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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 **Website:** 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

ADDENDUM TO THE DRAFT PROSPECTUS DATED JANUARY 15, 2024, NOTICE TO THE INVESTORS (“THE ADDENDUM”)

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 247 OF THIS DRAFT PROSPECTUS.

Potential Investor may note the following:

1. The Chapter titled “**Risk Factors**” beginning on page 26 of the Draft Prospectus has been updated with addition, shifting and modification of certain risk factors.
2. The Chapter titled “**General Information**” beginning on page 55 of the Draft Prospectus has been updated to remove the details of the Advisors to the Issue.
3. The Chapter titled “**Capital Structure**” beginning on page 64 of the Draft Prospectus has been updated with dematerialisation of Promoters, Promoters Group and Public shareholders Equity Shares.
4. The Chapter titled “**Objects to the Issue**”, provided herein below as part of Addendum, modifications have been updated.
5. The Chapter titled “**Our Business**”, provided herein below as part of Addendum, modifications have been updated.
6. The Chapter titled “**Outstanding Litigations and Material Developments**” provided herein below as part of Addendum, modifications have been updated.
7. The Chapter titled “**Government and Other Statutory Approvals**” provided herein below as part of Addendum, modifications have been updated.

The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

On behalf of **Silkflex Polymers (India) Limited**

Place: Howrah

Date: April 30, 2024

Sd/-

Mr. Tushar Lalit Kumar Sanghavi

Chairman and Managing Director

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

Investors Grievance e-mail: info@shreni.in

Contact Person: Ms. Tanya Goyal

Website: 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

Investor grievance e-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vinayak Morbale

SEBI Registration No.: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION III – RISK FACTORS

The following risk factors shall be updated / replaced/included with the existing risk factors in the section “*Risk Factors*” beginning on page 26 of the Draft Prospectus.

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 Litigation and other Material Developments” beginning on page 227 of the Draft 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.

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 79 of the Draft 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.

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.

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.

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."

EXTERNAL RISKS

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.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

The paragraph of the Advisors to the Issue shall be removed from the chapter titled “*General Information*” beginning on page 57 of the Draft Prospectus.

CAPITAL STRUCTURE

8. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of the Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Draft 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)																		
Class-Equity	No of Voting Rights			Number of Voting Rights held in each class of securities (IX)														
	Class	Total																
	Total as a % of (A+B+C)																	
No. of Underlying Outstanding convertible securities	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XD= (VII)+(X)) As a																	
No (a)	Number of Locked in shares (XII)																	
As a % of total Shares	Number of Shares pledged or otherwise encumbered (XIII)																	
No (a)	Number of equity shares held in dematerialized form (XIV)																	
As a % of total Shares																		
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	8	81,25,000	-	-	81,25,000	100.00	81,25,000	-	100.00	100.00	-	100.00	-	-	-	-	81,25,000

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

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%	[●]
2.	Funding of capital expenditure requirements of our Company towards purchase of Plant and Machineries	207.82	11.48%	[●]
3.	Funding Working Capital Requirements of our Company	468.00	25.85%	[●]
4.	General corporate purposes [#]	[●]	[●]	[●]
	Total	[●]	[●]	[●]

[#]The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue.

*To be updated in the Prospectus prior to filing with RoC.

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 [@]	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 [#]	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

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

*To be updated in the Prospectus prior to filing with RoC.

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 Draft 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.: 592 Old Tenure, Gujarat, India and Village: Gothada, Taluka: Savli, District: Vadodra of Revenue Survey/ Block No.: 590 paiki2/paiki1 New 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 lands 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	
Expected cost of construction	Rs. approx. 75 Lakhs
List of necessary approvals required for construction	<i>Non-Agriculture Land approval:</i> 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.
	<i>Environmental Clearance approval:</i> The Company has applied for Environmental clearance on April 03, 2024 and it is expected to receive the clearance by end of July, 2024.
	<i>Factory plan approval for construction:</i> 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.
	<i>Permission for Extraction of Ground Water:</i> 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.
	<i>Permission under Electricity Act/ Load Sanction</i> 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.
	<i>Stability Certificate for Factory/ Building Usage Permission, if any:</i> 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.
	<i>Factory License:</i> Post receipt of above all approval, the Company will apply for factory license.
	<i>Verification of Weights and Measures under Legal Metrology Act:</i> 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.
	<i>NOC from fire department:</i> 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.
Timeline for initiation and completion	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
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 land 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 . N o.	Date of Sale Deed	Seller of land	Address	Area of the Property	Total considera tion (Rs in lakhs)	Total considera tion paid out of internal accruals as of April 15, 2024 (Rs. in lakhs)	Total considera tion to be financed from Net Proceeds (Rs in lakhs)	Purpose
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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)	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)	49.00	49.00 ^{&}	Nil	Parking space for our manufacturing unit
Total				5,19,455.05 Sq. ft. (approximate 11.93 acres)	800.00	246.51	553.49	

& 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.

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 215 of this Draft 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.

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	Current Assets				
	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
	Total(A)	876.90	1493.92	1816.33	2253.50
II	Current Liabilities				
	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
	Total (B)	179.46	225.18	338.50	636.75
III	Total Working Capital Gap (A-B)	697.44	1268.74	1477.83	1616.75
IV	Funding Pattern				
	Short-term borrowing from Bank	199.94	795.10	995.41	1460.38
	Internal Accruals	497.50	473.64	482.42	156.37

On the basis of 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	Current Assets		
	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
	Total(A)	3204.05	4136.69
II	Current Liabilities		
	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
	Total (B)	685.13	795.22
III	Total Working Capital Gap (A-B)	2518.92	3341.47
IV	Funding Pattern		
	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 Burglary 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.

S. No.	Particulars
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.

SECTION VI – ABOUT THE COMPANY

OUR BUSINESS

REVENUE BREAK-UP

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%
Total	3348.42	100.00%	3,421.32	100.00%	2,782.47	100.00%	2,075.22	100.00%

OUR STRATEGIES

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 79 of this Draft Prospectus.

PROPERTIES

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
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

SECTION VII – FINANCIAL INFORMATION

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

Review of Operations for the period ended on September 30, 2023:

Profit After Tax

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 65.25% in the period ended September 30, 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 12.37% in the period ended September 30, 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	September 30, 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	23928	54.92	22.55	47397	103.83	15.45
Acrylic Polymers: Elastisol White S Matt	60475	279.69	30.45	110949	465.19	25.19
Acrylic Polymers: Royalite Clear EX	16740	40.56	23.92	4600	11.46	15.90
Acrylic Polymers: Royalite Clear S Plus	28163	64.02	26.52	117740	256.53	19.25
Acrylic Polymers: Royalite White EX	62100	146.60	22.71	70600	164.24	8.00
Acrylic Polymers: Royalite White S Plus	55675	120.64	24.49	284150	596.61	19.07
Acrylic Polymers: Silicon Clear Matt	1245	8.34	47.79	-	-	-
Acrylic Polymers: Silicon White Matt	1480	9.25	26.53	-	-	-
Acrylic Polymers: Elastic AOP Clear	8340	20.55	28.53	7140	15.82	12.93
Acrylic Polymers: Elastisol Neo Clear LT	23640	76.47	23.21	68960	215.24	19.55
Acrylic Polymers: Elastisol Neo White LT	47130	148.72	25.01	127731	386.50	20.69

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

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 Beniapur 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 Beniapur 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 Beniapur 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 Majumdar 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 |420/12OB 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, Beniapukur 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.

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 [●], 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 [●] from [●] 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	'Silkflex Polymers (India) Limited'	19AAXCS0872L1ZF	West Bengal Goods and Services Tax Act, 2017	Assistant Commissioner of Taxes Government	Date of Issuance January 24, 2024 with	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
	Services Tax				of West Bengal	effect from July 01, 2017	
5.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	03AAXCS0872L1Z S	Punjab Goods and Services Tax Act, 2017	Assistant Commissioner of Taxes Government of Punjab	Date of Issuance January 23, 2024 with effect from December 27, 2019	Valid until cancelled
6.	Certificate of Registration for Goods and Services Tax	'Silkflex Polymers (India) Limited'	08AAXCS0872L1Z I	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'	33AAXCS0872L1Z P	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'	27AAXCS0872L1Z I	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,	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
						2016	
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 Rules, 1979.	Commercial Taxes Department, West Bengal, South Unit-I, Howrah	July 16, 2016	Valid until cancelled
12.	Certificate of Enrolment for Profession Tax	'Silkflex Polymers (India) Private 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) Private 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 License (Tamil Nadu)	‘Silkflex Polymers (India) Limited’.	032/2024/029/00002	Tiruppur City Municipal Corporation Act, 2008	Tiruppur City Municipal Corporation	January 10, 2024 w.e.f. April 01, 2024	March 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
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	Government of Maharashtra, Department of Labour	March 12, 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
				Conditions of Service) Act, 2017			
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
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

Sr. No.	Description of the License
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

SECTION XI – OTHER INFORMATION

DECLARARTION

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 Addendum 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 Addendum are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Mr. Tushar Lalit Kumar Sanghavi Chairman and Managing Director DIN: 07476030	Sd/- Ms. Urmi Raj Mehta Whole Time Director DIN: 09008119
Sd/- Mr. Rajendrakumar M. Shah Non-Executive Non-Independent Director DIN: 00200267	Sd/- Mr. Atanu Bhuniya Non-Executive Non-Independent Director DIN: 10141352
Sd/- Mr. Hardikkumar Dasharathbhai Patel Non-Executive Independent Director DIN: 10388882	Sd/- Mr. Sugoto Ghosh Non-Executive Independent Director DIN: 03227177

SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- Ms. Urmi Raj Mehta Chief Financial Officer	Sd/- Mr. Sourabh Sharma Company Secretary and Compliance Officer
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Date: April 30, 2024

Place: Howrah