

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY. THIS IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.

Dated: July 10, 2024



(Please scan this QR code
To view the Draft Prospectus)



SPP POLYMER LIMITED
Corporate Identity Number: U15412DL2004PLC128666
Incorporated on dated August 17, 2004 at Delhi

Our Company was originally incorporated dated August 17, 2004 as "S.P.P. Food Products Private Limited" as a private limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated August 27, 2004, issued by the Registrar of Companies, N.C.T. of Delhi & Haryana. The name of our company was changed to "SPP Polymer Private Limited". Consequent upon change of name a fresh Certificate of Incorporation dated May 12, 2023 was issued by Registrar of Companies, Delhi. Subsequently Our Company was converted from a private limited company to public limited company by resolution passed in the Extra-Ordinary General Meeting of the company dated August 24, 2023 and consequently, the name of our Company was changed to "SPP Polymer Limited" and a fresh certificate of incorporation dated September 20, 2023 was issued to our Company by the Registrar of Companies, Delhi. The Corporate Identification Number of our Company is U15412DL2004PLC128666. For details of change in name and registered office of our Company, please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page No.113 of this Draft Prospectus.

Registered office: Bearing No.1, Plot No.1, Basti Tante Wale, Ram Kumar Marg, Motia Khan, Paharganj, Delhi Central, Delhi – 110055, India
Tel No.: +91 91 5944297751; **E-Mail:** cs@spppolymer.com; **Contact Person:** Chetna Shoor, Company Secretary and Compliance Officer
Website: www.spppolymer.com; **Corporate Identity Number:** U15412DL2004PLC128666

PROMOTERS OF THE COMPANY: MR. DIPAK GOYAL, MR. MAHAVIR BAHETY, MR. LILADHAR MUNDHARA AND, MR. ASHA RAM BAHETY AND MR. CHAND RATAN MUNDHARA

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 4200000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF SPP POLYMER LIMITED ("SPP POLYMER" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹[●] WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E., NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO [●] LACS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 200 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

Potential Bidders may note the following:

1. The Section titled "Risk Factor" beginning of Page no. 20 of Draft Prospectus updated as stated in addendum.
2. The Section titled "General Information" beginning of Page no. 38 of Draft Prospectus updated as stated in addendum.
3. The Section titled "Capital Structure" beginning of Page no. 44 of Draft Prospectus updated as stated in addendum.
4. The Section titled "Objects of the Issue" beginning of Page no. 64 of Draft Prospectus updated as stated in addendum.
5. The Section titled "Business Overview" beginning of Page no. 84 of Draft Prospectus updated as stated in addendum.
6. The Section titled "History and Certain Corporate Matters" beginning of Page no. 113 of Draft Prospectus updated as stated in addendum.
7. The Section titled "Our Management" beginning of Page no. 117 of Draft Prospectus updated as stated in addendum.
8. The Section titled "Our Promoters and Promoter Group" beginning of Page no. 128 of Draft Prospectus updated as stated in addendum.
9. The Section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning of Page no. 165 of Draft Prospectus updated as stated in addendum.
10. The Section titled "Financial Indebtedness" beginning of Page no. 171 of Draft Prospectus updated as stated in addendum.
11. The Section titled "Outstanding Litigation and Material Developments" beginning of Page no. 176 of Draft Prospectus updated as stated in addendum.
12. The Section titled "Government and Other Statutory Approvals" beginning of Page no. 183 of Draft Prospectus updated as stated in addendum.

LEAD MANAGER



INTERACTIVE FINANCIAL SERVICES LIMITED
Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015, Gujarat, India
Tel No.: 079 49088019
(M) +91-9898055647
Web Site: www.ifinservices.in
Email: mbd@ifinservices.in
Investor Grievance Email: info@ifinservices.in
Contact Person: Pradip Sandhir
SEBI Reg. No.: INM000012856

REGISTRAR TO THE ISSUE



KFINTECHNOLOGIES LIMITED
Address: Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana
Tel No.: +91 40 6716 2222
Website: www.kfintech.com
E-Mail: spppolymer.ipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Contact Person: Mr. M Murali Krishna
SEBI Reg. No.: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

Contents	Page No.
Cover Page	
Risk Factor	1
General Information	7
Capital Structure	8
Objects of the Issue	9
Business Overview	14
History and Certain Corporate Matters	21
Our Management	22
Our Promoters and Promoter Group	23
Management's Discussion and Analysis of Financial Condition and Results of Operations	24
Financial Indebtedness	25
Outstanding Litigation and Material Developments	27
Government and Other Statutory Approvals	28

Section- II

Risk Factor

3. Our Company has filed various RoC forms and returns with factual inaccuracy and irregularly.

In past the Company has not filed the various forms and returns in time with the office of Registrar of Companies and paid additional fees. The irregularity in filing the forms may result in to payment of additional fees and in case of non-filing of forms or returns company may face pecuniary action from the governing authorities, which may lead to penalty or other action by the appropriate authority, which may affect our financials and growth of the company in adverse manner. Further, Our Company has filed many RoC forms with factual inaccuracy and irregular till date. List of the factual inaccuracy found during the due diligence process are as under:

- In the Certificate of Incorporation issued by Ministry of Corporate Affairs, the date of Incorporation was August 27, 2004, the same was reflected as August 17, 2004 on the website of the MCA. The Company has filed Change Request with the RoC, Delhi Office for correction in master data. The said request is pending for approval from ROC.
- In relation to the allotment dated March 15, 2022 of 3,05,328 Equity Shares at a price of Rs. 65/- per Equity Share on a Preferential Basis (Conversion of Loan), the Company has not taken the Valuation Report from the Registered Valuer as per Provision of Companies Act, 2013. Though, the Company has taken the Valuation report from the Registered Valuer on March 06, 2024, for the betterment of compliance. As per the Valuation Report the valuer has given the price of Rs. 65/- per share based on the audited financial statement of the Company as on March 31, 2021. Further, the Company has filled the forms i.e. PAS-3, Return of Allotment with the MCA, with factual inaccuracy as if the allotment has done in cash rather as other than cash.
- In relation to the allotment dated November 19, 2022 of 64,282 Equity Shares at a price of Rs. 70/- per Equity Shares on a Preferential Basis (Conversion of Loan), the Company has not taken the Valuation Report from the Registered Valuer as per Provision of Companies Act, 2013. The price determined based on the book value of the company as of March 31, 2022, according to the audited financial statement of the company. This price determination is supported by a CA Certificate.

Further, the Company has filled the forms i.e. PAS-3, Return of Allotment with the MCA, with factual inaccuracy as if the allotment has done in cash and not as other than cash as well as the Company has marked that allotment of Equity Shares with the Differential Voting Rights instead of pari-passu rights. However, the board resolution dated November 19, 2022 filed with the same Form PAS-3 and as per the minutes book of the company the allotment of equity shares is made as other than cash pursuant to conversion of loan and the said shares are pari-passu with the existing equity shares of the company.

- In the matter of reclassification of Authorised share capital, The Company in its general meeting dated August 05, 2023 has reclassified and cancelled preference capital part of its authorised Capital of Rs. 2,00,00,000 Preference capital (divided into 20,00,000 Preference Shares of Rs. 10/- each) into Rs. 2,00,00,000 Equity Capital (divided into 20,00,000 Equity Shares of Rs. 10/- each). In the same meeting, after passing resolution for reclassification of Authorised share capital, the Company also resolved to increase its authorized capital from 5,00,00,000 (divided into 50,00,000 Equity Shares of Rs. 10/- each) to 18,00,00,000 (divided into 1,80,00,000 Equity Shares of Rs. 10/- each). The Company has filed the MCA Form i.e. SH-7 for the increase in authorised capital but the reclassification was not been Reported/inserted in the said form filed with the RoC. The said form has been approved by the Concern Registrar of companies and couldn't be revised and not rectifiable.

14.A. We are having limited number of suppliers, for the stub period i.e. April 01, 2023 to October 31, 2023, 65.59% and in the FY 2020-21, 2021-22 and 2022-23, 87.30%, 85.34% and 65.59% respectively purchases were confined to only Top 10 suppliers.

Our most of the purchases are domestic and order based. For the stub period i.e. April 01, 2023 to October 31, 2023, Rs. 4826.68 lakhs consist 65.59% of our total purchase and in the FY 2020-21, 2021-22 and 2022-23, Rs. 5,259.91 lakhs consist 87.30%, Rs. 7,952.39 lakhs consist 85.34% and Rs. 5,526.48 lakhs consist 65.59% respectively purchases were confined to only Top 10 suppliers. Though, they are very much regular in supply, we cannot assure that they will continue to supply regularly in future at the same rate in future. Any disruption

in the supply of material by any one or more will adversely affect the business of the Company and adversely affect the profitability and financial position of the Company. For further detail please refer chapter titled "Business Overview" on page no. 76 of this Prospectus.

B. We are having limited number of Customers, for the stub period i.e. April 01, 2023 to October 31, 2023, 94.16% and in the FY 2020-21, 2021-22 and 2022-23, 79.06%, 86.87% and 84.93% respectively sales were confined to only Top 10 buyers.

Our customers are spread over the different state of our country. For the stub period i.e. April 01, 2023 to October 31, 2023, Rs. 4,595.72 lakhs consist 94.16% of our total purchase and in the FY 2020-21, 2021-22 and 2022-23, Rs. 6,016.13 lakhs consist 79.06%, Rs. 8,044.01 lakhs consist 86.87% and Rs. 6,513.01 lakhs consist 84.93% respectively sales were made to the only top 10 customers. We have not entered in to any written agreement in this regard. Though, we are receiving order from them on regular basis, we cannot be assured that they will continue to purchase regularly from us in future. Loss of any of the customer or reduction in order from any of such customer will adversely affect the business of the Company and adversely affect the profitability and financial position of the Company. For further detail please refer chapter titled "Business Overview" on page no. 76 of this Prospectus.

18. We require several approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of "SPP Polymer Limited" from "SPP Polymer Private Limited" or "SPP Food Products Private Limited" pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.

We require several approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. Also, we were a private limited company in the name of "SPP Polymer Private Limited" which was carrying business. After complying with the relevant procedure of Companies Act, 2013, the said private limited company was converted into a public limited company in the year 2023. After conversion there was change of name of the company from "SPP Polymer Private Limited" to "SPP Polymer Limited". We shall be taking necessary steps for transferring the approvals in new name of our Company. Further, we have filed an application with the Central Pollution Control Board dated November 27, 2023 to cancel the Registration Certificate for Producer under Rule 13(2) of the Plastic Waste Management Rules, 2016 so that our Company can apply for fresh application with accurate category and new company name. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. For more information, please refer to chapter titled "Government and Other Statutory Approvals" on beginning of the page 183 of this Draft Prospectus.

19. Our operations are limited to the states of North India. Up till now, we are supplying our products to the customers spread over with the state of North India.

The revenue from Uttar Pradesh is 29.72%, Haryana is 16.19%, Himachal Pradesh is 16.40%, Punjab is 15.38% and Uttarakhand is 11.85% for the stub period ended on October 31, 2023. The revenue from Uttar Pradesh in FY 2022-23 is 39.74, in FY 2021-22 is 40.50 and in FY 2020-21 is 43.00% respectively. We are supplying our products to the few customers only. Yet we have not developed much market for our product other than North India. We are in the process of developing online market that provides the 24X7 business opportunity to all the clients spread over across the country. This will also provide the opportunity for direct sale to the end users of our products and this will provide opportunity for the sales against payment, which will help us to smoothening of our liquidity requirement. As at present, we operate mainly in North India, in the event of any natural or manmade calamity in the states of North India, our entire business operation comes to stand still. Under the circumstances our business, revenue and our profitability will be adversely affected. For more information about the licenses required in our business, please refer section "Business Overview" beginning on page no. 76 of this Prospectus.

22. Changes in Government Regulation for the use of Plastic Products may affect our business operations, revenue and profitability adversely.

Environment and safety considerations are an important part of our operations. We are subject to environmental laws and regulations, including regulations relating to the protection of the environmental and human health in relation use of plastics and our manufacturing facility. Ministry of Environment, Forest and climate Change has already banned the use of plastic bags less than 120 micron with effect from January 1, 2023, (earlier it was less than 75 micron). There is a blanket ban already in place on sachets using plastic material for packing, storing, or selling pan masala, gutkha, and tobacco. We: have to comply with the stringent environment regulations for manufacturing and dealing in the plastics products. Violation of any of the Environment regulations will leads company to strict disciplinary actions including penalty, closure of our units etc. At present our company is engaged in the business of manufacturing of HDPE/PP woven fabric & bags, non-woven fabrics & bags and PP Multifilament yarn, which are not under any banned category by the Government. However, in future, due to any change in Government Environment policy in respect of use and supply of plastics products in which we deal, will adversely affect our business operations, revenue and profitability.

35. Our Managing Director, Mr. DIPAK GOYAL, who was the director in a SLH Luggage Manufacturer Private Limited was compulsory strike-off by the Registrar of Companies (RoC).

The company, SLH Luggage Manufacturer Private Limited, was incorporated on May 29, 2015. Our Managing Director, Mr. Dipak Goyal was appointed as director from January 30, 2018 in SLH Luggage Manufacturer Private Limited, was compulsory strike-off by the Registrar of Companies (RoC) Mumbai on November 8, 2019. Mr. Goyal was appointed in the company for furtherance of business of the company but the company could not achieve the purpose for which it is incorporated thereafter ROC strike off the company due to the company had not been carrying on any business or operations for two consecutive financial years and had not applied for dormant status under Section 455 of the Companies Act, 2013.

37. We have experienced negative cash flows from operating activities and may do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

The Company has reported negative cash flow from operating activities in financial year 2022, as per the Restated Consolidated Financial Information as given below:

(₹ In Lakhs)

Particulars	For the period ended October 31, 2023	For year ended March 31,		
		2023	2022	2021
Net cash flow generated from/ (utilized in) operating activities (A)	442.68	380.44	(647.48)	447.65

(Figures in brackets are negative)

For details, see “**Restated Financial Statement – Restated Cash flow Statement**” on page [●].

Though, our cash flow from operating activities were positive for the Financial Year 2022-23 and for the half year ended on October 31, 2023, we are not sure about maintaining of Positive Cash Flow from operating activities. 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. We may continue to have negative operating cash flows in future. If our Company is not able to generate sufficient operating cash flows, it may adversely affect our business and financial operations. For further details, see “**Restated Financial Statement**” on page [●].

39. Any fluctuation and variation in price and supply of polymer, PP granules and Calcium carbonate/filler, which is a major raw material for the manufacture of our final products, could adversely impact our revenue.

Polypropylene granules and Calcium carbonate/filler (Polymers), are crucial for our production of HDPE/PP woven fabric and bags, non-woven fabric and bags, and PP multifilament yarn. The Price of these Polymers is volatile in nature. Although we procure these materials and sell our products on an unfixed basis, a decrease in their prices would lead to a corresponding decrease in the prices of our final products, as well as the prices of any wastage generated during the manufacturing process. This volatility and uncertainty in polymers prices may have adverse impact on financial position and profitability

40. There have been instances of delay in filing of Provident Fund (PF) returns, Employee State Insurance (ESI) Returns, Goods and Service Tax returns (GST) and return of Tax Deducted at Source (TDS) dues.

There have been instances of delay in filing of GST returns, PF returns, ESI Returns, and TDS returns in the past years which were due to initial technological issue with GST portal, pandemic situation – covid 19, limited time frame for staff to align with the amendments in the initial years and multiple clarifications issued by the GST authorities. A wrong filing of GST return can lead to huge penalties and interest. Therefore, reconciliation and checking of returns before submitting them is necessary as there is no opportunity to make any changes afterward. Hence, there were delays in filing of GST returns in order to include correct inputs from all stakeholders involved and make them error free. There were also some delays in payment of Tax Deducted at Source (TDS) primarily due to technical glitches on the portal. There can be no assurance that such delays may not arise in future. There is a possibility of financial penalties being imposed on us by the relevant Government authorities, which may have a material adverse impact on our cash flows and financial condition. The details of delay filling by the company are as under:

Delay in the filling of GST Returns is as under:

Sr. No.	Month of the return	Actual Date of Return Filing and Payment and payment	Due Date of filing return	Days Delays
1.	September, 2017	23-10-2017	20-10-2017	3
2.	October, 2017	07-12-2017	20-11-2017	17
3.	January, 2018	21-02-2018	20-02-2018	1
4.	March, 2018	24-04-2018	20-04-2018	4
5.	June, 2018	25-07-2018	20-07-2018	5
6.	August, 2018	21-09-2018	20-09-2018	1
7.	September, 2018	27-10-2018	25-10-2018	2
8.	October, 2018	23-11-2018	20-11-2018	3
9.	November, 2018	25-12-2018	20-12-2018	5
10.	December, 2018	22-01-2019	20-01-2019	2
11.	January, 2019	27-02-2019	22-02-2019	5
12.	February, 2019	04-04-2019	20-03-2019	15
13.	March, 2019	02-05-2019	23-04-2019	9
14.	June, 2019	22-07-2019	20-07-2019	2
15.	July, 2019	23-08-2019	20-08-2019	3
16.	August, 2019	25-09-2019	20-09-2019	5
17.	September, 2019	29-10-2019	20-10-2019	9
18.	October, 2019	27-11-2019	20-11-2019	7
19.	November, 2019	26-12-2019	23-12-2019	3
20.	December, 2019	21-01-2020	20-01-2020	1
21.	January, 2020	24-02-2020	20-02-2020	4
22.	April, 2020	31-07-2020	24-06-2020	37
23.	May, 2020	05-08-2020	27-06-2020	39
24.	June, 2020	05-09-2020	20-07-2020	47
25.	July, 2020	08-09-2020	20-08-2020	19
26.	August, 2020	24-09-2020	20-09-2020	4
27.	February, 2021	25-03-2021	20-03-2021	5
28.	April, 2021	27-05-2021	20-05-2021	7
29.	June, 2021	24-07-2021	20-07-2021	4
30.	August, 2021	21-09-2021	20-09-2021	1
31.	September, 2021	22-10-2021	20-10-2021	2
32.	October, 2021	26-11-2021	20-11-2021	6
33.	November, 2021	25-12-2021	20-12-2021	5
34.	February, 2022	24-03-2022	20-03-2022	4
35.	March, 2022	27-04-2022	20-04-2022	7
36.	May, 2022	21-06-2022	20-06-2022	1
37.	June, 2022	21-07-2022	20-07-2022	1
38.	July, 2022	25-08-2022	20-08-2022	5
39.	August, 2022	21-09-2022	20-09-2022	1
40.	September, 2022	22-10-2022	21-10-2022	1
41.	October, 2022	24-11-2022	20-11-2022	4
42.	November, 2022	21-12-2022	20-12-2022	1
43.	February, 2023	21-03-2023	20-03-2023	1
44.	March, 2023	29-04-2023	20-04-2023	9
45.	April, 2023	23-05-2023	20-05-2023	3

46.	June, 2023	24-07-2023	20-07-2023	4
47.	September, 2023	23-10-2023	20-10-2023	3
48.	October, 2023	22-11-2023	20-11-2023	2
49.	November, 2023	23-12-2023	20-12-2023	3
50.	Decemeber-2023	30-01-2024	20-01-2024	10

Delay in the filling of PF Returns is as under:

Sr. No.	Month of the return	Actual Date of Return Filling and payment	Due Date of filing return	No. of Days Delays
1.	April, 2017	16-05-2017	15-05-2017	1
2.	October, 2017	20-11-2017	15-11-2017	5
3.	March, 2018	17-04-2018	15-04-2018	2
4.	April, 2018	22-05-2018	15-05-2018	7
5.	August, 2018	19-09-2018	15-09-2018	4
6.	October, 2018	16-11-2018	15-11-2018	1
7.	November, 2018	20-12-2018	15-12-2018	5
8.	March, 2019	20-04-2019	15-04-2019	5
9.	July, 2019	16-08-2019	15-08-2019	1
10.	May, 2021	19-06-2021	15-06-2021	4
11.	February, 2022	21-03-2022	15-03-2022	6
12.	February, 2023	16-03-2023	15-03-2023	1

Delay in the filling of ESI Returns is as under:

Sr. No.	Month of the return	Actual Date of Return Filling and payment	Due Date of filing return	No. of Days Delays
	August 2020	30-09-2020	15-09-2020	15

Delay in the filling of TDS Returns is as under:

Sr. No.	Month	Actual Date of Payment	Due Date of Payment	No. of Days Delays
1.	May, 2020	08-06-2020	07-06-2020	1
2.	July, 2022	08-08-2022	07-08-2022	1
3.	August, 2022	08-09-2022	07-09-2022	1
4.	February, 2023	08-03-2023	07-03-2023	1
5.	April, 2023	07-06-2023	07-05-2023	31
6.	August, 2023	12-09-2023	07-09-2023	5
7.	March, 2024	01-05-2024	30-04-2024	1

Section III- Introduction
General Information

DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

STATUTORY AUDITORS OF THE COMPANY	PEER REVIEWED AUDITOR FOR THE RESTATED FINANCIALS FOR THIS ISSUE
<p>M/s. GSK & Associates LLP, Chartered Accountants Address: 8, 1st Floor, Rani Jhansi Road, Motia Khan Industrial Area, New Delhi-110055 Tel. No.: 011 23515470 Email Id: info@gskassociates.com Contact Person: Sanjay Kumar Gupta Membership No.: 093056 Firm Registration No: 013838N/N500003 Date of Initial Appointment: September 30, 2006</p>	<p>M/s. N G S T and Associates, Chartered Accountants Address: B/203, Borivali Paras CHS, Rokadia Lane, Near Gokul Hotel, Borivali West, Mumbai-400092, Maharashtra, India Tel. No.: +91 9819256678 Email Id: bhupendra@ngstca.com Contact Person: CA Bhupendra Gandhi Membership No.: 122296 Peer Review No.: 012936 Firm Registration No: 135159W Date of Initial Appointment: February 07, 2024</p>

CAPITAL STRUCTURE

Details of Promoter's Contribution locked in for three years:

Our Promoters have given written consent to include 30,88,232 (Approx.) Equity Shares subscribed and held by them as a part of Minimum Promoters' Contribution constituting 20.00% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in.

**Section IV – Particulars of the Issue
Objects of the Issue**

1) Repayment of loan.

(₹ In Lakhs)

Sr. No	Name of the Lender	Nature of Borrowings	Date of sanction	Sanctioned Amount	Disbursement	Outstanding as on January 31, 2024	Purpose for which the loan has been used	Rate of Interest	Repayment Terms	Pre-Payment Charges, if any
1	State Bank of India	Term Loan	December 29, 2021	1244.00	From February 16, 2022 to September 09, 2022	1031.36	Purchase of Plant and Machines	Interest at the rate of 2.50% above EBLR which is presently 9.15% p.a., Present Card Rate being 11.65% p.	After Moratorium period of 10 Months, the Loan will be repaid in 102 Months.	2.00 % of the pre-paid amount.
2	State Bank of India	Working capital Loan	Renewal every year	1000.00		906.10	For Working capital	Interest at the rate of 2.50% above EBLR which is presently 9.15% p.a., Present Card Rate being 11.65% p.a	Repayable on Demand	No
						1937.46				

2) WORKING CAPITAL REQUIREMENTS

IN the FY 2021-22 due to increase in the turnover from Rs.6553.69 Lakhs to Rs 8028.16 Lakhs i.e. by 23%, Stock of finished goods from 5 days (Rs 89.55 Lakhs) to 22 days (Rs 488.59 Lakhs) and the increase in short term loans and advances from Rs 46.27 Lakhs to RS 466.92 Lakhs) (on account of advances given for capital expenditure 251.03 Lakhs) the net working capital has been increased from Rs. 1147.19 Lakhs to Rs 1977.09 Lakhs. The growth of business and increase in the cost of raw material and selling price of the product result in to increase in the Net working capital. The bank had also increased the limit and outstanding as on March 31, 2022 was Rs. 941.88 Lakhs as against the Rs 425.62 Lakhs in FY 2020-21.

In FY 2023-24 though the business has increased by (8325.22-6604.75=1720.47) 26.05% the working capital requirement is increased by 169.63 lakhs on account of reduction of the stock of raw material from 53 days to 30

days. The installed capacity of HDPE/PP woven Fabric and bags has increased from 3600 MT to 9125 MT by installing the plant and machinery of ₹1450.01 lacs at the end of FY 2023. Hence, the Company required more stock of raw material in FY 2022-23. The price of the Raw material and the finished products is also reduced in the FY 2024 in comparison of FY 2023. The stock of raw material in FY 2023 is exceptional and due to global crisis of the raw material and major suppliers of India were facing problem to meet the demand of customers. Generally, the Company is maintaining stock of raw material for 30 days and in the estimated working capital requirement of FY 2024 we have estimated stock of raw material for 30 days. Had it been estimated for 53 days the working capital requirement will increased by Rs. 641.54 lakhs in comparison of FY 2023.

Assumptions for working capital requirements

Particulars	No of days holding period						Justification for Holding
	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2022-23	October 31, 2023	FY 2023-24 (Estimated)	FY 2024-25 (Estimated)	
Raw Material	30	27	53	30	30	30	<p>The company is procuring the raw material from Rajasthan, Haryana, Gujarat, Daman, Delhi, Karnataka, Odisha and for uninterrupted manufacturing the company is keeping raw material stock of 30 days.</p> <p>FY 2020-21 The stock of inventory was Rs 266.91 Lakhs which was for 30 days of the requirement looking to the consumption of raw material</p> <p>FY 2021-22 The stock of inventory was Rs 381.79 Lakhs which was for 30 days of the requirement looking to the consumption of raw material</p> <p>FY 2022-23 The stock of Inventory was Rs 512.02 lakhs which was for 53 days. The capacity utilization was 56.36 % of the installed capacity as against the 36.68 % in FY 2021-22. In the month of October 2022, the major supplier of India for the Raw material were not able to supply the raw material on account of shortage and the Company had procured the Raw material from open market in larger quantity to run the production smoothly and avoid price hike due to shortage. Further Last Quarter, sales has reduced as Order from clients were delay in execution from them. This has lead to increased in level of stock in days at end of FY 2023.</p>
Semi finished	2	3	3	11	3	3	The process involves various stages like extrusion, weaving and finishing

Goods							<p>from the stage of feeding the raw material in the process. Generally, on an average two to three days material are at various stage of processes and they are semifinished goods.</p> <p>FY 2020-21 The semi-finished goods were Rs 34.86 lakhs which was for 2 days</p> <p>FY 2021-22 The semi-finished goods were Rs 66.78 lakhs which was for 2 days</p> <p>FY 2022-23 The semi-finished goods were Rs 53.96 lakhs which was for 2 days</p>
Finished Goods	5	22	24	37	20	20	<p>We are supplying goods in Uttar Pradesh, Punjab, Haryana, Uttarakhand, Himachal Pradesh and other states. We are manufacturing different products like HDPE /PP Woven Fabric and Bags, Non-Woven Fabric and Bags, Multifilament Yarn. The Company is keeping stock of 30 days to cater the clients of different states and variety of products.</p> <p>FY 2020-21 Due to uncertainty on account of Covid in the initial period of the year the company was very vigilant in maintaining the stock of finished goods. On account of dispatch of finished goods at the end of the year, the stock of 5 days was in the FY 2020-21. The Company had got the order from Punjab State Grains Procurement Corporation Limited and the finished goods ready for dispatch was delivered due to Covid hence the stock of 5 days was in FY 2020-21</p> <p>FY 2021-22 The Finished goods worth RS. 488.59 lakhs which were for 22 days. The finished goods are bulky and company maintain stock of 22 to 25 days looking to the storage capacity.</p> <p>FY 2022-23 The Finished goods worth RS. 434.48 lakhs which were for 25 days. The</p>



							finished goods are bulky and company maintain stock of 22 to 25 days looking to the storage capacity.
Trade Receivables	54	46	43	58	60	60	<p>The Company provide credit of 45 to 60 days to all the clients.</p> <p>FY 2020-21 The trade receivables of RS. 971.77 Lakhs were for 54 days. Generally, company is getting the recovery of trade receivables within the credit period given to the clients. Some of the clients have delayed the payment hence average credit period of 54 days were in FY 2020-21</p> <p>FY 2021-22 The trade receivables of RS. 1022.40 Lakhs were for 46 days. In the FY 2021-22 the company is getting the recovery of trade receivables within the credit period given to the clients.</p> <p>FY 2022-23 The trade receivables of RS. 782.56 Lakhs were for 43 days. In the FY 2022-23 the company is getting the recovery of trade receivables within the credit period given to the clients.</p>
Trade Payables	13	22	41	94	40	30	<p>We are getting the average credit period of 30 to 45 days from our suppliers. We are purchasing raw material from some of the suppliers on cash basis term. We are purchasing the material on cash term basis.</p> <p>FY 2020-21 The trade Payables of Rs. 171.76 lakhs were for 13 days. As the majority of Raw material is procured on cash basis.</p> <p>FY 2021-22 The trade Payables of Rs. 420.80 lakhs were for 22 days. As most of the Raw material is procured on cash basis.</p> <p>FY 2022-23 The trade Payables of Rs. 593.71 lakhs were for 41 days. On account of purchase of raw material for two moths the company had not made the payments to the suppliers in time and the credit period has gone from 22</p>

							days to 41 days. The certain funds have been used for purchase of fixed assets and on account of that the credit period of the trade payable has increased
--	--	--	--	--	--	--	--

Section V – About Company
Business Overview

OUR PRODUCTS

We are a manufacturer of wide range of HDPE/PP woven fabric & bags and Non-woven fabrics & bags. Our packaging products have wide application across industry. Our range of products is as under:

Sr. No.	Our Products
1.	<p>HDPE/ PP Woven Fabric</p> <div style="display: flex; justify-content: space-around;">   </div>
	<p>We are an ISO Certified manufacturer and supplier of HDPE/PP Woven Fabric. Our HDPE/PP Woven Fabric provides strong dependable and economical packaging option for diverse industries across the globe. The woven fabrics are highly demanded in various industries such as cements, chemicals, food grains, sugars, polymers, agriculture, and others for the packaging of goods in big quantities. The leno fabrics* are used for packing of vegetables, fruits etc. These fabrics are light in weight and ideally suited for packaging corrugated or wooden boxes, cloth bales, machinery, and many other finished goods for complete protection. They are used in making of bags, sacks, packing for Textiles, Upholstery, Carpets, Making Tarpaulin Covers, and Open-Air Storage. The fabric is available in laminated and unlaminated form through our in-house lamination facility. We can offer these fabrics in different colours, width, weight, and mesh.</p> <p>*Leno Fabric/Leno weave (also called gauze weave or cross weave) is a weave in which two warp yarns are woven around the weft yarns to provide a strong yet sheer fabric. The standard warp yarn is paired with a skeleton or 'doup' yarn; these twisted warp yarns grip tightly to the weft which causes the durability of the fabric. Leno weave produces an open fabric with almost no yarn slippage or misplacement of threads.</p> <p>PRODUCT SPECIFICATION</p> <ul style="list-style-type: none"> • Material: 100% virgin HDPE/PP & as per customer specification • Colours: milky white, coloured or natural / as requested. • Width of Fabric: Circular Form - 12" to 48" • Length: As per customer's requirements <p><u>There are following variants in HDPE/PP woven Fabrics.</u></p> <ol style="list-style-type: none"> 1. Single Colour (Laminated and Unlaminated fabric) 2. Check designs (Laminated and Unlaminated Fabric) 3. Different coloured strip fabric (Laminated and unlaminated Fabric) 4. Wrapping fabric 5. Natural laminated and unlaminated fabric 6. Gussets laminated and unlaminated fabric -side cut/centre cut etc. <p><u>Industry we serve:</u></p> <p>The woven fabrics are highly demanded in various industries such as cements, chemicals, food grains, sugars, polymers, agriculture, and others for the packaging of goods in big quantities. The leno fabrics are used for packing of vegetables, fruits etc.</p> <p>APPLICATION OF PRODUCTS IN VARIOUS INDUSTRIES</p>

	<p>HDPE (High-Density Polyethylene) and PP (Polypropylene) woven fabrics are versatile materials that find applications in various industries. These woven fabrics are made by weaving together plastic strips or yarns, resulting in a strong and durable fabric with excellent tear resistance and tensile strength. Here are some common uses of HDPE/PP woven fabrics:</p> <ol style="list-style-type: none"> 1. Packaging: HDPE/PP woven fabrics are widely used for packaging applications. They are commonly used to make bags, sacks, and wrapping materials for the transportation and storage of goods. These fabrics provide excellent protection against moisture, dust, and other external elements. 2. Agriculture: HDPE/PP woven fabrics are extensively used in the agricultural sector. They are used for making shade nets, greenhouse covers, weed control fabrics, crop covers, and insect nets. These fabrics provide protection against harsh weather conditions, control weed growth, and create favorable environments for plant growth. 3. Construction: HDPE/PP woven fabrics are used in the construction industry for various purposes. They are commonly used as scaffolding netting, safety nets, debris nets, and geotextiles. These fabrics provide safety measures, prevent debris from falling, and stabilize soil and slopes. 4. Flood control: HDPE/PP woven fabrics are used in flood control measures, such as making sandbags and temporary barriers. These fabrics are capable of holding large amounts of sand or other materials and provide effective temporary protection against flooding. 5. Geotextiles: HDPE/PP woven fabrics are widely used as geotextiles in civil engineering and infrastructure projects. They are used for soil stabilization, erosion control, filtration, drainage, and reinforcement of soils. Geotextiles made from these fabrics improve the overall performance and longevity of structures like roads, railways, and retaining walls. 6. Furniture and Upholstery: HDPE/PP woven fabrics are also used in the furniture industry for making outdoor furniture, patio chairs, and upholstery. These fabrics are resistant to UV radiation, moisture, and stains, making them suitable for outdoor applications. 7. Industrial applications: HDPE/PP woven fabrics find applications in various industrial sectors. They are used for making flexible intermediate bulk containers (FIBCs), also known as bulk bags or jumbo bags, which are used for storing and transporting granular materials, powders, and other bulk goods. These fabrics are also used for wrapping heavy machinery, as protective covers, and for insulation purposes. <p>These are just a few examples of the wide range of applications for HDPE/PP woven fabrics. Their versatility, strength, and durability make them suitable for many industries where reliable and cost-effective materials are required.</p>
--	--

Procurement of Raw Materials

The primary raw material is high density and low-density Polypropylene granules, Calcium carbonate, master batch, pigment, UV stabilizer granules etc. While selecting suppliers, we take into consideration their product quality, price, reliability, delivery time and credit terms. The purchase price of our raw materials generally follows market prices. We usually do not enter long-term supply contracts with any of our raw material suppliers. The raw material is purchased in the spot market based on the rates offered by various suppliers. We also procure fabric from regional suppliers near our factory. We are buying the granules from most reputed polymer industries in India.

Sr No.	Particulars of Raw Material	States from where it is sourced
--------	-----------------------------	---------------------------------

1.	PP Granules	Uttarakhand, Haryana, Gujrat, Delhi, Orissa, Karnataka
2.	CC Granules	Rajasthan, Uttarakhand, Daman
3.	Master Batch	Rajasthan

Waste Management

Company is not releasing waste water outside the factory.

Company is having scrap in hard form like films, waste pouches etc. which the company is selling as scrap to scrap dealers. The Company sale out the scrap/wastage generated out of the production. The Bifurcation and revenue generation from the scrape are stated below:

(Rs in Lakhs)

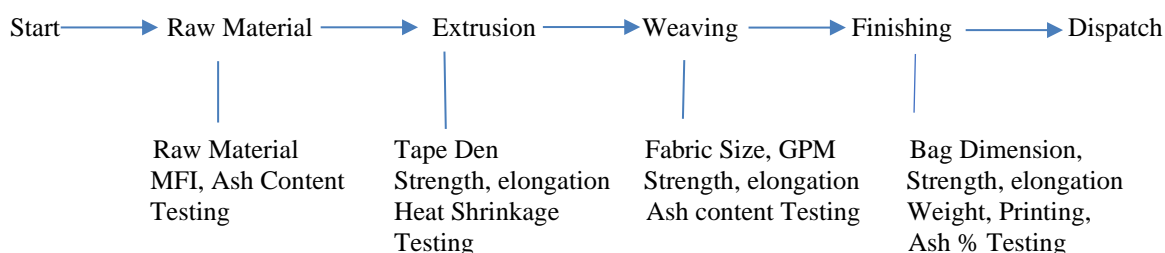
Sr. No.	Particulars	As on 31 October, 2023	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2021
1	HDPE/PP Woven Wastage	10.10	23.09	15.14	21.95
2	Non-Woven Wastage	0.90	1.93	-	4.03
3	Aluminum Wastage and Scarp	-	0.66	-	
	Total Wastage Sales	11.00	25.68	15.14	25.98

State wise Revenue Breakup

Sr. No.	Name of State	October 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
		Amount (Rs In Lacs)	% of total Revenue	Amount (Rs In Lacs)	% of total Revenue	Amount (Rs In Lacs)	% of total Revenue	Amount (Rs In Lacs)	% of total Revenue
1	Bihar	-	0.00	6.10	0.09	-	0.00	20.87	0.41
2	Puducherry	-	0.00	0.13	0.00	592.04	0.00	237.91	0.00
3	Madhya Pradesh	-	0.00	15.50	0.23	8.71	0.17	-	0.00
4	Gujarat	2.81	0.06	9.36	0.14	58.00	1.14	531.36	10.42
5	Rajasthan	138.73	2.89	9.23	0.14	59.03	1.16	100.14	1.96
6	Delhi	359.94	7.50	252.94	3.83	220.23	4.32	259.56	5.09
7	Uttarakhand	568.60	11.85	747.22	11.32	991.87	19.44	483.11	9.47
8	Punjab	737.95	15.38	1,423.83	21.57	3,496.38	68.53	2,126.97	41.69
9	Himachal Pradesh	786.60	16.40	614.18	9.30	592.04	11.60	237.91	4.66
10	Haryana	776.48	16.19	898.81	13.62	535.63	10.50	599.62	11.75
11	Uttar Pradesh	1,425.40	29.72	2,623.41	39.74	2,066.29	40.50	2,194.04	43.00
Total		4,796.50	98.77	6,600.71	99.94	8,028.18	100.00	6,553.58	100.00
Total Revenue from Operation		4,856.38	100.00	6,604.67	100.00	8,028.18	100.00	6,553.58	100.00

OUR MANUFACTURING PROCESS

The Process flow chart of manufacturing process is given as below:



Raw Material Testing :- Melt Flow Index tested in Raw Material (Poly Propylene) and CaCo3 Percentage tested in Polypropylene and Filler Masterbatch.

Extrusion :- Raw Material (PP, Filler Masterbatch) then Mixed in desired Proportion and melted at certain temp. Melted material then pushes via Screw to Die to make cast film. Film then cut by Blades in desired width to get Tape. The tape then gets baked in Hot air oven and stretched with Godet Rolls. Final tape then wined thru Cheese Winder. The Process is called Extrusion Process and Machine in which the whole process from Melting the material and making tape is called Tape Extrusion Line.

The tape then tested for Denier, Strength, elongation %age and Heat Shrinkage thru different Testing Equipment situated is Testing Lab as per required standards & norms

Weaving :- Tape then load in Circular Weaving Machine (i.e Loom) to make Circular weaved fabric of desired size(width). Ready Fabric then then tested for GSM (Gram per square meter), Ash %age, Tensile Strength, Elongation % age thru different Testing Equipment situated is Testing Lab as per required standards & norms.

Finishing :- Circular fabric then processed at Printing M/c to be printed as per Customer requirement and then it cut and stitched in desired form and dimension. Ready bags then randomly selected and tested for mass, dimensions, Length and Width Tensile Strength and elongation, Seam strength, Ash %age and Drop Test. In house Inspection is being carried out of each lot before dispatch.

EXPORTS & EXPORTS OBLIGATIONS

Our Company does not have any Exports Obligation as on date of this Draft Prospectus.

Revenue from Operation: Bifurcation on Domestic and Exports Sales:

(Rs. in Lakhs)

Particulars	2023-24 (Up to 31st October 2023)	% of Total Revenue	2022- 23	% of Total Revenue	2021- 22	% of Total Revenue	2020- 21	% of Total Revenue
Sales of Products								
Sale of products - Domestic sales	4796.50	98.77	6,600.75	99.94	8,028.16	100.00	6,553.59	100.00
Sale of products - Export sales	59.88	1.23	3.96	0.06	0.00	0.00	0.00	0.00
Total: Revenue From Operations	4,856.38	100.00	6,604.72	100.00	8,028.16	100.00	6,553.59	100.00

CAPACITY AND CAPACITY UTILIZATION

Our manufacturing facility is situated at Plot No. 04, Sector-I, IIE SIDCUL, Pantnagar, Udham Singh Nagar, Uttarkhand-263153, India. Our manufacturing capacity as on 16 February, 2024 was as Under:

Processing Capacity : Metric Ton (MT)/Day	
HDPE / PP Woven Fabric and Bags	25MT per day (9125 MT Annually)
Non-Woven Fabrics and Bags	10MT per day (3600 MT Annually)

Our manufacturing facility is operated round the clock for seven days in a week with national and public holidays being the off days.

Particulars	Unit	As on 31 October, 2023	March 31, 2023	March 31, 2022	March 31, 2021
A. HDEP/PP Woven Fabric and Bags					
Installed Capacity	MT	9125 MT*	3600 MT	3600 MT	3600 MT
Actual Production	MT	3282.58 MT	3299.98 MT	3385.69 MT	3199.91 MT
Capacity Utilization	%	35.97 %	91.66 %	94.04 %	88.88 %
B. Non-Woven Fabrics and Bags					

Installed Capacity	MT	3600 MT	3600 MT	3600 MT	3600 MT
Actual Production	MT	1832.85 MT	2029.04 MT	1320.80 MT	1912.08 MT
Capacity Utilization	%	50.01 %	56.36 %	36.68 %	53.10 %

* The installed capacity of HDPE/PP woven Fabric and bags has increased from 3600 MT to 9125 MT by installing the plant and machinery of ₹1450.01 lacs at the end of FY 2023.

UTILITIES & INFRASTRUCTURE FACILITIES

Logistics

We transport raw materials and finished products primarily by road in case of our domestic operations from Uttarakhand, Haryana, Gujrat, Delhi, Orissa, Karnataka and Rajasthan. Our suppliers directly deliver raw materials to our manufacturing facility. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and our Company.

For our export operations, we primarily rely on sea-freight and carry export our finished products from IDC Tughlakabad Delhi Port. The nature of shipment depends upon the terms associated with the customer order. The mode of transportation for a particular shipment include road to deliver our products to our customers based on mutually agreed terms and conditions and on the urgency, size and value of the order.

QUALITY MANAGEMENT

The quality management process for manufacturing bags at our company involves carefully attention to detail at each step of production to ensure customer satisfaction and adherence to standards.

Initially the raw materials are carefully mixed according to customer specifications, with the composition determined by experienced operators. Throughout the manufacturing process, from tape/thread drawing to weaving, lamination, cutting, printing, sewing, and baling, quality checks are integrated.

PP Tapes/Fabric strength, thickness, and size are tested using specialized equipment such as strength are tested through tensile testing machine, tapes are measured by digital thickness machine and Fabric size are measured by measuring tape, ensuring durability and consistency. Printing processes are monitored to achieve the desired graphics and colors accurately.

Once the bags are stitched and assembled, they undergo comprehensive testing for mass, dimensions, tensile strength, seam integrity, and more. Our commitment to quality extends to the storage and dispatch phase, where only products that pass our stringent quality checks are cleared for delivery.

By adhering to ISO standards and conducting thorough testing at various stages, we prioritize customer satisfaction, maintain long-term relationships, and ensure the reliability and safety of our products. Additionally, our Company has hydraulic bail press machine of different capacities for packing HDPE/PP Woven Bags. our baling process compress the size of bags that optimizes logistics, reducing costs. while maintaining the integrity of the bags during transportation.

HUMAN RESOURCES

As at October 31, 2023, we have total 226 employees. These employees look after various tasks of the day-to-day business of the company. Further, the company does not employ workers on contract basis. Following is a bifurcation of the said employees:

Sr. No.	Category of Employees	No. of Employees
1.	Marketing & Sales Staff	4
2.	Quality Control Department	6
3.	Operational Workers	186

Sr. No.	Category of Employees	No. of Employees
4.	Operational Women Workers	12
5.	Office Staff	18
	Total	226

INSURANCE

Presently, our company has following Insurance Policies:

Sr. No.	Insurance Company	Policy Number	Type of policies	Period of Insurance	Details	Sum assured. (₹ in Lakhs)	Premium Paid per Annum (₹ in Lakhs)
1.	IFFCO-Tokio General Insurance Co. Ltd	44423837	Burglary and House Breaking Insurance	From April 11, 2024 to April 10, 2025	Plant and machinery and Stock	4041.86	0.15
2.	IFFCO-Tokio General Insurance Co. Ltd	12742450	Bharat Laghu Udyam Suraksha	From April 11, 2024 to April 10, 2025	Factory building, plant and machinery and Stock	1541.86	13.07
3.	SBI General Insurance Company Limited	0000000030367642-01	Marine Open Policy Comprehensive	From September 12, 2023 to September 11, 2024	Transit Insurance (Marine Open Policy)	5000.00	1.18

All the products pass through various stringent quality tests, which include -

- Tensile Strength testing
- Elongation testing
- Dart Impact
- Drop test
- Water resistance test
- UV Exposure and weathering test and many more test.

Tensile Strength and Elongation Testing:

- **Purpose:** This test measures how much load a polypropylene (PP) woven fabric can bear and how much it can stretch before breaking.
- **Preparation and Procedure:**
 1. **Specimen Preparation:** Cut two sets of specimens:
 - One set for the lengthwise (Warp) direction.
 - One set for the widthwise (Weft) direction.
 - Each sample should be 200 mm long and 50 mm wide.
 2. **Clamping:** Secure the test specimen centrally so that its center line aligns with the center of the clamp's jaws.
 3. **Testing:** Move the clamp to stretch the specimen until it breaks.
 4. **Recording:** Note the maximum force (in Newtons) and the elongation percentage at the point of rupture.

Dart Impact Test:

- **Purpose:** This test assesses the durability and strength of plastic films and related products, commonly used in the plastic and paper packaging industries.

Drop Test:

- **Purpose:** This test evaluates the durability of filled sacks by dropping them from a specific height to simulate handling impacts.
- **Procedure:**
 1. **Sample Selection:** Randomly select five filled sacks from the lot.
 2. **Dropping:** Drop each sack from a height of 1.8 meters:
 - a) Once on the face side.
 - b) Once on the back side.

Water Resistance Test:

- **Purpose:** This test determines how polypropylene fabric or thread reacts to water, specifically looking at shrinkage.
- **Procedure:**
 1. **Immersion:** Place the specimen in a water bath.
 2. **Observation:** Monitor and measure any shrinkage of the fabric or thread.

UV Exposure and Weathering Test:

- **Purpose:** This test assesses the effect of ultraviolet (UV) radiation and weathering on the breaking strength of HDPE/PP woven fabric.
- **Procedure:**
 1. **Initial Measurement:** Determine the original average breaking strength of the fabric.
 2. **Exposure:** Place the specimens in a UV and weathering testing machine:
 - a) Expose the specimens to UV light and condensation in cycles.
 - b) Continue for a total of 192 hours.
 3. **Post-Exposure Measurement:** Measure the average breaking strength after UV exposure.
 4. **Retention Calculation:** Calculate the percent retention of the original strength using the formula:

$$\text{Percent Retention} = (\text{Original Breaking Strength} / \text{Breaking Strength after UV Exposure}) \times 100\text{Percent}$$

PRODUCT WISE REVENUE BREAKUP

(₹ in Lakhs)

Sr. No.	Name of Product	October 31, 2023	As % of Revenue From Operation	Fiscal 2023	As % of Revenue From Operation	Fiscal 2022	As % of Revenue From Operation	Fiscal 2021	As % of Revenue From Operation
1	HDPE /PP Woven Fabric and Bags	2,999.39	61.76	4,418.38	66.90	6,005.35	74.80	4,441.67	67.77
2	Non-Woven Fabric and Bags	1,761.26	36.27	2,151.04	32.57	1,673.04	20.84	2,074.11	31.65
3	Multifilament Yarn	0.69	0.01	0	0	0	0	0	0
4	Raw Material*	84.03	1.73	9.62	0.15	334.63	4.17	11.82	0.18
5	Wastage Sales	11	0.23	25.68	0.39	15.14	0.19	25.98	0.40
Total Revenue		4,856.37	100.00	6,604.72	100.00	8,028.16	100.00	6,553.58	100.00

* Polypropylene granules and filler constitutes under Raw Material

Section V – About Company
History and Certain Corporate Matters

TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY

As on the date of filing of this Draft Prospectus, the total numbers of equity shareholders are 14 (Fourteen). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” beginning on page no. 44 of this Draft Prospectus.

Section V – About Company Our Management

BRIEF PROFILE OF OUR DIRECTORS

Pooja Garg aged 43 years is an Independent Director of the Company, she holds the Membership of The Institute of Chartered Accountants of India since 2007. She has bachelor degree of Commerce from Indira Gandhi National Open University and Bachelor degree of Commerce from The University of Delhi also Pursuing LLB from Chaudhary Charan Singh University (formerly, Meerut University). She Possessed experience **of more than two decades in the field of** audit, direct and indirect taxation, MIS, providing Trainings to Corporates, Finalizing Monthly and Annual Financials and Payrolls. Her major role in the company is as an advisor to the Board and assist in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, transparency resources, key appointments and standards of conduct.

Rinku Gulgulia aged 36 years is an Independent Director of the Company. She has Completed Master of Business Administration (MBA) from Rajasthan technical university in the year 2010 and bachelor degree of Commerce from University of Bikaner in the year 2008. **She possessed experience of more than 3 years in the field of Accounts and finance.** Her major role in the company is as an advisor to the Board and assist in bringing an independent judgment to bear on the Board's deliberations.

CHANGES IN THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL OTHER THAN DIRECTOR

Name of Key Managerial Personnel	Designation	Date of Event	Nature of Event
Prachi Gupta*	Company Secretary and Compliance Officer	February 22, 2024	Cessation as Company Secretary and Compliance Officer.

*Prachi Gupta has resigned on February 22, 2024 because of her personal reasons and time allocation to the organization.

PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (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 Draft Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered.

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs, our Company has not paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer section titled 'Restated Financial Statements' beginning on page 134 of this Draft Prospectus.

Section V – About Company
Our Promoters and Promoter Group

OUR PROMOTERS' GROUP

c. Companies, Proprietary concerns, HUF's related to our Promoters

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives are a member.	<ul style="list-style-type: none"> • Flylite Luggage (India) Private Limited • Goldstar Footwears Private Limited • Amvi Footwears Private Limited • Park Nursing Home and Diagnostic Clinic Private Limited • Jamunalal Toshniwal Pvt Ltd • Kayakalp Health Clinic Private Limited • Deon Tapes Industries Private Limited
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	Deon Technology Private Limited (Wholly Owned Subsidiary of Deon Tapes Industries Private Limited)
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	<ul style="list-style-type: none"> • Chand Ratan Mundhra HUF • Ishwar Chand Kishanlal Mundhra HUF • Liladhar Mundhara HUF • Park Poly Fab India • T & D Hospitality India LLP • Floorstar Nonwoven LLP • Pankaj Toshniwal Designs LLP • Brig Diagnostic LLP • Big X Ray Diagnostics Center LLP • Assetwise Services LLP

For further details on our Promoter Group refer Chapter Titled “Financial Information of our Group Companies” beginning on page no.188 of Draft Prospectus.

Section VI – Financial Information

Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial performance of the stub period for the period ended on October 31, 2023

Profit after Tax

The profit after Tax for the stub period was ₹72.95 lacs representing to 1.50 % of the total revenue. the cost of material consumed as % of revenue from operation in financial year ended 2023 and 2022 was 79.20% and 80.99% as compare to 72.08% in the stub period for the period ended on October 31, 2023 resulting profit after Tax for the stub period of ₹72.95 lacs representing to 1.50 % of the total revenue as compare to the profit after tax for the financial year ended 2023 of ₹54.92 lacs representing to 0.82 % of the total revenue.

The per unit cost of raw material is hereunder:

Name of Products (Raw Material)	Year -2022-2023 (Cost Per unit)	Year -2023-2024 (upto 31.10.2023) (Cost Per Unit)
LDPE Granules	129.95	111.70
Polypropylene Granules	109.50	95.00
Calcium Carbonates/Fillers	38.18	34.60
Master Batches	209.15	178.31
RPG Granules	37.00	-

Profit has improved due to decrease in raw material cost consequently the PAT margin in stub period increased.

COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22:

Income from Operations

Our Company is an ISO 9001:2015 certified company engaged in the business of manufacturing of HDPE/PP woven fabric & bags, non-woven fabrics & bags and PP Multifilament yarn. In the F.Y. 2022-23, the Company's total revenue was ₹6604.72 Lakhs, which is decreased by 17.73 % in compare to total Income from operations of 8028.16 Lakhs in F.Y. 2021-22. Revenue decreased during FY 2023, Due to Certain reason as under:

- Decrease in price of polymer, PP granules and Calcium Carbonates/filler (Raw Material) and decreased in demand from Food Grain Packaging Industry would lead to a corresponding decrease in the prices of our final products, as well as the prices of any wastage generated during the manufacturing process. However, there was increased in revenue in non-woven fabric from 1673.04 lacs to Rs. 2151.03 lacs in FY 2023.
- In Financial Year 2021-22 a significant portion of our revenue was derived from a major tender-based supply to Punjab State Grains Procurement Corporation Limited (a Punjab Government PSU), amounting to Rs. 18.79 Cr. However, in Financial Year 2022-23, there were no similar large-scale contracts or supply agreements with c or any other entity of comparable scale. The absence of such high-value contracts led to a decline in our revenue in Financial Year 2022-23.

Financial Indebtedness

SECURED LOAN

Overdraft:

Name of the Lender	Credit Facility	Sanctioned Amount (Rs. in Lakhs)	Outstanding Amount as on January 31,2024 (₹ in Lakhs)	Interest Rate per Annum (Interest Rates are linked to Reference Rate.	Security
State Bank of India	Cash Credit Limit	1000.00	906.10	Interest at the rate of 2.50% above EBLR which is presently 9.15% p.a., Present Card Rate being *11.65% p.a.	Primary Security 1. Exclusive First Hypothecation Charge on the entire current assets of the company comprising of: i. Stocks (present & future) lying in their Office, outlets, elsewhere and including goods in transit and credit balance in their loan accounts. ii. All present and future Book Debts / Receivables. 2. Extension of Equitable Mortgage Charge on Land and Building in the name of company situated at Plot No. 4, Sector-1, Pantnagar Industrial Area, SIDCUL, Rudrapur, Udham Singh Nagar, Uttarakhand- 263153 measuring 13650 Sq Mtr. 3. Exclusive First Hypothecation Charge on the entire New Plant and Machinery to be purchased out of Bank Finance and from own sources including spares and Auxiliary Machines consisting of Tapeline and 60 looms. Collateral Security Exclusive First Hypothecation Charge on the Existing Plant and Machinery of the company as per ABS2021 including spares and Auxilliary Machines
State Bank of India	Term Loan	1244.00	1031.36		
State Bank of India	Bank Guarantee	100.00	-	As per Applicable Card Rate	

					Personal Guarantee 1. Umesh Goyal. 2. Dipak Goyal. 3. Mahavir Bahety. 4. Liladhar Mundhara.
State Bank of India	Car Loan	10.00	6.56	7.85%	Hypothecation of the aforesaid vehicle purchased out of the loan amount in favour of Bank.
Total		2354.00	1944.02		

Section VII – Legal and Other Regulatory Information
Outstanding Litigation and Material Developments

Criminal Proceeding filed against our Company

We have already disclosed all the criminal proceedings filed against the Company on page no. 176 of the Draft Prospectus.

Criminal Proceeding filed by our Company

As on the date of filing of the Draft Prospectus, no criminal proceedings were filed by our Company.

We undertake to modify the same in Prospectus in 'Outstanding Litigation and Material Developments' Chapter under the head 'Proceedings filed by our Company' in the following manner:

LITIGATION FILED BY OUR COMPANY:

(i). All criminal proceedings:

Nil”

Government and Other Statutory Approvals

II. APPROVALS OBTAINED BY OUR COMPANY

BUSINESS RELATED APPROVALS

S. No.	NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
12.	Registration-cum-Membership Certificate, under the provisions of Foreign Trade Policy, Government of India	PLEPC/S/968/2018-2019	Plastic Export Promotion Council, New Delhi	April 15, 2024	March 31, 2025
17.	No Objection Certificate for Ground Water Abstraction	CGWA/NOC/IND/REN/1/2024/9326	Ministry of Jal Shakti Department of Water Resources, River Development & Ganga Rejuvenation Central Ground Water Authority, Government of India	March 29, 2024	January 06, 2027
19.	<i>Letter of Undertaking for export of goods or services for Financial Year 2024-25</i>	AD0503240099918	<i>Goods and Services Tax Council, Government of Uttarakhand</i>	<i>March 29, 2024</i>	<i>March 28, 2025</i>

IV. THE DETAILS OF DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY:

SR. NO.	DOMAIN NAME AND ID	IANA ID	CREATION DATE	EXPIRY DATE
1.	Domain name – SPPPOLYMER.COM Domain ID – 590682864_DOMAIN_COM-VRSN	895	February 11, 2021	February 11, 2033

VI. PENDING APPROVALS

*Our Company has applied for change of name from M/s SPP Polymer Private Limited to SPP Polymer Limited in the Copy of Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 vide application dated November 20, 2023

Our Company has applied for renewal of Consolidated Consent to Operate and Authorization under Section 25 and 26 of the Water (Prevention & control of Pollution) Act, 1974 and under Section 21 of the "Air (Prevention & Control of Pollution) Act, vide Application dated February 13, 2024."