sup> December 2023	As at 31 <sup>st</sup> March		
		2023	2022	2021
WDV as per Companies Act, 2013 (A)	669.37	316.42	259.96	60.86
WDV as per Income tax Act, 1961 (B)	622.21	309.02	257.34	59.38
Difference in WDV (A-B)	47.15	7.40	2.62	1.48
Timing Difference due to Provision for Gratuity (DTA) (C)	22.10	18.54	15.56	10.98
Total Timing Difference (D)	25.06	(11.14)	(12.94)	(9.49)
Deferred Tax (Asset)/ Liability '(E)	6.31	(2.80)	(3.26)	(2.39)
Restated Closing Balance of Deferred Tax (Asset)/ Liability (E)	6.31	(2.80)	(3.26)	(2.39)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(2.80)	(3.26)	(2.39)	0.02
Deferred Tax (Assets)/ Liability charged to Profit & Loss	9.11	0.45	(0.87)	(2.41)

6. Post Employment Benefits: The Company has valued its obligations related to Gratuity as follows:

(Rs. In Lakhs)

I. ASSUMPTIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Discount Rate	7.25%	7.50%	7.50%	7.50%
Expected Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%
Withdrawal Rate	10.00%	10.00%	10.00%	10.00%
Mortality	IALM 2012- 14	IALM 2012- 14	IALM 2012- 14	IALM 2012-14
Retirement	60 Years	60 Years	60 Years	60 Years
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Defined Benefit Obligation at beginning of the year	18.54	15.56	10.97	0.00
Current Service Cost	2.93	3.47	3.44	0.00
Interest cost	1.04	1.16	0.82	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.42)	(1.65)	0.33	0.00
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	0.00	0.00	0.00	0.00
Benefits Paid	0.00	0.00	15.56	0.00
Defined Benefit Obligation as at end of the year	22.09	18.54	15.56	10.97
III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Net liability as at beginning of the year	18.54	15.56	10.97	0.00
Net expense recognized in the Statement of Profit and Loss	3.55	2.98	4.59	10.98
Benefits Paid	0.00	0.00	0.00	0.00
Net liability as at end of the year	22.09	18.54	15.56	10.97
IV. EXPENSE RECOGNIZED:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Current Service Cost	2.93	3.47	3.44	0.00
Interest Cost	1.04	1.16	0.82	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change	(0.42)	(1.65)	0.33	0.00

in Financial Assumptions and Due to Experience Adjustment				
Expense charged to the Statement of Profit and Loss	3.55	2.98	4.59	0.00
<b>V. BALANCE SHEET RECONCILIATION:</b>	<b>For the Period Ended on December 31, 2023</b>	<b>For the Period Ended on March 31, 2023</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Period Ended on March 31, 2021</b>
Opening net liability	18.54	15.56	10.97	0.00
Expense as above	3.55	2.98	4.59	0.00
Provision Related to Previous Year booked as Prior Period Items	0.00	0.00	0.00	0.00
Return on Plan Assets	0.00	0.00	0.00	0.00
Benefits Paid	0.00	0.00	0.00	0.00
Net liability/(asset) recognized in the balance sheet	22.09	18.54	15.56	10.97

## MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	(Rs. In Lakhs) For the Period Ending 31 <sup>st</sup> March		
		2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	264.12	83.02	72.40	53.61
<b>Add/(Less) : Adjustments on account of -</b>				
1) Difference on Account of Calculation in Provision for Income Tax	5.28	(1.00)	(0.44)	(0.00)
2) Difference on Account of Calculation in Deferred Tax	(9.11)	(0.45)	1.23	2.71
3) Difference on account of Calculation in Gratuity	(3.55)	(2.98)	(4.59)	(10.98)
4) Difference on Account of Prepaid Expenses	-	-	-	-
5) Difference on Account of Provision for outstanding Expenses	(0.08)	-	-	-
<b>Total Adjustments (B)</b>	<b>(7.47)</b>	<b>(4.43)</b>	<b>(3.80)</b>	<b>(8.26)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>256.65</b>	<b>78.59</b>	<b>68.60</b>	<b>45.35</b>

### 3. Notes on Material Adjustments pertaining to prior years

- (1) **Difference on Account of Provision for Current tax:** Since the Restated profit has been changed so that the Provision for current tax is also got changed
- (2) **Difference on Account of Change in Deferred Tax:** Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements
- (3) **Difference on Account of Provision for Gratuity:** Provision for Gratuity is provided in Restated Financials Statement which was not provided in Audited Financial Statements

- (4) **Difference on Account of Change in Prepaid Expenses:** Expenses Related to Next Accounting Period is transferred to Prepaid Expenses
- (5) **Difference on Account of Outstanding Expenses:** Expenses related to current accounting period has been provided as provision for outstanding expenses in current year itself

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs. In Lakhs)

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	As at March 31		
		2023	2022	2021
<b>(A) Total Equity as per audited financial statements (A)</b>	1097.24	833.11	750.10	521.77
<b>Add/(Less) : Restatement Adjustments (B)</b>	<b>(23.96)</b>	<b>(16.49)</b>	<b>(12.06)</b>	<b>(8.26)</b>
<b>Total Equity as per Restated Financial Statements (A+B)</b>	1073.28	816.62	738.03	513.51

**7. Trade Payable Ageing Summary**

**31.12.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	354.57	-	-	-	354.57
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>354.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354.57</b>

**31.03.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	167.75	-	-	-	167.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>167.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.75</b>

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	52.93	2.87	-	-	55.80
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>52.93</b>	<b>2.87</b>	<b>-</b>	<b>-</b>	<b>55.80</b>

31.03.2021

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	52.67	-	-	-	52.67
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	52.67	-	-	-	52.67

8. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>31.12.2023</b>						
(i) Undisputed Trade Receivable – considered good	518.84	-	-	-	-	518.84
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	1.74	25.92	27.66
<b>Total 31.12.2023</b>						<b>546.49</b>
<b>31.03.2023</b>						
(i) Undisputed Trade Receivable – considered good	182.13	-	-	-	-	182.13
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	1.95	25.92	27.87
<b>Total 31.03.2023</b>						<b>210.00</b>
<b>31.03.2022</b>						
(i) Undisputed Trade Receivable – considered good	216.92	3.83	-	-	-	220.75
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total 31.03.2022</b>						<b>220.75</b>
<b>31.03.2021</b>						
(i) Undisputed Trade Receivable – considered good	276.77	-	-	-	-	276.77
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total 31.03.2021</b>						<b>276.77</b>

9. Restated Statement of Accounting Ratios:

S. No.	Particular	Numerator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator					
(a)	Current Ratio	Current Assets	1.07	1.36	1.46	2.31	The reason of decreasing Current ratio year on year is the increased Short term Borrowings which is a part of Current Liabilities
		Current Liabilities					
(b)	Debt-Equity Ratio	Debt	1.60	1.48	1.35	1.19	Reason is not required to be disclosed since movement is not more than 25%.
		Equity					
(c)	Debt Service Coverage Ratio	Net Operating Income	-1.01	-1.21	-0.49	-2.80	The Operating income has been increasing year on year but the Debt has been increased in 2022 and decreased in 2023, thus the change in ratios is justified. Further during period ended 31 December 2023, the debt has been increased thus the ratio again increased.
		Total Debt Service					
(d)	Return on Equity Ratio	Profit After Tax	27.16%	10.11%	10.96%	11.52%	This ratio is decreased during 2022 and 2023 due to increase in Average shareholder equity getting increased not in the same ratio as profits. Further during period ended 31 December 2023, it got increased due to increased profits.
		Average Shareholders' Equity					
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	8.85	15.89	11.19	8.21	This ratio is increased Year on Year due to higher sales. Further the same has been decreased during period ended 31 December 2023 due to increase in debtor credit period
		Average Trade Receivables					

(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	9.33	25.21	45.93	18.62	This ratio is increased in the year 2022 due to higher purchases. Further the same has been decreased in 2023 due to decrease in creditor credit period
		Average Trade Payables					
(g)	Net capital turnover ratio (in times)	Turnover	21.41	7.09	5.87	4.17	This ratio is increased in the year 2022 and 2023 due to Increased Turnover. Further the same has been decreased in the period ended 31 December 2023 due to lower turnover
		Net Working Capital					
(h)	Net profit ratio	Profit After Tax	7.67%	2.30%	2.47%	2.19%	This ratio is increased Year on Year due to increased Profits.
		Total Sales					
(i)	Return on Capital employed	Operating Profit	41.04%	26.93%	22.42%	27.49%	This ratio is decreased in the year 2022 due to increase in Share Capital. Further it increased Year on year due to increased operating profits.
		Total Capital Employed					
(j)	Return on investment.	Profit After Tax	31.43%	10.65%	13.36%	16.55%	This ratio is decreased in the year 2022 and 2023 due to increase in Share Capital.
		Initial Value of Investments					
(k)	Interest Service Coverage Ratio	EBIT	5.40	2.32	2.54	1.82	This ratio is increased in the year 2022 due to higher EBIT. Further the ratio is decreased in 2023 due to increased Interest cost.
		Total Interest Service					

## OTHER FINANCIAL INFORMATION

The information required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in Lakhs except no of shares & percentage data)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	256.66	78.59	68.59	45.35
<b>EBITDA</b>	513.06	259.67	186.20	146.48
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	8,125,000	2,500,000	2,500,000	2,054,500
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	8,125,000	8,125,000	8,075,733	6,677,125
Net Worth	1073.28	816.62	738.03	513.51
Current Assets	2253.50	1816.33	1493.91	876.88
Current Liabilities	2097.14	1333.92	1020.28	379.40
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	3.16	3.14	2.74	2.21
Eps (Post Bonus)	3.16	0.97	0.85	0.68
<b>Net Asset Value Per Share</b>				
Pre Bonus	13.21	32.66	29.52	24.99
Post Bonus	13.21	10.05	9.14	7.69
<b>Current Ratio</b>	1.07	1.36	1.46	2.31
<b>EBITDA</b>	513.06	259.67	186.20	146.48
Nominal Value per Equity share(Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

Notes:

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

## CAPITALISATION STATEMENT

### ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	251.79	251.79
B	Short Term Debt*	1,464.39	1,464.39
C	<b>Total Debt</b>	<b>1,716.18</b>	<b>1,716.18</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	812.50	1,160.70
	Reserves and Surplus#	260.78	1,552.62
D	<b>Total Equity</b>	<b>1,073.28</b>	<b>2,713.32</b>
	Long Term Debt/ Equity Ratio (A/D)	0 .23	0.09
	Total Debt/ Equity Ratio (C/D)	1.60	0.63
Notes:			
* The amounts are consider as outstanding as on 31.12.2023			

## FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on December 31, 2023:

(₹ in lakhs)

Nature of Borrowing	Amount
Secured Borrowing	1485.68
Unsecured Borrowings	230.50
<b>Total</b>	<b>1716.18</b>

### Details of Secured Borrowings:

(₹ in lakhs)

Name of Lender	Purpose	Sanctioned Date	Sanctioned Amount	Securities offered	Rate of Interest p.a.	Re-Payment Schedule	Outstanding amount as on (as per Books)
							31-12-2023
Punjab National Bank	Car Loan	08-02-2023	₹ 16.83 Lakhs	Hypothecation of Vehicle	8.50%	84 EMIs of Rs. 0.27 lakhs each	₹ 15.08 Lakhs
		17-03-2021	₹ 14.73 Lakhs		7.55%	84 EMIs of Rs. 0.23 lakhs each	₹ 10.23 Lakhs
	Working Capital	24-07-2023	₹ 1500.00 Lakhs	1. Hypothecation of entire Current Assets. 2. Plot/Bung - 9-A/2, Manav Purusharth CHS Society, SY no. 218, FP No. 67, TP-24, RajpurHirpur, Maninagar, Ahmedabad, Gujarat. 3. land adm. 10.09 dec. out of entire share of land 75 Dec. along with all structure/building, RS Dag-709/1997, LR Khatian-2953, Jaladhulagori, JL-2, PS-Sankrail, Dhulagori, Ranihati, Howrah 4. Land adm 10.13 dec. out of entire share of land 75 dec. along with all structure/ building (present/future), RS Dag-709/1997, LR Khatian-2953, Jaladhulagori, JIL-2,	9.60%	Renew After 1 year	₹ 1460.38 Lakhs

Name of Lender	Purpose	Sanctioned Date	Sanctioned Amount	Securities offered	Rate of Interest p.a.	Re-Payment Schedule	Outstanding amount as on (as per Books)
							31-12-2023
				PS-Sankrail, Dhulagori, Ranihati, Howrah			
				5. FDR - Company.			
				6. Assignment of Metlife Policy			
				7. Personal Guarantee of Promoters and Directors			

**Details of Unsecured Borrowings:**

*(₹ in lakhs)*

Name of Lender	Purpose	Securities offered	Rate of Interest	Repayment Schedule	Outstanding amount as on (as per Books)
					31-12-2023
Loan from Related Parties	Business	NIL	12% p.a.	On Demand	₹ 230.50 Lakhs

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

*The following discussion and analysis of our financial condition and results of operations for the period ended December 31, 2023 and financial years ended on 2023, 2022 and 2021 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 181 of this Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.*

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Prospectus. You should also read the section titled "Risk Factors" beginning on page 26 of this Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Silkflex Polymers (India) Limited (formerly known as Silkflex Polymers (India) Private Limited), our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the period ended December 31, 2023 and financial years ended on 2023, 2022 and 2021 included in this Prospectus beginning on page 181 of this Prospectus .*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### Overview

Our Company is engaged in the trading of the textile printing inks and water-based wood coating polymers products of a Malaysian based brand - "Silkflex" produced by Silkflex Polymers SDN BHD ("**Silkflex Malaysia**"). Silkflex Malaysia, are one of the garment printing ink manufacturers of Malaysia. Silkflex Malaysia manufactures its products through its manufacturing unit located in Malaysia and the same products are then supplied around the globe through its authorised agents. The list of countries where Silkflex Malaysia supplies the products includes India, Thailand, Turkey, Russia, Sri Lanka, Bangladesh and Indonesia. As on this date of Prospectus, our Company have the right to sell the products of Silkflex and the rights to use the brand name of Silkflex in India.

Our Company was originally promoted by a father son duo. Late Lalit Kumar Hargovinddas Sanghavi and Mr. Tushar Lalit Kumar Sanghavi in the year 2016 started our Company with the intention of importing and selling the Silkflex brand products in India. Unfortunately, we lost Mr. Lalit Kumar Hargovinddas Sanghavi in the year 2020 due to COVID-19 pandemic. Thereafter, Mr. Tushar Lalit Kumar Sanghavi and her daughter Ms. Urmi Raj Mehta, i.e., the current promoters of our Company are actively and fully involved in the day-to-day affairs of Company's operations. Mr. Tushar Lalit Kumar Sanghavi and Ms. Urmi Raj Mehta have 18 years and 3 years of experience in our industry. They play an instrumental role in the growth and success of our Company. Their experience enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships. For further details of our promoters, please see chapter titled "**Our Promoters and Promoter Group**" on page 174 of this Prospectus. Our Company is also guided by expertise management team which provides technical, marketing & sales guidance to our Company.

Our Company offers a wide variety of products which consists of 108 textile printing ink products and 51 wood coating polymers products. Our Company has entered into an agreement with Silkflex Malaysia on October 01, 2016, for distribution and selling, the water-based textile printing inks products of Silkflex. We also entered into agreement with Silkflex Malaysia on October 01, 2019 for distribution and selling, the wood coating polymers products of Silkflex Malaysia. These agreements also give us the rights to use the brand name of Silkflex in India. Further, by virtue of Technology Transfer Agreement ("TTA") dated July 25, 2023, Silkflex Malaysia has permitted us to be the manufacturer of its products in India and agreed to provide full right, technology relating to products like Silkbond 35 and binder for

table glue products. However, as on the date of this Prospectus, our Company is in the process of setting up the manufacturing unit and has not started its production activities. For further details, please see chapter titled “*Objects of the Issue*” on page 80 of this Prospectus. We have been associated with Silkflex Malaysia since year 2016 and have around 8 years of business association with Silkflex Malaysia.

Silkflex products are certified to ZDHC Confidence Level 3 (Zero Discharge of Hazardous Chemicals). ZDHC aims to remove harmful chemicals from production and the supply chain to protect workers, consumers and the environment. Silkflex ensures that the products not only conform to the requirements of ZDHCs manufacturing restricted substances list but also to the strict manufacturing restricted substances list of global brands and retailers. Silkflex products are also accredited with Eco-Passport certificate issued by Oeko-Tex® and GOTS-version 7 (Global Organic Textile Standard) certificate.

As on the date of this Prospectus, the registered office of our Company is situated in the state of West Bengal. We also have 5 (five) branch offices in India, one of each situated in the state of Gujarat, Maharashtra, Tamil Nadu, Rajasthan and Punjab. Our offices are well equipped with the necessary infrastructure facilities. For further details of our properties, please see “*Our Business – Our Properties*” on page 126 of this Prospectus.

### Key Performance Indicators of our Company.

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	For the period ended December 31, 2023	For the Financial Year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	3348.42	3421.33	2782.47	2075.22
EBITDA <sup>(2)</sup>	513.06	259.67	186.20	146.48
EBITDA Margin (%) <sup>(3)</sup>	15.32%	7.59%	6.69%	7.06%
PAT	256.66	78.59	68.59	45.35
PAT Margin (%) <sup>(4)</sup>	7.67%	2.30%	2.47%	2.19%
Return on Equity (%) <sup>(5)</sup>	23.91%	10.11%	10.96%	11.52%
Debt to Equity Ratio ( <i>times</i> ) <sup>(6)</sup>	1.60	1.48	1.35	1.19
Current Ratio ( <i>times</i> ) <sup>(7)</sup>	1.07	1.36	1.46	2.31

Notes: M B Jajodia & Associates, Chartered Accountants by their certificate dated April 19, 2024.

#### Explanation of KPIs:

(1) Revenue from operations means the revenue from operations as appearing in the restated financial information.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

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

(4) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity.

\*For December 31, 2023, closing shareholder equity has been considered.

(6) Debt to Equity ratio is calculated as Total Debt divided by equity.

(7) Current Ratio is calculated by dividing Current Assets to Current Liabilities.

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled “*Restated Financial Statements*” beginning on page 181 of this Prospectus.

### Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 26 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Termination of our existing agreements with Silkflex Malaysia

2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
4. Ability to respond to market changes;
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Recession in the market;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Our ability to meet our capital expenditure requirements;
11. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
12. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. The performance of the financial markets in India and globally;
17. Any adverse outcome in the legal proceedings in which we are involved;
18. Our ability to expand our geographical area of operation;
19. Concentration of ownership among our Promoters.

## RESULTS OF OUR OPERATION

(₹ in lakhs)

Particulars	For the Period ended December 31, 2023	For The Year Ended 31st March						% of Total Revenue
		% of Total Revenue	2023	% of Total Revenue	2022	% of Total Revenue	2021	
<b>Revenue:</b>								
Revenue from Operations	3348.42	99.02%	3421.33	99.39%	2782.47	99.21%	2075.22	99.01%
Other income	33.13	0.98%	20.92	0.61%	22.04	0.79%	20.84	0.99%
<b>Total revenue</b>	<b>3381.55</b>	<b>100.00%</b>	<b>3442.25</b>	<b>100.00%</b>	<b>2804.52</b>	<b>100.00%</b>	<b>2096.07</b>	<b>100.00%</b>
<b>Expenses:</b>								
Purchase of Stock in Trade	2437.51	72.08%	2817.84	81.86%	2490.89	88.82%	1642.15	78.34%
Change in Inventories of WIP, Finished Goods & Stock in Trade	-103.64	-3.06%	(344.45)	(10.01%)	(597.19)	(21.29%)	(116.21)	(5.54%)
Employees Benefit Expenses	159.28	4.71%	165.18	4.80%	130.68	4.66%	113.79	5.43%
Finance costs	95.01	2.81%	111.87	3.25%	73.27	2.61%	80.48	3.84%
Depreciation and Amortization	72.57	2.15%	39.77	1.16%	20.75	0.74%	5.32	0.25%
Other expenses	375.33	11.10%	544.00	15.80%	593.94	21.18%	309.87	14.78%
<b>Total Expenses</b>	<b>3036.07</b>	<b>89.78%</b>	<b>3334.20</b>	<b>96.86%</b>	<b>2712.33</b>	<b>96.71%</b>	<b>2035.39</b>	<b>97.11%</b>
<b>Profit before exceptional</b>	<b>345.49</b>	<b>10.22%</b>	<b>108.03</b>	<b>3.14%</b>	<b>92.19</b>	<b>3.29%</b>	<b>60.68</b>	<b>2.89%</b>

Particulars	For the Period ended December 31, 2023	For The Year Ended 31st March						% of Total Revenue
		% of Total Revenue	2023	% of Total Revenue	2022	% of Total Revenue	2021	
<b>and extraordinary items and tax</b>								
Exceptional Items	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>345.49</b>	<b>10.22%</b>	<b>108.03</b>	<b>3.14%</b>	<b>92.19</b>	<b>3.29%</b>	<b>60.68</b>	<b>2.89%</b>
Extraordinary items	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>345.49</b>	<b>10.22%</b>	<b>108.03</b>	<b>3.14%</b>	<b>92.19</b>	<b>3.29%</b>	<b>60.68</b>	<b>2.89%</b>
<b>Tax expense:</b>								
Current tax	79.72	2.36%	28.99	0.84%	24.46	0.87%	17.73	0.85%
Mat Credit Entitlement			-	-	-	-	-	-
Deferred Tax	9.11	0.27%	0.45	0.01%	(0.87)	(0.03%)	(2.41)	(0.11%)
<b>Total Tax Expenses</b>	<b>88.83</b>	<b>2.63%</b>	<b>29.44</b>	<b>0.86%</b>	<b>23.59</b>	<b>0.84%</b>	<b>15.32</b>	<b>0.73%</b>
<b>Profit (Loss) for the period from continuing operations</b>	<b>256.66</b>	<b>7.59%</b>	<b>78.59</b>	<b>2.28%</b>	<b>68.59</b>	<b>2.45%</b>	<b>45.35</b>	<b>2.16%</b>

#### Review of Restated Financials,

#### Key Components of Company's Profit and Loss Statement

**Revenue from operations:** Revenue from operations mainly consists from sales of products.

**Other Income:** Other Income consist of interest income, discount received & other misc. incomes, etc.

**Expenses:** Company's expenses consist of, cost of material consumed, changes in inventories of finished goods wip & stock in trade, depreciation expenses, employee benefit expenses, finance cost & other expenses.

**Purchase of Stock in Trade:** Purchase of stock-in-trade includes purchases made during the year.

**Changes in inventories of Finished Goods, WIP & Stock in Trade:** Changes in inventories of stock-in-trade comprise of Inventories at the beginning of the year and Inventories at the end of the year.

**Employee Benefits Expense:** Employee benefit expenses includes salaries and wages, employee's health insurance, directors' remuneration, gratuity expenses, etc.

**Finance Cost:** Finance Cost includes interest paid on borrowings & bank charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

**Other Expenses:** Other expenses include rent, repair & maintenance, commission expenses, travelling & conveyance etc.

#### **Review of Operations for the period ended on December 31, 2023:**

### ***Revenue from Operation***

Revenue from operations for the period ended on December 31, 2023 amounting to ₹ 3348.42 lakhs represents 99.02% of Total Revenue.

### ***Other Income***

Other Income consisting of Rent Income, Discount Received, Interest Income & Miscellaneous Income amounting to ₹ 33.13 Lakhs represents 0.98% of Total Revenue.

### ***Purchase of Stock in Trade***

Purchase of Stock in Trade for the period ended on December 31, 2023 amounting to ₹ 2437.51 lakhs represents 72.08% of Total Revenue.

### ***Changes in Inventories of Finished Goods, WIP & Stock in Trade***

Changes in Inventories of Finished Goods, WIP & Stock in Trade amounting to ₹ (103.64) Lakhs represents (3.06) % of Total Revenue.

### ***Employee Benefit Cost***

Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Employee Insurance, Gratuity Expenses etc amounting to ₹ 159.28 Lakhs represents 4.71% of Total Revenue.

### ***Finance Cost***

Finance Cost includes Interest on Borrowings & Bank Charges amounting to ₹ 95.01Lakhs represents 2.81% of Total Revenue.

### ***Depreciation and Amortization***

Depreciation is charged on WDV method amounting to ₹ 75.27 Lakhs represents 2.15% of Total Revenue

### ***Other Expenses***

Other expenses include Custom clearing and Forwarding Charges, Chemical Testing Expenses Rent, Repair & Maintenance. Commission Expenses, Travelling & Conveyance etc. amounting to ₹ 375.33 Lakhs represents 11.10% of Total Revenue.

### ***Profit Before Tax***

The Profit before tax for the period ended on December 31, 2023 was ₹345.49 Lakhs representing 10.22% of Total Revenue.

### ***Tax Expenses***

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on December 31, 2023 was ₹ 79.72 Lakhs and ₹ 9.11 Lakhs respectively, representing 2.36% and 0.27% respectively of Total Revenue.

### ***Profit After Tax***

The Profit after tax for the period ended on December 31, 2023 was ₹ 256.66 Lakhs representing 7.59% of Total Revenue.

### ***Rationale for high PAT margin in stub period:***

Rise in the PAT margin is majorly due to reduction in cost of purchase of stock in trade as compared to revenue from operations. It had been reduced to 72.80% in the period ended December 31, 2023 from 82.36% in fiscal 2023, 89.52% in fiscal 2022 and 79.13% in fiscal 2021.

Secondly the other expenses had been reduced to 11.21% in the period ended December 31, 2023 from 15.90% in fiscal 2023, 21.35% in fiscal 2022 and 14.93% in fiscal 2021.

Further, the rise in PAT margin is also due to various measures adopted by our management including operational efficiency, cost control, fixed cost analysis, etc.

We have increased gross margins on some products in the current financial year (2023-2024) due to consistency and quality improvement in that product. Also new products were introduced in the current year yielding higher profit margins. A brief summary of the same is as under:

Name of Product	December 31, 2023			FY 2022-23		
	Quantity Sold (Kg)	Amount of Sales (Rupees in lakhs)	Margin (In %)	Quantity Sold (Kg)	Amount of Sales (Rupees in lakhs)	Margin (In %)
Acrylic Polymers: Elastic AOP White	48553	112.76	23.86	47397	103.83	15.45
Acrylic Polymers: Elastisol White S Matt	102150	439.41	23.34	110949	465.19	25.19
Acrylic Polymers: Royalite Clear EX	28500	70.23	26.21	4600	11.46	15.90
Acrylic Polymers: Royalite Clear S Plus	35163	79.31	25.65	117740	256.53	19.25
Acrylic Polymers: Royalite White EX	106300	250.68	23.67	70600	164.24	8.00
Acrylic Polymers: Royalite White S Plus	63725	137.95	24.30	284150	596.61	19.07
Acrylic Polymers: Silicon Clear Matt	1265	8.44	47.59	-	-	-
Acrylic Polymers: Silicon White Matt	1605	9.85	22.18	-	-	-
Acrylic Polymers: Elastic AOP Clear	10880	26.77	28.65	7140	15.82	12.93
Acrylic Polymers: Elastisol Neo Clear LT	28060	91.01	23.85	68960	215.24	19.55
Acrylic Polymers: Elastisol Neo White LT	54730	172.78	25.00	127731	386.50	20.69

### **Fiscal 2023 compared with Fiscal 2022**

#### ***Revenue from Operation***

Revenue from operations had increased by 22.96% from ₹ 2782.47 lakhs in Fiscal 2022 to ₹ 3421.33 lakhs in Fiscal 2023. This increase was due to increase in sales of products during the year. Since in the year 2023 company has increased its business promotion and marketing operations due to which the order book of the company has increased & in result the revenue of the company has also increased in year 2023 as compared to the fiscal year 2022.

#### ***Other Income***

Other income had decreased from ₹ 22.04 lakhs in Fiscal 2022 to ₹20.92 lakhs in Fiscal 2023 due to decrease in Interest Income from Late payments by the customers. The company's interest income from late payment in the year 2022 was ₹

1.28 Lakhs which decreased in the year 2023 to ₹ 0.36 Lakhs. Further in the year 2022 the company has received insurance claim amounting to ₹ 0.37 Lakhs which got decreased to NIL in the year 2023.

#### ***Purchase of Stock in Trade***

Purchase of Stock in Trade had increased by 22.96% from ₹ 2490.89 lakhs in Fiscal 2022 to ₹ 2817.84 lakhs in Fiscal 2023. This increase was due to increase in sales of products during the year.

#### ***Changes in Inventories of Finished Goods, WIP & Stock in trade***

Changes in Inventories of Finished Goods, WIP & Stock in Trade had decreased by 42.32% from ₹ (597.19) lakhs in Fiscal 2022 to ₹ (344.45) lakhs in Fiscal 2023. This decrease was primarily due to higher closing inventories during the year. In the year 2023 we have higher order book which will scheduled to be delivered after March 31, 2023. Since delivery was due after March 31, 2023, so that our closing Inventories of Finished goods got increased & due to this our changes in Inventories of Finished goods, WIP & Stock in Trade got decreased.

#### ***Employee Benefit Expenses***

Employee benefit expenses had increased by 26.40% from ₹ 130.68 lakhs in Fiscal 2022 to ₹ 165.18 lakhs in Fiscal 2023. This increase was primarily due to increase in salary & wages from ₹ 91.57 Lakhs in year 2022 to ₹ 111.34 Lakhs in year 2023, increase in Director Remuneration from ₹ 33 Lakhs in year 2022 to ₹ 49 Lakhs in year 2023 & increase in the employee's health and accident insurance from ₹ 1.52 lakhs in year 2022 to ₹ 1.86 Lakhs in year 2023.

#### ***Finance Cost***

Finance Cost had increased by 52.68% from ₹ 73.27 lakhs in Fiscal 2022 to ₹ 111.87 lakhs in Fiscal 2023. This increase was primarily due to increase in Interest and bank charges & commission paid during the year.

#### ***Depreciation and Amortization Expenses***

Depreciation had increased by 91.70% from ₹ 20.75 lakhs in Fiscal 2022 to ₹ 39.77 lakhs in Fiscal 2023. Since in the year 2023 company has made capex of ₹ 96.23 Lakhs, due to which Depreciation has been increased significantly.

#### ***Other Expenses***

Other expenses had decreased by 8.41% from ₹ 593.94 lakhs in Fiscal 2022 to ₹ 544.00 lakhs in Fiscal 2023. The decrease was primarily due to decrease in Packing Expenses, Commission & Brokerage Expenses, Professional Fees, Consultancy Expenses, Freight Outward and Screenshot Printing & Fabric Purchases Expenses etc. In the year 2023, company has to incur additional business promotion expenses to increase its revenue from operation which got increased from ₹ 10.22 Lakhs to ₹ 43.71 lakhs in the year 2023. Furthermore, company has made Chemical testing expenses of ₹ 25.30 Lakhs in year 2023 which was ₹ 5.29 Lakhs in year 2022.

#### ***Tax Expenses***

The Company's tax expenses had increased by ₹ 5.84 lakhs from ₹ 23.60 lakhs in the Fiscal 2022 to ₹ 29.44 lakhs in Fiscal 2023. This was primarily due to increase in current tax expenses during the year which got increased from ₹ 24.46 Lakhs in the year 2022 to ₹ 28.99 lakhs in the year 2023 & increase in Deferred Tax Expenses from ₹ (0.87) Lakhs in the year 2022 to ₹ 0.45 lakhs in the year 2023.

#### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 78.59 lakhs in Fiscal 2023 as compared to a net profit of ₹ 68.59 lakhs in Fiscal 2022 which got increased due to higher revenue from operation during the year.

#### **Fiscal 2022 compared with Fiscal 2021**

##### ***Revenue from Operation***

Revenue from operations had increased by 34.08% from ₹ 2075.22 lakhs in Fiscal 2021 to ₹ 2782.47 lakhs in Fiscal 2022. This increase was due to increase in sales of products during the year. Since in the year 2022 company has increased its business promotion and marketing operations due to which the order book of the company has increased & in result the revenue of the company has also increased in year 2022 as compared to the fiscal year 2021.

#### ***Other Income***

Other income had increased by 5.77% from ₹ 20.84 lakhs in Fiscal 2021 to ₹ 22.04 lakhs in Fiscal 2022 due to increase in Rental Income which got increased from ₹ 8.80 Lakhs in the Fiscal 2021 to ₹ 13.20 Lakhs in Fiscal 2022.

#### ***Purchase of Stock in Trade***

Purchase of Stock in Trade had increased by 51.69% from ₹ 1642.15 lakhs in Fiscal 2022 to ₹ 2490.89 lakhs in Fiscal 2023. This increase was due to increase in sales of products during the year. In the year 2022 we had higher order book which were scheduled to be delivered after March 31, 2022. Since delivery was due after March 31, 2022, our purchase of Stock in Trade got increased.

#### ***Changes in Inventories of Finished Goods, WIP & Stock in trade***

Changes in Inventories of Finished Goods, WIP & Stock in Trade had increased by 513.88% from ₹ (116.21) lakhs in Fiscal 2021 to ₹ (597.19) lakhs in Fiscal 2022. This increase was primarily due to higher closing inventories during the year. This increase was primarily due to higher closing inventories during the year. In the year 2022 we have higher order book which will scheduled to be delivered after March 31, 2022. Since delivery was due after March 31, 2022, our closing Inventories of Finished goods got increased & due to this our changes in Inventories of Finished goods, WIP & Stock in Trade got increased.

#### ***Employee Benefit Expenses***

Employee benefit expenses had increased by 14.84% from ₹ 2256.43 lakhs in Fiscal 2021 to ₹ 3239.45 lakhs in Fiscal 2022. This increase was primarily due to increase in salary & wages from ₹ 77.21 Lakhs in year 2021 to ₹ 91.57 Lakhs in year 2022 & increase in Director Remuneration from ₹ 24.59 Lakhs in year 2021 to ₹ 33.00 Lakhs in year 2022.

#### ***Finance Cost***

Finance Cost had decreased by 8.97% from ₹ 80.48 lakhs in Fiscal 2021 to ₹ 73.27 lakhs in Fiscal 2022. This decrease was primarily due to lower interest paid during the year which got decreased from ₹ 74.27 Lakhs in Fiscal 2021 to ₹ 65.37 Lakhs in Fiscal 2022 due to decrease in borrowing of the company.

#### ***Depreciation and Amortization Expenses***

Depreciation had increased by 290.09% from ₹ 5.32 lakhs in Fiscal 2021 to ₹ 20.75 lakhs in Fiscal 2022. Since in the year company has made capex amounting to ₹ 249.79 Lakhs so that the same has been increased.

#### ***Other Expenses***

Other expenses had increased by 91.68% from ₹ 309.87 lakhs in Fiscal 2021 to ₹ 593.94 lakhs in Fiscal 2022. The increase was primarily due to increase in Packing Expenses, Custom Clearing & Forwarding Expenses, Commission & Brokerage, Freight Outward, Professional Fees, Shipping Charges, Travelling Expenses, Business Promotions Expenses etc. Further increase in Travelling Expenses from ₹ 5.90 Lakhs in Fiscal 2021 to ₹ 14.25 lakhs, Professional Expenses from ₹ 2.10 lakhs in Fiscal 2021 to ₹ 16.72 lakhs, Business Promotions Expenses from ₹ 4.74 Lakhs in Fiscal 2021 to ₹ 10.22 Lakhs in Fiscal 2022 and Rent Expenses from ₹ 17.76 Lakhs in Fiscal 2021 to ₹ 21.02 Lakhs in Fiscal 2022.

#### ***Tax Expenses***

The Company's tax expenses had increased by ₹ 8.28 lakhs from ₹ 15.32 lakhs in the Fiscal 2021 to ₹ 23.60 lakhs in Fiscal 2022. This was primarily due to increase in Deferred Tax Expenses during the year from ₹ (2.41) Lakhs in Fiscal

2021 to ₹ (0.87) lakhs in Fiscal 2022 & Increase in Current Tax Expenses from ₹ 17.73 Lakhs in Fiscal 2021 to ₹ 24.46 Lakhs in Fiscal 2022. The Current Tax Expenses has been increased due to higher profit during the year.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 68.59 lakhs in Fiscal 2022 as compared to a net profit of ₹ 45.35 lakhs in Fiscal 2021. The company has made higher profit after tax in the fiscal 2022 due to higher revenue from operations during the year.

### **Cash Flows**

(₹ in lakhs)

Particulars	For the period ended	For the Financial Year ended on		
	December 31, 2023	2023	2022	2021
Net Cash Generated/(Used) from Operating Activities	281.44	1.20	(428.52)	(17.08)
Net Cash Generated/(Used) from Investing Activities	(692.03)	(103.30)	(37.25)	(148.99)
Net Cash Generated/(Used) from Financing Activities	412.86	101.94	464.35	165.98

### ***Cash Flows from Operating Activities***

Net cash from operating activities for period ended December 2023 was at ₹ 281.44 lakhs as compared to the Profit Before Tax at ₹ 345.49 lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2023 was at ₹ 1.20 lakhs as compared to the Profit Before Tax at ₹ 108.03 lakhs while for fiscal 2022 net cash from operating activities was at ₹ (428.52) lakhs as compared to the Profit Before Tax at ₹ 92.19 Lakhs. This was primarily due to adjustments against, changes in Working Capital & Income Tax Paid.

Net cash from operating activities for fiscal 2022 was at ₹ (428.52) lakhs as compared to the Profit Before Tax at ₹ 92.19 lakhs while for fiscal 2021 net cash from operating activities was at ₹ (17.08) lakhs as compared to the Profit Before Tax at ₹ 45.35 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital & Income Tax Paid.

### ***Cash Flows from Investment Activities***

For the period ended December 2023, the net cash invested in Investing Activities was ₹ (692.03) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2023, the net cash invested in Investing Activities was ₹ (103.30) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2022, the net cash invested in Investing Activities was ₹ (37.25) lakhs. This was mainly on account of Purchases of Fixed Assets.

In fiscal 2021, the net cash invested in Investing Activities was ₹ (148.99) lakhs. This was mainly on account of Purchases of Fixed Assets.

### ***Cash Flows from Financing Activities***

For the period ended December 2023, the net cash from financing activities was ₹ 412.86 lakhs. This was on account of proceeds from Borrowings & Share Capital.

In fiscal 2023, the net cash from financing activities was ₹ 101.94lakhs. This was on account of proceeds from Borrowings & Share Capital.

In fiscal 2022, the net cash from financing activities was ₹ 464.35 lakhs. This was on account of proceeds from Borrowings & Share Capital.

In fiscal 2021, the net cash from financing activities was ₹ 165.98 lakhs. This was on account of proceeds from Borrowings & Share Capital.

**Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. There are no unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Except for any change in economic policy affecting our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 26 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

**5. Increases in net sales or revenue and introduction of new products or increased sales prices**

Increases in revenues are by and large linked to increases in volume of our business.

**6. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new Product.

**7. Seasonality of business**

Our Company’s business is not seasonal.

**8. Dependence on few customers/ clients**

The percentage of contribution of our Company’s Top Customers/Clients for the period ended December 31, 2023 is as follows:

(Figures in percentages)

Particulars	As on December 31, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
% of top 10 Customers to Revenue from Operations	71.88%	79.93%	83.46%	82.29%

**9. Competitive conditions**

Competitive conditions are as described under the Chapters titled “Industry Overview” and “Our Business” beginning on pages 104 and 126, respectively of the Prospectus.

***10. Details of material developments after the date of last balance sheet i.e., December 31, 2023***

There have not been any significant material developments since the last Audited accounts i.e., December 31, 2023.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on December 26, 2023 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1 % of Net worth of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5 % of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

###### **M/s Silkflex Polymers (India) Private Limited vs M/s Sanjay Traders & Ors**

Case numbering STC/1100292/2018 was filed in the court of the Judicial Magistrate-I at Tirupur by our Company against M/s Sanjay Traders and its Managing Partner and Mr. B. Muralikrishnan to recover a sum of Rs. 9,55,028/- (Rupees Nine Lakhs Fifty-Five Thousand Twenty-Eight Only) under section 138 of The Negotiable Instruments Act, 1881. M/s Sanjay Traders had purchased Textiles & Garments Ink Products from Silkflex Polymers (India) Private Limited on credit basis via various bills and had an outstanding liability of Rs.9,51,884 along with approximate interest of Rs.3,144 totalling to Rs.9,55,028. Mr. B. Muralikrishnan had issued 12 cheques in favour of our Company, which were returned dishonoured for the reason ‘Payment stopped by the drawer’ on August 24, 2017. Our Company sent a registered legal notice dated September 12, 2017 to M/s Sanjay Traders and Mr. B. Muralikrishnan, whereafter filed the captioned criminal complaint. The matter was disposed of vide order dated March 20, 2024 holding the accused guilty and sentenced him to imprisonment for 6 months with directions to repay the amount of Rs. 9,55,028/- (Rupees Nine Lakhs Fifty-Five Thousand Twenty-Eight Only) to our Company, the Complainant.

##### **(c) Other pending material litigations against the Company**

As on the date of this Prospectus, there are no outstanding material litigation initiated against the Company.

##### **(d) Other pending material litigations filed by the Company**

As on the date of this Prospectus, there are no outstanding material litigation initiated by the Company.

##### **(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the Company**

**I. G.R. 1891/2017 arising out of Beniapukur P.S. Case No. 274 dated 08.07.2017 U/s 467/468/471/420/408/120B of the Indian Penal Code, 1860: Silkflex Trexim Private Limited vs Tushar Lalit Kumar Sanghavi & Ors., pending before Additional Chief Judicial Magistrate, Sealdah, 24 Parganas.**

A police case was lodged against our Promoter (Tushar Lalit Kumar Sanghavi) by the Complainant Dibyendu Sarkar, Accountant of Company Silkflex Trexim Private Limited (Trexim), on behalf of his company, alleging that Tushar Lalit Kumar Sanghavi had entered into a criminal conspiracy and opened a new company under the name and style of Silkflex Polymers(India) Private Limited and allegedly misappropriated Trexim's stock of goods to the tune of Rs.2,50,00,000 by issuing forged challan in the name of Trexim. During investigation our Promoter along with the connected F.I.R.- named accused persons were granted bail by the Hon'ble High Court at Calcutta. Subsequently, on completion of investigation the police submitted a Final Report against Tushar Lalit Kumar Sanghavi and thereafter the Honourable Court issued a notice to Dibyendu Sarkar to inform him about the final report. Upon receiving the notice, Dibyendu Sarkar appeared and filed a Naraji Petition/ Protest Petition and the case is still pending adjudication.

**Chronology of the case is given hereunder:**

1. A written complaint was filed by the complainant Parag Majumdar, authorized signatory of Silkflex Trexim Private Limited (Trexim), on July 07, 2017 vide G.R. No. 1891/2017 at Police Station Beniakupur alleging that (1) Tushar Lalit Kumar Sanghavi, (2) Lalit Kumar Hargovindas Sangavi, (3) Mrs.Shilpa Tushar Sanghavi, (4) Mr.Eric Tan Hock Lye and (5) Thian Own Chin, all being a party to a criminal conspiracy, opened a new company under the name and style of Silkflex Polymers(India) Private Limited and allegedly misappropriated Trexim's stock of goods to the tune of Rs.2.5 Crore by issuing forged challan in the name of the Complainant's Company.
2. On the basis of the above complaint and after investigation by the Officer-in-charge of Beniapukur Police Station the case no.274 dated July 08, 2017 was filed in the Court of ACJM, Sealdah, 24 Parganas under section 467/468/471/420/408/ 120B of the Indian Penal Code, 1860.The accused got anticipatory bail from Hon'ble High Court of Kolkata on December 15, 2017.
3. The Police continued the investigation and subsequently, on completion of investigation the police submitted a Final Report No. 54 dated May 06, 2019 which, inter alia, stated that the accused Tushar Lalit Kumar Sanghavi was working under the complainant Parag Majmudar and looked after the business of Silkflex Trexim Pvt. Ltd. However, the complainant could not submit any employment letter duly signed by the accused person. The accused Tushar Lalit Kumar Sanghavi submitted his denial and proof including self-certified copies of returns filed and bank statements, sales data, stock details etc. As per the final report the accused Tushar Lalit Kumar Sanghavi cleared the stock of Rs.301.25 Lakh post his resignation notice and sale proceeds of Rs.274.89 Lakh was deposited in the complainant's Bank Account. Additionally, free samples of Rs.5.27 Lakh were given to the customers for business promotion and in-house use and Tushar Lalit Kumar Sanghavi had been paid commission from the Company's Bank Account which as per the Final Report indicated that the complainant had the knowledge of sales of the stock. Further, the complainant failed to produce any relevant document which could prove that they were exclusive partners of Silkflex Polymers Sdn. Bhd. Of Malaysia for selling their products in India. Thus, the Final Report concluded that the case was civil in nature and recommended for discharge of the accused persons from the case.
4. The complainant submitted a prayer before the Learned Court for time for filing Naraji Petition against the Final Report and later filed a Naraji Petition on December 28, 2021, which was last fixed for hearing on January 31, 2024. However, no proceedings took place on the said date and now the next date for hearing of Naraji Petition is scheduled as June 1, 2024.

**II. G.R. 329/2018 arising out of Beniapukur P.S. Case No. 47 dated 05.02.2018 under section 467/468/471/420/120B of the Indian Penal Code, 1860: Silkflex Trexim Private Limited vs Tushar Lalit Kumar Sanghavi & Ors., pending before Additional Chief Judicial Magistrate, Sealdah, 24 Parganas.**

In this case it was alleged that Tushar Lalit Kumar Sanghavi had forged the "C" Forms and produced the same as genuine before Silkflex Trexim Private Limited and on that pretext cheated Trexim and made wrongful gain. On

completion of investigation the police have submitted a charge sheet against the F.I.R. named accused persons, including our Promoter and the case is still pending adjudication.

**Chronology of the case is given hereunder:**

1. A written complaint was filed by the complainant Dibyendu Sarkar, Accountant of Silkflex Trexim Private Limited (Trexim), on January 19, 2018 vide G.R. No. 329/2018 at Police Station Beniakupur alleging that (1) Sandip Hazari, (2) Tushar Lalit Kumar Sanghavi, (3) Mrs. Shilpa Tushar Sanghavi, and (4) Mr. Atanu Bhunia had forged the "C" Forms and produced before the Sales Tax Authorities for the assessment year 2015-16 of their company on the basis of which the present case number 47/2018 was recorded by the Officer-in-charge, Beniakupur Police Station.
2. During investigation, Mr. Tushar Lalit Kumar Sanghavi and Mrs. Shilpa Tushar Sanghavi applied and got anticipatory bail on June 27, 2019 and they are still on bail as on date.
3. After completion of the investigation the investigating officer submitted a charge sheet in the Court of ACJM Sealdah under section 471/120B/420/511 of IPC dated February 01, 2023 against the named accused persons, including our Promoter and Director Mr. Atanu Bhuniya. Learned ACJM Sealdah has issued notice against the accused persons and has fixed June 1, 2024 for their appearance.

**(b) Criminal proceedings filed by the Promoters & Directors of the Company**

**Partner of Shree Vallabh Chemicals Mr. Rajendrabhai Mohanlal Shah vs Clinch Silicones Private Limited & its authorized Signatory Dipakkumar Kantilal Joshi**

Case numbering CC/10200/2019 was filed on February 04, 2019 by Partner of Shree Vallabh Chemicals, Mr. Rajendrabhai Mohanlal Shah, against Clinch Silicones Private Limited & its authorized Signatory Dipakkumar Kantilal Joshi before the Hon'ble Additional Chief Metropolitan Magistrate N.I.A Court, Ahmedabad. Clinch Silicones Private Limited had purchased goods from Shree Vallabh Chemicals and an amount of Rs.21,46,454 was due to be paid to Shree Vallabh Chemicals. Mr. Dipakkumar Kantilal Joshi on behalf of the Company had given a cheque of Rs.20,00,000 dated December 19, 2018 which got bounced on December 20, 2018. Then a demand notice was sent by Rajendrabhai Mohanlal Shah under the Negotiable Instrument Act to which Mr. Dipakkumar Kantilal Joshi did not respond. Therefore, Rajendrabhai Mohanlal Shah filed a Criminal Case under Section 138 of the Negotiable Instrument Act to recover the amount due and 20% of the cheque amount as interim compensation. The matter is still pending adjudication.

**(c) Other pending material litigations against the Promoters & Directors of the Company**

Our Promoter Tushar Lalitkumar Sanghavi has applied for the trademark "SILKFLEX" vide application numbers 3076805 and 4734722 on October 13, 2015 and November 06, 2020 respectively under Class "2" which was opposed and objected to by Berger Paints India Limited "Berger House", 129, Park Street, Kolkata - 700 017 in respect of a potential infringement by the trademark of Silkflex Polymers (India) Limited.

Berger Paints then filed an opposition notice vide correspondence number 5585618 notifying Silkflex Polymers of the same. Subsequently, a counter-statement to the opposition was filed by Silkflex on February 27, 2018 justifying their position. Berger Paints then filed another opposition notice vide correspondence no.11106619 on February 15, 2021 addressed to the proprietor, Tushar Sanghavi claiming infringement on the mark in question. There have been no further developments and the matter is still pending adjudication in court.

**(d) Other pending material litigations filed by the Promoters & Directors of the Company**

As on the date of this Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the Company**

As on the date of this Prospectus, there are no outstanding actions initiated by the statutory and regulatory authorities against the Promoters & Directors of the Company.

**(f) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action**

As on the date of this Prospectus, there are no outstanding actions by SEBI or stock exchanges against the Promoters, nor any penalties have been imposed in the last five years.

**C. LITIGATIONS INVOLVING THE GROUP COMPANY OF THE COMPANY**

As on the date of this Prospectus, there is no group company of the Company.

**D. TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
<b>Of the Company:</b>		
Direct Tax (Income Tax)	1	Amount Unascertainable (under section 143(2) of the Income Tax Act, 1961)
Direct Tax (TDS)	Nil	Nil
Indirect Tax (GST)	Nil	Nil
<b>Of the Promoters and Directors:</b>		
i. Rajendrakumar Mohanlal Shah (IT)	1	0.02

**E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company. The trade payables for the stub period ended on December 31, 2023 were Rs. 354.57 Lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds 17.73 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on December 26, 2023. Based on these criteria, details of outstanding dues owed as on December 31, 2023 by our Company on are set out below:

(₹ in lakhs)

Types of creditors	Number of creditors	Amount involved <sup>^</sup>
A. Micro, small and medium enterprises	0	0.00
B. Other Creditors	23	355.68
<b>Total (A+B)</b>	23	355.68
C. Material Creditors	3	355.64

<sup>^</sup>Includes GST.

The details pertaining to net outstanding dues towards our material creditors as on December 31, 2023 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [silkflexindia.in](http://silkflexindia.in). It is clarified that such details available on our website do not form a part of this Prospectus.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 216 of this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.*

*The Main Objects clause of the Memorandum of Association enables our Company to undertake its present business activities.*

The Company has obtained following Approvals/Licences/consents and permissions from the Government and various Government Agencies required for its present business:

### I. APPROVALS FOR THE ISSUE

#### 1. Corporate Approvals

- a. Our Board of Directors pursuant to a Board Resolution passed in its meeting held on December 26, 2023 authorised the issue subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 in an Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) held on December 28, 2023.
- c. Our Board Approved the Draft Prospectus and this Prospectus pursuant to its Resolution dated January 15, 2024 and May 01, 2024, respectively.

#### 2. Lender's Consent

Our Company has received the consent letters from the following Lenders:

- 1) Letter dated January 04, 2024 received from Mid Corporate Centre, Punjab National Bank, Vanijya Bhavan, Kankariya, Ahmedabad.

#### 3. Approvals from Stock Exchange

In-Principle approval letter dated April 30, 2024 from NSE EMERGE for the listing of equity shares issued by our Company pursuant to the Issue.

#### 4. Agreement with NSDL and CDSL

- a. The Company has entered into an agreement dated January 10, 2024 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- b. The Company has entered into an agreement dated January 31, 2024 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- c. The Company's International Securities Identification Number ("ISIN") is INE0STN01015.

## II. INCORPORATION RELATED APPROVALS

Sr. No.	Nature of License / Registration/Approval	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation of 'Silkflex Polymers (India) Private Limited'.	U51909WB2016PTC215739	Companies Act, 2013	Assistant Registrar of Companies, Central Registration Centre	May 13, 2016	Valid until cancelled
2.	Fresh Certificate of Incorporation on change in the name from 'Silkflex Polymers (India) Private Limited' to 'Silkflex Polymers (India) Limited'.	U51909WB2016PLC215739	Companies Act, 2013	Registrar of Companies, Kolkata	December 21, 2023	Valid until cancelled

## III. TAX RELATED APPROVALS

Sr. No.	Description	Name of the Company in the Certificate	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number ("PAN")	'Silkflex Polymers (India) Limited'	AAXCS0872L	Income Tax Act, 1961	Income Tax Department	December 30, 2023	Valid until cancelled
2.	Tax Deduction Account Number ("TAN")	'Silkflex Polymers (India) Limited'	CALS37539F	Income Tax Act, 1961	Income Tax Department	January 08, 2024	Valid until cancelled
3.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	24AAXCS0872L1ZO	Gujarat Goods and Services Tax Act, 2017	Department of Gujarat State Tax, Government of Gujarat	Date of Issuance February 02, 2024 with effect from March 11, 2020	Valid until cancelled
4.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	19AAXCS0872L1ZF	West Bengal Goods and Services Tax Act, 2017	Assistant Commissioner of Taxes Government of West Bengal	Date of Issuance January 24, 2024 with effect from July 01, 2017	Valid until cancelled
5.	Certificate	'Silkflex	03AAXCS0872L1ZS	Punjab	Assistant	Date of	Valid

Sr. No.	Description	Name of the Company in the Certificate	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	of Registration for Goods and Services Tax	Polymers (India) Limited'		Goods and Services Tax Act, 2017	Commissioner of Taxes Government of Punjab	Issuance January 23, 2024 with effect from December 27, 2019	until cancelled
6.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	08AAXCS0872L1ZI	Rajasthan Goods and Services Tax Act, 2017	Assistant Commissioner of Taxes Government of Rajasthan	Date of Issuance January 20, 2024 with effect from April 26, 2021	Valid until cancelled
7.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	33AAXCS0872L1ZP	Tamil Nadu Goods and Services Tax Act, 2017	Assistant Commissioner of Taxes Government of Tamil Nadu	Date of Issuance January 09, 2024 with effect from July 01, 2017	Valid until cancelled
8.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	27AAXCS0872L1ZI	Maharashtra Goods and Services Tax Act, 2017	Department of Goods and Services Tax, Government of Maharashtra	Date of Issuance March 11, 2024 with effect from March 11, 2024	Valid until cancelled
9.	Certificate of Registration for Value Added Tax (VAT)	'Silkflex Polymers (India) Private Limited'	19416951042	The West Bengal Value Added Tax Rules, 2005	Commercial Taxes Directorate	Issued on July 25, 2016 with effect from July 15, 2016	Valid until cancelled
10.	Certificate of Registration for Central Sales Tax (CST)	'Silkflex Polymers (India) Private Limited'	19416951042	The Central Sales Tax (Registration and Turnover) Rules, 1957	Commercial Taxes Directorate	Issued on July 25, 2016 with effect from July 15 2016	Valid until cancelled
11.	Certificate of Enrolment for Profession Tax	'Silkflex Polymers (India) Private Limited'	192061370417	The West Bengal State Tax on Professions, Trades, Callings and Employments	Commercial Taxes Department, West Bengal, South Unit-I, Howrah	July 16, 2016	Valid until cancelled

Sr. No.	Description	Name of the Company in the Certificate	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
				Rules, 1979.			
12.	Certificate of Enrolment for Profession Tax	'Silkflex Polymers (India) Limited'	99444746862P	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Department of Sales Tax, Government of Maharashtra	Issued on January 30, 2024 w.e.f April 01, 2023	Valid until cancelled
13.	Certificate of Enrolment for Profession Tax	'Silkflex Polymers (India) Limited'	EPE OF010011370	The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Aslali Gram Panchayat	March 01, 2024	Valid until cancelled
14.	Certificate of Registration for Profession Tax	'Silkflex Polymers (India) Private Limited'	191007760103	The West Bengal State Tax on Professions, Trades, Callings and Employments Rules, 1979.	Commercial Taxes Department, West Bengal, South Unit-I, Howrah	August 03, 2019	Valid until cancelled

#### IV. BUSINESS RELATED APPROVALS

Sr. No.	Description	Name of the Company in the Certificate	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Udyam Registration Certificate	'Silkflex Polymers (India) Private Limited'	UDYAM-WB-08-0001968	MSME Development Act, 2006	MSME (Ministry of Micro, Small & Medium Enterprises)	October 25, 2020	Valid until cancelled
2.	Udyog Aadhaar Registration Certificate	'Silkflex Polymers (India) Private Limited'	WB08A0009222	MSME Development Act, 2006	MSME (Ministry of Micro, Small & Medium Enterprises)	February 09, 2019	Valid until cancelled
3.	Trade License (West Bengal)	'Silkflex Polymers (India) Limited'	4487	West Bengal Panchayat (Gram Panchayat Administration) Rules, 2004	Gram Panchayat of Dhulagari	January 06, 2024	March 31, 2026
4.	Trade	'Silkflex	032/2024/029/00002	Tiruppur City	Tiruppur City	January	March

Sr. No.	Description	Name of the Company in the Certificate	Registration Number	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	License (Tamil Nadu)	Polymers (India) Limited’.		Municipal Corporation Act, 2008	Municipal Corporation	10, 2024 w.e.f. April 01, 2024	31, 2025
5.	Import Export Code (IEC)	‘Silkflex Polymers (India) Limited’	AAXCS0872L	The Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce and Industry, Government of India, Additional Director General of Foreign Trade	Issued on December 08, 2017  Last modified on January 24, 2024	Valid until cancelled
6.	Trade License (Ludhiana)	‘Silkflex Polymers (India) Limited’.	162851 / 25	The Punjab Shops and Commercial Establishments Acts, 1958	Municipal Corporation Ludhiana	March 18, 2024	March 31, 2025

#### V. LABOUR RELATED APPROVALS

Sr. No.	Description	Name of the Company in the Certificate	Registration Application Number /	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Actuarial Calculation for Provisioning for Gratuity	‘Silkflex Polymers (India) Private Limited’	NA	Accounting Standard 15	Fellow of Institute of Actuaries of India-00057	December 16, 2023	NA
2.	Registration Certificate under Shops and Establishments Act (West Bengal)	‘Silkflex Polymers (India) Limited’.	HW03272N2024000002	West Bengal Shops and Establishments Act, 1963	Government of West Bengal	January 08, 2024	Valid until cancelled
3.	Registration Certificate under Shops and Establishments Act (Rajasthan)*	‘Silkflex Polymers (India) Limited’.	SCA/2024/19/132574	Rajasthan Shops and Commercial Establishments Acts, 1958	Government of Rajasthan, Department of Labour	January 10, 2024	Valid until cancelled

Sr. No.	Description	Name of the Company in the Certificate	Registration Application Number /	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
4.	Registration Certificate under Shops and Establishments Act (Punjab)	'Silkflex Polymers (India) Limited'.	LDH/N06/00062946	The Punjab Shops and Commercial Establishments Acts, 1958	Government of Punjab, Department of Labour	February 24, 2024	Valid until cancelled
5.	Registration under the Employees Provident fund (EPF)	'Silkflex Polymers (India) Limited'.	WBHLO3176123000	Employees Provident Funds and Miscellaneous Provisions Act, 1952	Ministry of Labour & Employment, Government of India	January 08, 2024	Valid until cancelled
6.	Intimation Receipt under Shops and Establishments Act (Maharashtra)	'Silkflex Polymers (India) Limited'.	890837262	The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017	Government of Maharashtra, Department of Labour	March 12, 2024	Valid until cancelled
7.	Intimation under Shops and Establishments (Gujarat)**	'Silkflex Polymers (India) Limited'.	2904983	The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019	Municipal Corporation, Ahmedabad	January 10, 2024	-

*\*Since the Company has obtained registration certificate under the Shops and Establishments Act of Rajasthan, a separate trade license is not required.*

*\*\*Since an intimation has been sent to the Labour Department under the Shops and Establishment Act of Gujarat, a separate trade license is not required.*

#### **VI. APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR).**

Our Company does not have any IPR registered in its name. But our Promoter, Tushar Lalitkumar Sanghavi has registered the following Trademark in his name:

Sr. No.	Description	Registration Number/Mark/Label	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration for Trade Mark	UNAXOL* Registration No. 4645873 in Class 2	Trade Mark Act, 1999	Registrar of Trademarks, Trade Marks Registry, Mumbai	March 20, 2021 w.e.f. September 08, 2020	September 07, 2030

\*The Trade Mark is in the name of the Promoter Tushar Lalit Kumar Sanghavi who has given No Objection Certificate to the Company for using the above-mentioned Trade Mark.

#### VII. DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY

Sr. No.	Domain Name	Name of the Company in the Certificate	Registrar Details	IANA ID	Creation Date	Expiry Date
1.	silkflexindia.in	'Silkflex Polymers (India) Private Limited'	Godaddy.com, LLC	146	November 20, 2015	November 20, 2026

#### VIII. MATERIAL LICENCES / APPROVALS OUR COMPANY/ PROMOTER HAS APPLIED FOR

Our Company has submitted an application to the concerned authorities for registration under Shops and Establishments Act, GST, Trade License and Profession Tax Act for the following States, details of which are as under:

Sr No.	Nature of License/Application	Name of the Company in the Certificate	Application No.	Issuing Authority	Date of Application
1.	Application for Registration under Shops and Establishments (Tamil Nadu)	'Silkflex Polymers (India) Limited'.	330106-232128	Labour Department, Tamil Nadu	January 31, 2024
2.	Application for Registration under Profession Tax (Tamil Nadu) *	'Silkflex Polymers (India) Limited'.	032/CP/23-24/0102849	Tiruppur City Municipal Corporation	January 10, 2024
3.	Application for Certificate of Enrolment for Profession Tax, taken as State Development Tax (Ludhiana)	'Silkflex Polymers (India) Private Limited'	E30AAXCS0872L	The Punjab State Development Tax	June 01, 2023
4.	Application for Registration under ESI	'Silkflex Polymers (India) Limited'	41001286020000899	Ministry of Labour & Employment, Government of India	January 10, 2024
5.	Trade License (Maharashtra)	'Silkflex Polymers (India) Limited'	0712986487	Brihanmumbai Municipal Corporation	March 15, 2024

Sr No.	Nature of License/Application	Name of the Company in the Certificate	Application No.	Issuing Authority	Date of Application
6.	Environmental Clearance	'Silkflex Polymers (India) Limited'	Common Application Field No. – CAF/162408/2024	Ministry of Environment, Forest and Climate Change	April 03, 2024

*\*Tamil Nadu Tax on Professions, Trades, Callings and Employment's Act, 1992 does not have a provision for an enrolment certificate for profession tax.*

Note: For State of Rajasthan, tax on Profession, Trades, Callings and Employments is not applicable

#### **IX. MATERIAL LICENCES / APPROVALS OUR COMPANY IS YET TO APPLY**

Our Company is yet to apply for following requisite licenses for the proposed manufacturing unit:

Sr. No.	Description of the License
1.	Factory plan approval for construction
2.	Permission for Extraction of Ground Water
3.	Permission under Electricity Act/ Load Sanction
4.	Stability Certificate/Building Usage Permission for Factory
5.	Factory License
6.	Verification of Weights and Measures under Legal Metrology Act
7.	NOC from fire department

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

Our Board of Directors have *vide* resolution dated December 26, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on December 28, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Company has obtained approval from NSE *vide* letter dated April 30, 2024 to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our Company, promoters, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoters or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoters and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post Issue face value capital is more than ten crores rupees and up to twenty-five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on May 13, 2016 under the provisions of Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Hence, our Company is in existence for a period of 7 years as on the date of filing this Prospectus with NSE.
- b) As on the date of this Prospectus, our Company has a total paid-up capital (face value) of ₹ 812.50 Lakhs comprising 81,25,000 Equity Shares of ₹ 10/- each and the Post Issue paid-up Capital (face value) will be ₹ 1,160.70 Lakhs comprising 1,16,07,000 Equity Shares which shall be below ₹ 25 crores.

- c) Our Company confirms that it has track record of more than 3 years.
- d) As per the Restated Financial Statements, our Company has operating profit (earnings before interest, depreciation and tax excluding other income) from operations of ₹ 479.93 Lakhs in December 31, 2023, ₹ 238.75 Lakhs in Fiscal 2023, ₹ 164.17 Lakhs in Fiscal 2022 and ₹ 125.64 lakhs in Fiscal 2021 i.e., in all the 3 financial years and for the period ended December 31, 2023 preceding the date of this Prospectus and Net-worth of our Company (excluding revaluation reserves) is ₹ 1073.28 lakhs as on December 31, 2023 and hence is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.
- f) There is no winding up petition against our company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) There is none of the Lead Managers involved in the Issue have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of filing of this Prospectus.
- i) Other Disclosures:
  - We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our company in the Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by our company, promoters/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Prospectus.
  - We have disclosed the details of our company, promoters/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 227 of this Prospectus.
  - We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 227 of this Prospectus.
  - The application of our Company has not been rejected by the Exchange in last 6 complete months from the date of filing of this Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated January 31, 2024 with NSDL and agreement dated January 10, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- c) The entire pre-Issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters is in dematerialization form.

- e) The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Issue*” on page 80 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such issue under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

- 1. In accordance with Regulation 246 of the SEBI ICDR Regulations, the lead manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.
- 2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 58 of this Prospectus.
- 3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI ICDR Regulations, with respect to the Issue.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE**

**STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES LIMITED (FORMERLY KNOWN AS SHRENI SHARES PRIVATE LIMITED) HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 01, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of section 26 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.silkflexindia.in](http://www.silkflexindia.in), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Issue, under SEBI MB Regulations.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt

of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and the Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Eligibility and Transfer Restrictions**

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act and 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 accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Applicants are advised to ensure that any application from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **DISCLAIMER CLAUSE OF THE NSE**

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3321 dated April 30, 2024, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”**

## **LISTING**

The Equity Shares issued through the Prospectus are proposed to be listed on NSE EMERGE. Application have been made to NSE EMERGE for obtaining permission for listing of the Equity Shares being issued and sold in the Issue on its NSE EMERGE after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our company has obtained In-principle approval from NSE vide letter dated April 30, 2024 to use name of NSE in the Prospectus for listing of equity shares on NSE EMERGE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within three (3) Working Days of the Issue Closing Date.

## **CONSENTS**

Consents in writing of: (a) The Directors, the Promoters, the Chief Financial Officer, the Company Secretary & Compliance Officer, the Statutory and Peer Review Auditors, the Independent Chartered Engineer; ; and (b) the Lead Manager, the Registrar to the Issue, the Legal Advisors to the Issue, Bankers to the Issue, Bankers to the Company, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013.

## **EXPERT OPINION**

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Prospectus:

Our Company has received a written consent dated January 09, 2024 from the Statutory and Peer Reviewed Auditors, namely M/s MB Jajodia & Associates, Chartered Accountants, who hold a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory and Peer Reviewed Auditor, and in respect of their (a) examination report dated April 17, 2024, on the Restated Financial Statements, and (b) report dated April 17, 2024 on the statement of special tax benefits.

Our Company has received written consent dated January 09, 2024, from V G T & Associates , Independent Chartered Engineer, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificates dated January 09, 2024 and April 27, 2024, respectively, certifying, inter alia, the capacity details of our proposed manufacturing facilities and the valuation of inventories, respectively.

Such consents have not been withdrawn as on the date of this Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is an Initial Public Offer of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

### CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 67 of this Prospectus, our Company has not made any capital issue during the previous three years.

We do not have any Group Company or Subsidiary or Associate as on date of this Prospectus.

### PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 67 of this Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

We do not have any Group Company or Subsidiary or Associate as on date of this Prospectus.

### PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
<b>Mainboard IPO Issues</b>								
-	-	-	-	-	-	-	-	-
<b>SME IPO Issues</b>								
1.	C P S Shapers Limited	11.10	185.00	September 07, 2023	450.00	+138.92% [-0.37%]	+149.86% [+5.72%]	+76.95% [+13.58%]
2.	Meson Valves India Limited	31.09	102.00	September 21, 2023	193.80	+203.87% [-1.26%]	+360.39% [+7.86%]	+473.73% [+9.84%]
3.	Marco Cables & Conductors Limited	18.73	36.00	September 28, 2023	38.70	+45.83% [-2.44%]	+46.25% [+9.82%]	+20.00% [+13.18%]
4.	KK Shah Hospitals Limited^	8.78	45.00	November 06, 2023	56.10	+84.00% [+6.68%]	+56.67% [+10.97%]	-
5.	Swasthik Plascon Limited	40.76	86.00	December 05, 2023	120.10	+20.00% [+2.97%]	+2.33% [+6.42%]	-
6.	Net Avenue Technologies Limited	10.25	18.00	December 08, 2023	42.00	+75.28% [+3.54%]	+10.56% [+7.18%]	-
7.	AIK Pipes and Polymers Limited	15.02	89.00	January 02, 2024	100.00	+33.34% [-0.20%]	+29.21% [+2.45%]	-
8.	Delaplex Limited	46.08	192.00	February 02, 2024	309.00	+43.65% [+2.40%]	+27.08% [+3.44%]	-
9.	Gabriel Pet Straps Limited	8.06	101.00	February 07, 2024	115.00	+32.67% [+2.73%]	-	-
10.	Yash Optics & Lens Limited	53.15	81.00	April 08, 2024	90.00	-	-	-

Source: [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

**Notes:**

1. The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.
2. Price on BSE/NSE are considered for all the above calculations.
3. In case 30th, 90th and 180th day is not a trading day, closing price of the previous trading day has been considered.
4. In case 30th, 90th and 180th day, scripts are not traded then the last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

**Summary statement of price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):**

Financial Year	Total no. of IPOs	Total funds raised (₹ Crores)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2024-2025 <sup>§</sup>	1 <sup>&amp;</sup>	53.15	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024 <sup>@</sup>	13 <sup>**</sup>	260.67	-	-	-	6	6	1	-	-	-	6	-	1
2022-2023	10 <sup>*</sup>	156.29	-	-	-	5	2	3	-	-	1	5	-	4

**\*\***The script of Fidel Softech Limited, SKP Bearing Industries Limited, Olatech Solutions Limited, Ameya Precision Engineers Limited, DAPS Advertising Limited, Amiable Logistics (India) Limited, PNGS Gargi Fashion Jewellery Limited, Arihant Academy Limited, Srivasavi Adhesive Tapes Limited and Bright Outdoor Media Limited were listed on June 10, 2022, July 13, 2022, August 29, 2022, September 08, 2022, November 14, 2022, November 16, 2022, December 20, 2022, December 29, 2022, March 09, 2023 and March 24, 2023 respectively.

**\*\*\***The script of Sancode Technologies Limited, Veefin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited, Marco Cables & Conductors Limited, KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited were listed on April 18, 2023, July 05, 2023, July 10, 2023, July 19, 2023, September 07, 2023, September 21, 2023, September 28, 2023, November 06, 2023, December 05, 2023, December 08, 2023, January 02, 2024, February 02, 2024 and February 07, 2024 respectively.

**@** The script of KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited have not completed 180 days from the date of listing.

**§**The script of Yash Optics & Lens Limited has not completed 180 days from the date of listing.

**&** The script of Yash Optics & Lens Limited was listed on April 08, 2024.

**^** In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 244(3) of the SEBI ICDR Regulations, Shreni Shares Limited being associate of KK Shah Hospitals Limited and its role was limited to marketing of the Issue.

**Note:** Rights Issues lead managed by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER**

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.shreni.in](http://www.shreni.in).

#### **STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the applicants to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Applicant, ASBA Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Applicants who make the payment of Application Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Application shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Issue Closing Date, the applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism has become applicable for investor grievances in relation to applications made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

<b>Scenario</b>	<b>Compensation amount</b>	<b>Compensation period</b>
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Application Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Application Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Application Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Application Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the LM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

For helpline details of the Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information – Lead Manager*” on page 58 of this Prospectus.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicants. Applicants can contact our Company Secretary and Compliance officer or the Registrar to the Issue in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has also appointed Mr. Sourabh Sharma, Company Secretary and Compliance officer. For details, see “*General Information*” beginning on page 58 of this Prospectus.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on January 08, 2024 has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Hardikkumar Dasharathbhai	Non-Executive Independent Director	Chairman

Patel		
Mr. Sugoto Ghosh	Non-Executive Independent Director	Member
Ms. Urmil Raj Mehta	Whole time Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page 159 of this Prospectus.

Our Company has also appointed Mr. Sourabh Sharm, as the Company Secretary and Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company.

**Mr. Sourabh Sharma**

Daga Complex, Sulati Jaladhulagori,  
Sankrail, Howrah,  
Howrah - 711302,  
West Bengal, India.

**Tel No.:** +91 9674912615

**Email:** [investors@silkflexindia.in](mailto:investors@silkflexindia.in)

**Website:** [www.silkflexindia.in](http://www.silkflexindia.in)

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the NSE EMERGE, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

#### THE ISSUE

The Issue comprises of a Fresh Issue of Equity shares.

#### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “*Main Provisions of the Articles of Association*” beginning on page 283 of this Prospectus.

#### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on page 180 and 283, respectively of this Prospectus.

#### FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹10/- each are being issued in terms of this Prospectus at the price of ₹ 52/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 92 of this Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive Annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;

4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 283 of this Prospectus.

#### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated January 10, 2024 amongst our Company, CDSL and Registrar to the Issue.
2. Tripartite agreement dated January 31, 2024 between our Company, NSDL and Registrar to the Issue.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE EMERGE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2,000 Equity Share subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

#### **JOINT HOLDERS**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

#### **JURISDICTION**

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Issue.

#### **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Allotment of Equity Shares to successful Applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Applicants within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue, our Company shall file a fresh Prospectus.

#### **ISSUE PROGRAM**

An indicative timetable in respect of the Issue is set out below:

<b>Issue Opens on</b>	Tuesday, May 07, 2024
<b>Issue Closes on</b>	Friday, May 10, 2024
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before Monday, May 13, 2024
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or before Tuesday, May 14, 2024
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before Tuesday, May 14, 2024
<b>Commencement of trading of the Equity Shares on the Stock Exchanges</b>	On or before Wednesday, May 15, 2024

1. Our Company shall, in consultation with the Lead Manager, consider closing the Issue Period for QIBs, one Working Day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations.
2. UPI mandate end time and date shall be at 5.00 p.m. on Issue Closing Date.

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) Two (2) Working Days from the Issue Closing Date, the applicant shall be compensated in accordance with

applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements entered into by and between our Company and the relevant intermediaries, to the extent applicable.

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the Lead Manager.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within such time as prescribed by SEBI, the timetable may change due to various factors, such as extension of the Issue Period by our Company in consultation with the Lead Manager, or any delays in receiving the final listing and trading approval from the Stock Exchange or delay in receipt of final certificates from SCSBs, etc. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100/- per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100/- per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100/- per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100/- per day or 15% per annum of the

Application Amount, whichever is higher for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100/- per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Prospectus may result in changes in the timelines.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Issue closure time from the Issue Opening Date till the Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the issue, if there is a delay beyond such time, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within two (2) working days of closure of Issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre- issue capital of our Company as provided in “*Capital Structure*” beginning on page 67 of this Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 283 of this Prospectus.

#### **NEW FINANCIAL INSTRUMENTS**

As on the date of this Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

#### **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. NSE has further reviewed and revised the migration policy effective from April 01, 2024 from NSE Emerge to NSE Main Board as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores\*\*

*\*\* Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares*

2. The company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
3. The company should have been listed on SME platform of the Exchange for at least 3 years.

4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
5. The company has not received any winding up petition admitted by a NCLT.
6. The net worth\* of the company should be at least ₹75 crores.  
*\*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018*
7. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.
8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:
  - a) The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
  - b) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
  - c) Redressal mechanism of Investor grievance.
  - d) PAN and DIN no. of Director(s) of the Company.
  - e) Change in Control of a Company/Utilisation of funds raised from public

#### **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on NSE EMERGE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 58 of this Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, our post Issue face value capital exceeds ten crore rupees but does not exceed twenty-five crore rupees. The Company shall Issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “Terms of the Issue” and “Issue Procedure” beginning on page 250 and 259 respectively, of this Prospectus.

### ISSUE STRUCTURE

This Issue comprised of Initial Public Offering of 34,82,000 Equity Shares for Cash at an Issue Price of ₹ 52/- per Equity Share. The Issue comprises a reservation of 1,78,000 Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“**the Market Maker Reservation Portion**”) and Net Issue to Public of 33,04,000 Equity Shares of face value of ₹10/- each (“**the Net Issue**”). The Issue and the Net Issue will constitute 30.00% and 28.47%, respectively of the post Issue paid-up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	33,04,000 Equity Shares	1,78,000 Equity Shares
Percentage of Issue Size available for Allocation	94.89% of the Issue Size	5.11% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 2,000 Equity Shares and further allotment in multiples of 2,000 Equity Shares each <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID	Firm Allotment
Mode of Application <sup>^</sup>	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including the UPI Mechanism for an application size of up to ₹5,00,000 for UPI Applicants)	
Mode of Allotment	Compulsorily in dematerialised form	
Minimum Application Size	<p><i>For Other than Retail Individual Investors:</i></p> <p>Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Value does not exceeds ₹ 2,00,000.</p>	1,78,000 Equity Shares
Maximum Application Size	<p><i>For Other than Retail Individual Investors:</i></p> <p>Such number of Equity Shares in multiples of 2,000 Equity Shares such that the Application Size not exceeding the size of the Issue, subject to applicable limits to the Applicant.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Such number of Equity Shares in multiples of 2,000 Equity Shares such that the application value does not exceed ₹ 2,00,000.</p>	1,78,000 Equity Shares

Particulars	Net Issue to Public	Market Maker Reservation Portion
Trading Lot	2,000 Equity Shares	2,000 Equity Shares. However, the Market Maker may buy odd lots if any in the market as required under the SEBI ICDR Regulations.
Who can Apply <sup>(2)</sup>	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	2,000 Equity Share and in multiples of 2,000 Equity Shares thereafter	

<sup>(2)</sup>As specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchange shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail Individual Investors, QIBs, Non-Institutional Investors, and also for all modes through which the applications are processed.

<sup>(1)</sup> Since present Issue is a fixed price Issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations, shall be made as follows:

- (a) Minimum fifty per cent to retail individual investors; and
- (b) Remaining to:
  - i) individual applicants other than retail individual investors; and
  - ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage."

<sup>(1)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations. For further details, please refer chapter titled "Issue Procedure" beginning on page 259 of this Prospectus.

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Offer (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 & UPI Circulars which highlights the key rules, processes and procedures applicable to public offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) price discovery and allocation; (vii) General Instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using UPI and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public offers, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 and made effective on a voluntary basis for all issues opening on or after September 01, 2023 and on a mandatory basis for all issues opening on or after December 01, 2023.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of the Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its

circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and this Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

**Investors must ensure that their PAN is linked with Aadhar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.**

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. However, they may get the Equity Share rematerialized subject to allotment of the equity shares in the Issue, subject to applicable laws.

#### **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public Issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public offers, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six working days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the

blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – issue LM will be required to compensate the concerned investor.

Our Company will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Investors.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be issued to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for UPI applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Investors using UPI Mechanism for an application size of up to ₹ 5,00,000 may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by UPI applicants (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For UPI applicants using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI applicants for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI applicants, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI applicants (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors</b>	After accepting the form, SCSB shall capture and upload the relevant
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<b>to SCSBs:</b>	details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - (a) Minors (except through their Guardians)
  - (b) Partnership firms or their nominations
  - (c) Foreign Nationals (except NRIs)
  - (d) Overseas Corporate Bodies

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### ***For Retail Individual Investors***

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

**For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 2,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio). For applications where the proportionate allotment works out to less than 2,000 Equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2,000 Equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
3. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2,000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 2,000 Equity shares subject to a minimum allotment of 2,000 Equity shares.
4. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2,000 Equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this Prospectus.

5. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
- (a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - (b) The balance net issue of shares to the public shall be made available for allotment to:
    - i. Individual applicants other than retails individual investors; and
    - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - (c) The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
6. Retail Individual Investors' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSSB or should confirm/accept the UPI Mandate Request (in case of UPI applicants using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSSB or should confirm/accept the UPI Mandate Request (in case of UPI applicants applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 282 of this Prospectus.

#### **APPLICATION BY FPIs AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate

in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public issuing of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*(1) The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Prospectus and the Prospectus.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

## **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

**Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

## **METHOD AND PROCESS OF APPLICATIONS**

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **TERMS OF PAYMENT**

The entire Issue price of ₹ 52/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the

applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - (a) Name of the Applicant;
  - (b) IPO Name;
  - (c) Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

## **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

Our company has entered into an Underwriting Agreement dated January 03, 2024.

A copy of Prospectus will be filed with the ROC in terms of Section 26 of Companies Act, 2013.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and regional editions of a daily newspaper where our Registered Office is located, each with wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

## **ALLOTMENT ADVERTISEMENT**

Our Company, the Lead Manager and the Registrar to the Issue shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and regional editions of a daily newspaper where our Registered Office is located, each with wide circulation.

## **ISSUANCE OF CONFIRMATION ON ALLOCATION NOTE AND ALLOTMENT IN THE ISSUE**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

## **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## **GENERAL INSTRUCTIONS**

### **Do's:**

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have apply within the Price Band

3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RII bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for UPI Mechanism for an application size of up to ₹5,00,000 for UPI Applicants) to make an application in the Issue. Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your application;
14. Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed

by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.

31. Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Investor shall be deemed to have verified the attachment containing the application details of the Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date.
37. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
38. UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Investors);

12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” on page 58.

For helpline details of the Lead Manager pursuant to the SEBI circular no. SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Lead Manager to the Issue” on page 58 of this Prospectus.

## **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 263 of this Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than Rs. 200,000;
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the Lead Manager and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares issued through the Issue through the Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Issue to public may be made for the purpose of making Allotment in minimum lots. The allotment of Equity Shares to Applicants other than to the Retail Individual Investors, Non-Institutional Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum

allotment being equal to the minimum application size as determined and disclosed. The allotment of Equity Shares to each Retail Individual Investors shall not be less than the minimum lot, subject to the availability of shares in Retail Individual Investors Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Investors shall not be less than the Minimum NII Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

## **INVESTOR GRIEVANCE**

In case of any pre- Issue or post- Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” on page 58 of this Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100/- per day for the entire duration of delay exceeding Two (2) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs 5 million or with both.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). It is mandatory for the applicants to furnish the details of depository account and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. Specified securities, on allotment, shall be traded on stock exchanges in demat mode only in this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated January 31, 2024 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated January 10, 2024 among CDSL, our Company and Registrar to the Issue.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 3 (three) working days of the Issue Closing Date or within such other time period prescribed by SEBI will be taken;
3. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
4. if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
5. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The Stock Exchanges shall be informed promptly;
7. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with SEBI/Stock Exchange, in the event our Company or subsequently decide to proceed with the Issue;
8. adequate arrangements shall be made to collect all Application Forms from Applicants.
9. the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

The information set out above is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the prescribed limits under applicable laws or regulations.

#### **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

1. all monies received out of the Fresh issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Fresh issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
4. the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 259 of this Prospectus. Each Applicant should seek independent legal advice about its ability to participate in the issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued 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 of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those issues and sales occur.**

**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 issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

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**\*Adoption of Articles of Association Vide Special Resolution Passed by the Members through Extra-Ordinary General Meeting held on 06<sup>th</sup> November, 2023.**

**THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION\*OF  
SILKFLEX POLYMERS (INDIA) LIMITED**

**CONSTITUTION OF THE  
COMPANY**

1. The Regulations contained in Table „F“ in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

**INTERPRETATION CLAUSE**

2. The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:
  - a) „The Act“ or „The Companies Act“ shall mean „The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.“
  - b) „The Board“ or „The Board of Directors“ means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
  - c) „The Company“ or „This Company“ means SILKFLEX POLYMERS (INDIA) LIMITED.
  - d) „Directors“ means the Directors for the time being of the Company.
  - e) „Writing“ includes printing, lithograph, typewriting and any other usual substitutes for writing.
  - f) „Members“ means members of the Company holding a share or shares of any class.
  - g) „Month“ shall mean a calendar month.
  - h) „Paid-up“ shall include „credited as fully paid-up“.
  - i) „Person“ shall include any corporation as well as individual.
  - j) „These presents“ or „Regulations“ shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.
  - k) „Section“ or „Sec.“ means Section of the Act.
  - l) Words importing the masculine gender shall include the feminine gender.
  - m) Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.
  - n) „Special Resolution“ means special resolution as defined by Section 114 in the Act.
  - o) „The Office“ means the Registered Office for the time being of the Company.
  - p) „The Register“ means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.
  - q) „Proxy“ includes Attorney duly constituted under a Power of Attorney.
3. Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
4. The Authorized Share Capital of the Company shall be as prescribed in Clause 5 of the Memorandum of Association of the Company.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or

subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.

Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.

6. The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such

consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.

7. The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the ShareCapital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:

- I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
- (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
- (d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.
- II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.
- III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:
  - (a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and
  - (b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.

8. (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.

(2) To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.

#### 9. Issue of further shares with disproportionate rights

Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking *pari passu* therewith.

#### 10. Not to issue shares with disproportionate rights

The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.

**11. Power to pay commission**

The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.

**12. Liability of joint holders of shares**

The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.

**13. Trust not recognised**

Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognised any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

**14. Issue other than for cash**

- a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
- b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.

**15. Acceptance of shares**

An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

**16. Member' right to share Certificates**

- 1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
  - a. One certificate for all his shares; or
  - b. Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.
- 2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.
- 3. Every certificate shall be under the signature of two Directors and the Company Secretary of the Company and shall specify the shares to which it relates and the amount paid-up thereon.
- 4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the signature of two Directors and the Company Secretary of the Company or authorized official(s) of the Company.

**17. One Certificate for joint holders**

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.

**18. Renewal of Certificate**

If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of

cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.

19. For every certificate issued under the last preceding Article, no fee shall be charged by the Company.

**20. Splitting and consolidation of Share Certificate**

The shares of the Company will be split up/consolidated in the following circumstances:

- (i) At the request of the member/s for split up of shares in marketable lot.
- (ii) At the request of the member/s for consolidation of fraction shares into marketable lot.

**21. Directors may issue new Certificate(s)**

Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

**22. Person by whom installments are payable**

If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.

**LIEN**

**23. Company's lien on shares**

The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

**24. As to enforcing lien by sale**

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.

**25. Authority to transfer**

- a. To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
- b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

**26. Application of proceeds of sale**

The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.

**CALLS ON SHARES**

**27. Calls**

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.

**28. When call deemed to have been made**

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.

**29. Length of Notice of call**

Not less than thirty day's notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

**30. Sum payable in fixed installments to be deemed calls**

If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.

**31. When interest on call or installment payable**

If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.

**32. Sums payable at fixed times to be treated as calls**

The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

**33. Payment of call in advance**

The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.

**34. Partial payment not to preclude forfeiture**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

**FORFEITURE OF SHARES**

**35. If call or installment not paid, notice may be given**

If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.

**36. Evidence action by Company against shareholders**

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debtor money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**37. Form of Notice**

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

**38. If notice not complied with, shares may be forfeited**

If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**39. Notice after forfeiture**

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

**40. Boards' right to dispose of forfeited shares or cancellation of forfeiture**

A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

**41. Liability after forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.

**42. Effect of forfeiture**

The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

**43. Evidence of forfeiture**

A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**44. Non-payment of sums payable at fixed times**

The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

**45. Validity of such sales**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

**TRANSFER AND TRANSMISSION OF SHARES**

**46. Transfer**

- a. The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.
- b. The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.

- c. An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of

the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

- d. For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.
- e. Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

#### **47. Form of transfer**

Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.

#### **48. Board's right to refuse to register**

The Board, may, at its absolute discretion and without assigning any reason, decline to register;

- 1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or
- 2. Any transfer or transmission of shares on which the Company has a lien
  - a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
  - b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
  - c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.
  - d. The provisions of this clause shall apply to transfers of stock also.

#### **49. Further right of Board of Directors to refuse to register**

- a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.
- b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.
- c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.
- d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:
  - i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.
  - ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.
  - iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.
  - iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.
  - v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.

Provided that where a member is holding shares in lots higher than the transferable limit of trading

and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor notwithstanding that the residual holding shall be below hundred (100).

**50. Rights to shares on death of a member for transmission**

- a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.
- b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.

Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.

Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.

Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.

**51. Rights and liabilities of person**

1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either
  - a. to be registered himself as a holder of the share or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. The Board, shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

**52. Notice by such a person of his election**

- a. If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- c. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.

**53. No transfer to infant, etc.**

No transfer shall be made to an infant or a person of unsound mind.

**54. Endorsement of transfer and issue of certificate**

Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.

**55. Custody of transfer**

The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.

**56. Register of members**

- a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.

**Closure of Register of members**

- b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.

### **When instruments of transfer to be retained**

- c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

### **57. Company's right to register transfer by apparent legal owner**

The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.

## **ALTERATION OF CAPITAL**

### **58. Alteration and consolidation, sub-division and cancellation of shares**

The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:

1. Increase its share capital by such amount as it thinks expedient by issuing new shares;
2. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
3. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;
4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
5. (a). Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.  
(b). The resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.
6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.

### **59. Reduction of capital, etc. by Company**

The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:

- a. its share capital;
- b. any capital redemption reserve account; or
- c. any share premium account.

## **SURRENDER OF SHARES**

### **60. Surrender of shares**

The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.

## **MODIFICATION OF RIGHTS**

### **61. Power of modify shares**

The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.

## **SET OFF OF MONEY DUE TO SHAREHOLDERS**

## **62. Set-off of moneys due to shareholders**

Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.

## **CONVERSION OF SHARES INTO STOCK**

### **63. Conversion of shares**

The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

### **64. Transfer of stock**

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

### **65. Right of stockholders**

The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

### **66. Applicability of regulations to stock and stockholders**

Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

### **67. Dematerialisation Of Securities**

#### **a) Definitions**

For the purpose of this Article:

„Beneficial Owner“ means a person or persons whose name is recorded as such with a depository;

„SEBI“ means the Securities and Exchange Board of India;

„Depository“ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

„Security“ means such security as may be specified by SEBI from time to time.

#### **b) Dematerialisation of securities**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

#### **c) Options for investors**

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

#### **d) Securities in depositories to be in fungible form**

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

#### **e) Rights of depositories and beneficial owners:**

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
  - ii. Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.
  - iii. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- f) **Service of documents**  
Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- g) **Transfer of securities**  
Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- h) **Allotment of securities dealt with in a depository**  
Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- i) **Distinctive numbers of securities held in a depository**  
Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.
- j) **Register and Index of Beneficial owners**  
The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.
- k) **Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository**  
Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

#### **GENERAL MEETINGS**

##### **68. Annual General Meeting**

The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.

##### **69. Extraordinary General Meeting**

1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.

##### **Right to summon Extraordinary General Meeting**

2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.

##### **70. Extraordinary Meeting by requisition**

- a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
- b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
- c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of

them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.

- e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.

#### **71. Length of notice for calling meeting**

A General Meeting of the Company may be called by giving not less than twenty one days' notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.

Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.

#### **72. Accidental omission to give notice not to invalidate meeting**

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.

#### **73. Special business and statement to be annexed**

All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

#### **74. Quorum**

The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:

Number of members upto 1000: 5 members personally present

Number of members 1000-5000: 15 members personally

present Number of members more than 5000: 30 members

personally present

#### **75. If quorum not present, when meeting to be dissolved and when to be adjourned**

If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

#### **76. Chairman of General Meeting**

The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.

#### **77. When Chairman is absent**

If there is no such Chairman, or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.

#### **78. Adjournment of meeting**

The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

#### **79. Questions at General Meeting how decided**

At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

#### **80. Casting vote**

In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

#### **81. Taking of poll**

If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### **82. In what cases poll taken without adjournment**

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.

#### **83. Vote**

- a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.
- b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
- c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.
- d. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.

84. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has Business may proceed notwithstanding demand for poll

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; the demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**85. Joint holders**

In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**86. Member of unsound mind**

A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

**87. No member entitled to vote while call due to Company**

No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

**88. Proxies permitted on polls**

On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.

**89. Instrument of proxy**

- a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the signature of two Directors and the Company Secretary of the Company or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.
- b. A body corporate (whether a company within the meaning of this Act or not) may:
  1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;
  2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.
- c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.

**90. Instrument of proxy to be deposited at the office**

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.

**91. Validity of vote by proxy**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

**92. Form of proxy**

Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.

**DIRECTORS**

**93. Number of Directors**

Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

**a) Present Board of Directors**

- i. Mr. Tushar Lalit Kumar Sanghavi
- ii. Mrs. Urmi Raj Mehta
- iii. Mr. Rajendrakumar Shah
- iv. Mr. Atanu Bhuniya

**b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Officer**

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company.

94. Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.

**95. Qualification of Directors**

Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.

**96. Director's remuneration**

- a) Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.
- b) Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.
- c) Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.
- d) Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.

**97. Directors may act notwithstanding vacancy**

The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 121 below.

**98. Chairman of the Board**

The Board may from time to time appoint any Director to be the Chairman of the Board. The Chairman of the Board shall be subject to the same provisions as to resignation and removal as the other Directors, and he ipso facto, and immediately ceases to be the Chairman if he ceases to hold the office of Director for any cause.

**99. Casual vacancy**

If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.

**VACATION OF OFFICE BY DIRECTORS**

## 100. Vacation of office by Directors

The office of a Director shall be vacated if:

1. he is found to be unsound mind by a Court of competent jurisdiction;
  2. he applies to be adjudicated as an insolvent;
  3. he is an undischarged insolvent;
  4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
  5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;
  6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.
  7. he has not complied with Subsection (3) of Section 152
  8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.
  9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;
  10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.
  11. he becomes disqualified by an order of a court or the Tribunal
  12. he is removed in pursuance of the provisions of the Act,
  13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:
1. for thirty days from the date of the adjudication, sentence or order;
  2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
  3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

## 101. Alternate Directors

- (a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause "the Original Director" during his absence for a period of not less than 3 months from India.
- (b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.

### Independent Directors

- (c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.
- (ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall not be liable to retire by rotation.

### Women Director

- (d) The Directors shall appoint at least one women director as per the requirements of section 149 of the Act.

### Key Managerial Personnel

- (e) Subject to the provisions of the Act,—
  - (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and

any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (iii) The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.

#### **102. Additional Directors**

The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office upto the date of the next Annual General Meeting of the Company.

##### **Proportion of retirement by rotation**

- a) The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.

#### **103. Debenture**

Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.

#### **104. Corporation/Nominee Director**

- a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company to the any finance corporation or credit corporation or body, (herein after in this Article referred to as "The Corporation") out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or installments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).
- b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.

The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the

Company directly to the Corporation.

- c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.

#### **105. Disclosure of interest of Directors**

- a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.  

Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.
- b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.

#### **106. Rights of Directors**

Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

#### **107. Directors to comply with Section 184**

Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.

#### **108. Directors power of contract with Company**

Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.

### **ROTATION OF DIRECTORS**

#### **109. Rotation and retirement of Directors**

At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.

#### **110. Retiring Directors eligible for re-election**

A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.

#### **111. Which Directors to retire**

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

#### **112. Retiring Directors to remain in office till successors are appointed**

Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.

#### **113. Power of General Meeting to increase or reduce number of Directors**

Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.

#### **114. Power to remove Directors by ordinary resolution**

Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

#### **115. Rights of persons other than retiring Directors to stand for Directorships**

Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be "along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution".

#### **116. Register of Directors and KMP and their shareholding**

The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.

#### **117. Business to be carried on**

The business of the Company shall be carried on by the Board of Directors.

#### **118. Meeting of the Board**

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.

#### **119. Director may summon meeting**

A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.

#### **120. Question how decided**

- a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.
- b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

#### **121. Right of continuing Directors when there is no quorum**

The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.

#### **122. Quorum**

The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.

#### **123. Election of Chairman to the Board**

If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

##### **Chairman Emeritus**

- (1) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.
- (2) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting.
- (3) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.
- (4) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.
- (5) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.
- (6) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus."

#### **124. Power to appoint Committees and to delegate**

- a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.

##### **Delegation of powers**

- b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committees appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.
- c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.

#### **125. Proceedings of Committee**

The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last preceding Article.

#### **126. Election of Chairman of the Committee**

- a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at

any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.

- b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.

#### **127. Question how determined**

- a. A Committee may meet and adjourn as it thinks proper.
- b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

#### **128. Acts done by Board or Committee valid, notwithstanding defective appointment, etc.**

All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.

#### **129. Resolution by circulation**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

### **POWERS AND DUTIES OF DIRECTORS**

#### **130. General powers of Company vested in Directors**

The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

#### **131. Attorney of the Company**

The Board may appoint at any time and from time to time by a power of attorney under the signature of two Directors and the Company Secretary of the Company, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

#### **132. Power to authorise sub delegation**

The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.

#### **133. Directors' duty to comply with the provisions of the Act**

The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.

#### **134. Special power of Directors**

In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become

applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.

**135. To acquire and dispose of property and rights**

- a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.

**To pay for property in debentures, etc.**

- b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

**To secure contracts by mortgages**

- c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.

**To appoint officers, etc.**

- d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.
- e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.

**To refer to arbitration**

- f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.

**To give receipt**

- g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.

**To act in matters of bankrupts and insolvents**

- h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

**To give security by way of indemnity**

- i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

**To give commission**

- j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.

**To make contracts etc.**

- k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

**To make bye-laws**

- l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.

**To set aside profits for provided fund**

- m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.

**To make and alter rules**

- n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.
- o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.

### **136. Managing Director**

Subject to the provisions of Section 196, 197, 2(94), 203 of the Act, the following provisions shall apply:

- a. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.
- b. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.
- c. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.
- d. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.
- e. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 135 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.

### **137. Whole-time Director**

- 1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Whole time Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf.
- 2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.

### **138. Secretary**

The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.

### **139. Powers as to commencement of business**

Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

#### **140. Delegation of power**

Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.

### **BORROWING**

#### **141. Borrowing Powers**

- a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company or by such other means as them may seem expedient.

#### **142. Assignment of debentures**

Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.

#### **143. Terms of debenture issue**

- a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
- b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.
- c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called "Debenture Director". The words "Mortgage" or

“Debenture Director” shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

- d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.
- e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.

#### **144. Charge on uncalled capital**

Any uncalled capital of the Company may be included in or charged by mortgage or other security.

#### **145. Subsequent assignees of uncalled capital**

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.

#### **146. Charge in favour of Director of indemnity**

If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.

#### **147. Powers to be exercised by Board only at meeting**

- a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.
  - (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorise buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) to approve financial statement and the Board’s report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) to make political contributions;
  - (l) to appoint or remove key managerial personnel (KMP);
  - (m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - (n) to appoint internal auditors and secretarial auditor;
  - (o) to take note of the disclosure of director’s interest and shareholding;
  - (p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;
  - (q) to invite or accept or renew public deposits and related matters;
  - (r) to review or change the terms and conditions of public deposit;
  - (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.
  - (t) such other business as may be prescribed by the Act.
- b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.

- c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.
- d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.
- e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.

#### **148. Register of mortgage to be kept**

The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

#### **149. Register of holders of debentures**

Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.

#### **150. Inspection of copies of and Register of Mortgages**

The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.

#### **151. Supplying copies of register of holder of debentures**

The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.

#### **152. Right of holders of debentures as to Financial Statements**

Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.

#### **153. Minutes**

- a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.
- b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

#### **154. Managing Director's power to be exercised severally**

All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.

### **MANAGER**

#### **155. Manager**

Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.

### **DIVIDENDS AND RESERVES**

#### **156. Rights to Dividend**

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.

#### **157. Declaration of Dividends**

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

#### **158. What to be deemed net profits**

The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.

#### **159. Interim Dividend**

The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

#### **160. Dividends to be paid out of profits only**

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.

#### **161. Reserve Funds**

- a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.

#### **162. Method of payment of dividend**

- a. Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
- b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.
- c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.

#### **163. Deduction of arrears**

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.

#### **164. Adjustment of dividend against call**

Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.

#### **165. Payment by Cheque or warrant**

- a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.
- b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.

#### **166. Retention in certain cases**

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.

#### **167. Receipt of joint holders**

Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:

- a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and
- b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.

#### **168. Deduction of arrears**

Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.

#### **169. Notice of Dividends**

Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

#### **170. Dividend not to bear interest**

No dividend shall bear interest against the Company.

#### **171. Unclaimed Dividend**

No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.

#### **172. Transfer of share not to pass prior Dividend**

Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **CAPITALISATION OF PROFITS**

#### **173. Capitalisation of Profits**

- a. The Company in General Meeting, may on the recommendation of the Board, resolve:
  1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and
  2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:
  1. paying up any amount for the time being unpaid on any share held by such members respectively;
  2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or
  3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).
- c. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
- d. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.

#### **174. Powers of Directors for declaration of Bonus**

- a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and
  2. generally do all acts and things required to give effect thereto.
- b. The Board shall have full power:
  1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;
  2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
- c. Any agreement made under such authority shall be effective and binding on all such members.

### **ACCOUNTS**

#### **175. Books of account to be kept**

- a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
- b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.
- c. The books of accounts shall be open to inspection by any Director during business hours.

#### **176. Where books of account to be kept**

The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.

#### **177. Inspection by members**

The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.

#### **178. Statement of account to be furnished to General Meeting**

The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.

#### **179. Financial Statements**

Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.

#### **180. Authentication of Financial Statements**

- a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.
- b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

#### **181. Auditors Report to be annexed**

The Auditor's Report shall be attached to the financial statements.

#### **182. Board's Report to be attached to Financial Statements**

- a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by

the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.

- b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.
- e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.

### **183. Right of member to copies of Financial Statements**

The Company shall comply with the requirements of Section 136.

## **ANNUAL RETURNS**

### **184. Annual Returns**

The Company shall make the requisite annual return in accordance with Section 92 of the Act.

## **AUDIT**

### **185. Accounts to be audited**

- a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
- b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.
- c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.
- d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.
- e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.
- f.
  1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.  
Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and
  2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.
- g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor

and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.

- i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.

#### **186. Audit of Branch Offices**

The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.

#### **187. Remuneration of Auditors**

The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill a casual vacancy may be fixed by the Board.

#### **188. Rights and duties of Auditors**

- a. Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.
- b. All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- c. The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:
  - 1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and
  - 2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.
- d. The Auditor's Report shall also state:
  - (a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
  - (b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
  - (c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
  - (d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
  - (e) whether, in his opinion, the financial statements comply with the accounting standards;
  - (f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
  - (g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
  - (h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
  - (i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
  - (j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;
  - (k) whether the company has made provision, as required under any law or accounting standards,

- for material foreseeable losses, if any, on long term contracts including derivative contracts;
- (l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
- e. Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.
- f. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

#### **189. Accounts whether audited and approved to be conclusive**

Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.

#### **190. Service of documents on the Company**

A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

#### **191. How documents to be served to members**

- a. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.
- b. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
- c. Where a document is sent by post:
  - i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;
    - a. in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
    - b. in any other case, at the time at which the letter should be delivered in the ordinary course of post.

#### **192. Members to notify address in India**

Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **193. Service on members having no registered address in India**

If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.

#### **194. Service on persons acquiring shares on death or insolvency of members**

A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.

**195. Notice valid though member deceased**

Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.

**196. Persons entitled to Notice of General Meeting**

Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.

Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

**197. Advertisement**

- a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.
- b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.

**198. Transference, etc. bound by prior notices**

Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.

**199. How notice to be signed**

Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

**AUTHENTICATION OF DOCUMENTS**

**200. Authentication of document and proceeding**

Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.

**WINDING UP**

**201. Winding up**

Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

## **202. Division of assets of the Company in specie among members**

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

## **INDEMNITY AND RESPONSIBILITY**

### **203. Directors' and others' right to indemnity**

- a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

**204.** Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.

## **SECRECY CLAUSE**

- 205.**
- a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
  - b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

## **REGISTERS, INSPECTION AND COPIES THEREOF**

206. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days" notice to the company about his intention to do so.

Any, Director or Member or person can take copies of such registers of the company by paying Rs. 10 per page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.

#### **BUY-BACK OF SHARES**

207. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL AUTHORITY**

208. Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

#### MATERIAL CONTRACTS

1. Issue Agreement dated January 03, 2024 between our Company and the Lead Manager.
2. Registrar Agreement dated January 03, 2024 between our Company and the Registrar to the Issue.
3. Market Making Agreement dated January 03, 2024 between our Company, the Lead Manager and Market Maker.
4. Underwriting Agreement dated January 03, 2024 between our Company, the Lead Manager and the Underwriter.
5. Banker(s) to the Issue Agreement dated February 16, 2024 between our Company, the Lead Manager, Banker(s) to the Issue Agreement and the Registrar to the Issue.
6. Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated January 10, 2024.
7. Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated January 31, 2024.

#### MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated May 13, 2016 issued under the name Silkflex Polymers (India) Private Limited.
3. Copy of Fresh Certificate of Incorporation dated December 21, 2023 issued by Registrar of Companies, Kolkata consequent to name change from Silkflex Polymers (India) Private Limited to Silkflex Polymers (India) Limited pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated December 26, 2023 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on December 28, 2023 in relation to the Issue.
6. Peer Reviewed Auditor's report for Restated Financial Statements dated April 17, 2024 included in this Prospectus.
7. The Statement of Possible Tax Benefits dated April 17, 2024 from Peer Reviewed Auditors included in this Prospectus.
8. Copies of Audited Financial Statements of the Company for the period ended on December 31, 2023 and for the financial years March 31, 2023, 2022 and 2021.

9. Consents of our Directors, Promoters, Company Secretary and Compliance Officer, Chief Financial Officer, Peer Review Auditors, Statutory Auditors, Banker(s) to the Company, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Chartered Engineer, Banker to the Issue, Underwriter and Market Maker to act in their respective capacities.
10. Certificate on KPI's issued by our Peer Reviewed Auditor Namely M/s M B Jajodia & Associates, Chartered Accountants dated April 19, 2024.
11. Due Diligence Certificate dated May 01, 2024 to SEBI by the Lead Manager.
12. Approval from NSE vide letter dated April 30, 2024 to use the name of NSE in this Issue Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as Amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Tushar Lalit Kumar Sanghavi</b> Chairman and Managing Director <b>DIN: 07476030</b>	Sd/- <b>Ms. Urmi Raj Mehta</b> Whole Time Director <b>DIN: 09008119</b>
Sd/- <b>Mr. Rajendrakumar M. Shah</b> Non-Executive Non-Independent Director <b>DIN: 00200267</b>	Sd/- <b>Mr. Atanu Bhuniya</b> Non-Executive Non-Independent Director <b>DIN: 10141352</b>
Sd/- <b>Mr. Hardikkumar Dasharathbhai Patel</b> Non-Executive Independent Director <b>DIN: 10388882</b>	Sd/- <b>Mr. Sugoto Ghosh</b> Non-Executive Independent Director <b>DIN: 03227177</b>

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Ms. Urmi Raj Mehta</b> Chief Financial Officer	Sd/- <b>Mr. Sourabh Sharma</b> Company Secretary and Compliance Officer
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**Date:** May 01, 2024

**Place:** Howrah