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## SABAR FLEX INDIA LIMITED

CIN: U25209GJ2018PLC102720

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") having Firm Registration Number MHN/6001 in the name and style of "Sabar Flex Industries" pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of "Sabar Flex India Limited" and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter "History and Certain Corporate Matters" beginning on Page No. 106 of the Draft Prospectus.

**Registered Office:** B/1/104, Palledium, Nr. Orchid Wood Opp. Divya Bhaskar, Corporate Road, Prahladnagar Ahmedabad- 380015, Gujarat, India

**Tel:** 9429111979; **Email:** [info@sabarflex.in](mailto:info@sabarflex.in); **Website:** [www.sabarflex.com](http://www.sabarflex.com);

**Contact Person:** Mr. KushangSurendrakumar Thakkar, Company Secretary and Compliance Officer.

### PROMOTER OF OUR COMPANY: MR. HIKMATBAHADUR KRISHNABAHADUR KUNWAR

### CORRIGENDUM CUM ADDENDUM TO THE DRAFT PROSPECTUS DATED APRIL 13, 2022: NOTICE TO THE INVESTORS ("THE CORRIGENDUM CUM ADDENDUM")

**PUBLIC ISSUE OF UPTO 42,00,000\* EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF SABAR FLEX INDIA LIMITED ("SFIL" OR THE "COMPANY") FOR CASH AT A PRICE BAND OF ₹ [●] PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹[●] LAKHS ("THE ISSUE"), OF WHICH UPTO [●] EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF ₹[●] EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

Potential Bidders may note the following:

1. In the sections "General Information", "Capital Structure", "Objects of the Issue", "Our Business", "Our Management", "Management's Discussion and Analysis of Financial Position and Results of Operation" and "Governemnt & Other Approvals" at pages 3, 11, 19, 24, 33, 43 and 52 of the Corrigendum cum Addendum, respectively, modifications have been updated.
2. In order to assist the Bidders to get a complete understanding of the updated information, the relevant portions of the sections titled "General Information", "Capital Structure", "Objects of the Issue", "Our Business", "Our Management", "Management's Discussion and Analysis of Financial Position and Results of Operation" and "Governemnt & Other Approvals" have been included in this Corrigendum cum Addendum.

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 Corrigendum cum Addendum. Please note that the changes pursuant to this Corrigendum cum Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalised terms used in this Corrigendum cum Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus

**On behalf of Sabar Flex India Limited**



Sd/-

KushangSurendrakumar Thakkar

**Company Secretary and Compliance Officer**

Place: Ahmedabad

Date: June 14, 2022

BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
	<b>GYR CAPITAL ADVISORS PRIVATE LIMITED</b> <i>(Formerly known as Alpha Numero Services Private Limited)</i> 428, Gala Empire, Near J.B. Tower Drive In Road, Thaltej, Ahmedabad – 380054, Gujarat, India <b>Tel No.:</b> +91 95375 94321 <b>Fax No.:</b> N.A. <b>Email:</b> <a href="mailto:info@gvrcapitaladvisors.com">info@gvrcapitaladvisors.com</a> <b>Website:</b> <a href="http://www.gvrcapitaladvisors.com">www.gvrcapitaladvisors.com</a> <b>Investor Grievance</b> <b>Email:</b> <a href="mailto:info@gvrcapitaladvisors.com">info@gvrcapitaladvisors.com</a> <b>Contact Person:</b> Mr. Yash Doshi <b>SEBI Registration No.:</b> INM000012810		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India <b>Tel. No.:</b> 022 6263 8200 <b>Fax No.:</b> 022 263 8280 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Mr. Swapnil Kate <b>SEBI Registration No.:</b> INR000001385
	<b>ISSUE OPENS ON</b> [●]		<b>ISSUE CLOSES ON</b> [●]

\* Number of shares may need to be adjusted for lot size upon determination of the Issue Price

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## **GENERAL INFORMATION**

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### **REGISTERED OFFICE OF OUR COMPANY**

#### **SABAR FLEX INDIA LIMITED**

B/1/104, Palledium, NR. Orchid Wood,  
Opp. Divya Bhaskar, Corporate Road,  
Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 9429111979

**E-mail:**[info@sabarflex.in](mailto:info@sabarflex.in)

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

**CIN:** U25209GJ2018PLC102720

### **CORPORATE OFFICE OF OUR COMPANY**

As on date of this Draft Prospectus, our Company does not have a corporate office.

### **REGISTRAR OF COMPANIES**

Our Company is registered with the Registrar of Companies, Gujarat situated at the following address:

#### **REGISTRAR OF COMPANIES, GUJARAT**

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India.

### **BOARD OF DIRECTORS OF OUR COMPANY**

Set forth below are the details of our Board of Directors as on the date of this Draft Prospectus:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>	<b>DIN</b>	<b>Address</b>
1.	HikmatbahadurKrishnabhadur Kunwar	Chairman and Managing Director	00024010	Shree Chandika Niwas, Zarneshwar Road, Opp. Gujarati School, Mahetapura, Himatnagar, Gujarat – 383001, India
2.	Manoj Kumar Agarwal	Executive Director	08108458	4/B, Status Appartments, Mahavir Nagar, Near Bombay Society, Himatnagar-383001, Gujarat, India
3.	SonalbahenPratikbhai Bhatt	Additional Non-Executive Director	09507674	Nr. Bank of Baroda, Opp. Seth ni pole, Tal.-Sidhpur, Dist. Patan-384151
4.	Shubham Jain	Additional Independent Director	09507674	207, Chandan Apartment, 585/3, MG Road, Indore, Madhyapradesh - 452001
5.	Bhavna Shah	Additional Independent Director	09494548	7, Chandanwadi, Sahibaug, Behind Circuit House, Ahmedabad – 380 004, Gujarat, India.

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 33 of the Draft Prospectus.

#### **CHIEF FINANCIAL OFFICER**

**Tinkle Rawal**, is the Chief Financial Officer of our Company. Her contact details are set forth hereunder.

B/1/104, Palledium, NR. Orchid Wood,

Opp. Divya Bhaskar, Corporate Road,

Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 7046319268

**E-mail:** [info@sabarfex.in](mailto:info@sabarfex.in)

#### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Kushang Surendrakumar Thakkar**, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

B/1/104, Palledium, NR. Orchid Wood,

Opp. Divya Bhaskar, Corporate Road,

Prahladnagar Ahmedabad- 380015, Gujarat, India

**Telephone:** +91 9429111979

**E-mail:** [info@sabarfex.in](mailto:info@sabarfex.in)

#### **INVESTOR GRIEVANCES**

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Details of key intermediaries pertaining to this issue of our company:

#### **LEAD MANAGER**

**GYR Capital Advisors Private Limited**

428, Gala Empire, Near JB Tower,

Drive in Road, Thaltej, Ahmedabad-380 054,

Gujarat, India.

**Tel:** +91 95375 94321

**Fax:** N.A.

**Email ID:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)

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

**Investor Grievance ID:** [compliance@gyrcapitaladvisors.com](mailto:compliance@gyrcapitaladvisors.com)

**Contact Person:** Mr. Yash Doshi

**SEBI Registration Number:** INM000012810

#### **REGISTRAR TO THE ISSUE**

**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East),  
Mumbai 400059, India.

**Contact Person:** Mr. Swapnil Bhate

**Tel:** 022 6263 8200

**Fax:** 022 6263 8280

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

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

**SEBI Registration No. :** INR000001385

**LEGAL ADVISOR TO THE ISSUE****T&S LAW**

Near VVIP Mall, Raj Nagar Extension,  
Ghaziabad – 201 017, Uttar Pradesh, India

**Tel:** +91 959 922 9770

**Fax:** N.A.

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

**STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY****M/S. PATEL JAIN & ASSOCIATES**

Chartered Accountants

702, 7<sup>th</sup> Floor, Silicon Tower, B/h Samartheshwar Mahadev,  
Law Garden, Ellisbridge, Ahmedabad-380006  
Gujarat, India.

**Tel:** + 91 9978607608/ 079 48997522

**Fax:** N.A.

**Email:** [kmp@pateljain.com](mailto:kmp@pateljain.com)

**Contact Person:** Mr. Kunjit Patel

**Membership No.:** 131711

**Firm Registration No.:** 129797W

**Peer Review Certificate No.:** 013962

**BANKER TO THE COMPANY**

[●]\*

*\*The banker to the company will be appointed prior to registering Prospectus with the RoC*

**PUBLIC ISSUE BANK/ BANKER TO THE ISSUE AND REFUND BANKER**

[●]\*

*\*The banker to the Issue will be appointed prior to registering Prospectus with the RoC*

**SPONSOR BANK**

[●]\*

*\*The Sponsor Bank will be appointed prior to registering Prospectus with the RoC*

**DESIGNATED INTERMEDIARIES**

## **Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Prospectus.

## ***Self-Certified Syndicate Banks***

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

## ***SCSBs enabled for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

## ***Registered Brokers***

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## ***Registrar and Share Transfer Agent***

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

## ***Collecting Depository Participants***

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on collecting depository participants, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

## **IPO GRADING**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

## **CREDIT RATING**

As this is an Issue of Equity Shares, credit rating is not required.

## **GREEN SHOE OPTION**

No Green Shoe Option is applicable for this Issue.

## **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## **DEBENTURE TRUSTEES**

As this is an Issue of Equity Shares, the appointment of Debenture trustees is not required.

## MONITORING AGENCY

As the Net Proceeds of the Issue will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

## APPRAISING ENTITY

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

## EXPERT OPINION

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

Our Company has received written consent dated March 30, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated March 30, 2022 on our restated consolidated financial information; and (ii) its report dated March 30, 2022 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

GYR Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

## FILING

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of Draft Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of this Draft Prospectus, will be filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Prospectus, along with the material contracts and documents will also be submitted to the RoC under Section 32 and Section 26 of the Companies Act, 2013 at its office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

## CHANGES IN AUDITORS DURING THE LAST THREE YEARS

There has been no change in the Auditors of our Company during the last three years.

## ISSUE PROGRAMME

An indicative time table in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds <sup>(1)</sup>	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

<sup>(1)</sup>In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by

our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus and Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

For further details, see “Issue Structure” and “Issue Procedure” beginning on pages 152 and 155, respectively.

Applicants should note the Issue is also subject to (i) obtaining final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

## UNDERWRITING AGREEMENT

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein:

The Underwriters have indicated their intention to underwrite the following number of Equity Share:

(₹ in lacs)

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[●]	[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).



The Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

#### **DETAILS OF MARKET MAKING ARRANGEMENT FOR THE ISSUE**

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

[●]	[●]	[●]
-----	-----	-----

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

[●], registered with Emerge Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

#### **Following is a summary of the key details pertaining to the Market Making Arrangement:**

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of National Stock Exchange of India Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
6. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

9. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base

Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

10. **Punitive Action in case of default by Market Maker:** Emerge Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

11. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

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

#### **WITHDRAWAL OF THE ISSUE**

Our Company and Selling Shareholders in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Draft Prospectus is set forth below:

(in Rs. except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorised Share Capital out of which :</b>		
	1,60,00,000 Equity Shares having face value of Rs. 10/- each	16,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	1,09,99,524 Equity Shares having face value of Rs. 10/- each	10,99,95,240	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of upto 42,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share	[●]	[●]
	<b>Which comprises:</b>		
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	Up to [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
<b>D.</b>	<b>Paid-up Share Capital after the Issue</b>		
	[●] Equity Shares of Rs. 10/- each		[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		NIL
	After the Issue		[●]

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated March 16, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated March 21, 2022 under Section 62(1)(c) of the Companies Act, 2013.

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

### Classes of Shares

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

### Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company is Rs. 16,00,00,000 /- (Rupees Sixteen Crore only) divided into 1,60,00,000 Equity Shares of Rs. 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
January 07, 2022	Rs. 11,00,00,000/- divided into 1,10,00,000 Equity Shares of Rs. 10/- each	Rs. 16,00,00,000/- divided into 1,60,00,000 Equity Shares of Rs. 10/- each	EGM

## NOTES TO THE CAPITAL STRUCTURE

### 1. Share Capital History of our Company:

#### Equity Share Capital

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

Date Allotment	of	No. of Equity Shares	of	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	of	Cumulative number of Equity Shares	Cumulative paid-up Capital (Rs.)
On Incorporation*		1,09,99,524	10	10	Cash		Subscription to Memorandum of Association		1,09,99,524	10,99,95,240

\* Pursuant to conversion of partnership firm M/s Sabar Flex Industries into Company under Part I chapter XXI of the Companies Act, 2013, vide Certificate of Incorporation dated June 07, 2018 by Registrar of Companies, Gujarat. The Partners Capital as on date of conversion Rs. 10,99,95,240/- was converted to 1,09,99,524 Equity Shares of face value of Rs. 10/- each fully paid up as the Initial Subscribers to Memorandum of Association.

### 2. Preference Share capital history of our Company

Our Company does not have any preference share capital as on the date of this Draft Prospectus.

### 3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Except upon incorporation as conversion from Partnership firm to Company, our Company does has not issued any Equity Shares for consideration other than cash as on date of this Draft Prospectus.

- As of date of this Draft Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus.

### 7. Shareholding Pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII) As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XD)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in Demat form (XIV)
								No of voting Right			Total As a % of (A+B+C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class Equity	Class	Total								
A	Promoters & Promoter Group	01	58,57,388	-	-	58,57,388	53.25	58,57,388	-	53.25	53.25	-	53.25	[●]	[●]	-	-	58,57,388
B	Public	06	51,42,136	-	-	51,42,136	46.75	51,42,136	-	46.75	46.75	-	46.75	[●]	[●]	-	-	51,42,136
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	1,09,99,524	-	-	1,09,99,524	100	1,09,99,524	-	1,09,99,524	100	-	100	[●]	[●]	-	-	1,09,99,524

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.

## 8. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 100% of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. HikmatnahadurKrishnabahadur Kunwar	58,57,388	53.25%
2.	Mrs. NandubaAshoksinhBhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	1,00,000	0.91%
6.	Mr. BharatkumarBhikhabhai Patel	1,00,000	0.91%
7.	Mr. VishalkumarBharatkumar Patel	1,00,000	0.91%
8.	Mrs. Nayana ChandubhaiThakor	17,81,973	16.20%
Total		1,09,99,524	100.00%

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. HikmatnahadurKrishnabahadur Kunwar	58,57,388	53.25%
2.	Mrs. NandubaAshoksinhBhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	1,00,000	0.91%
6.	Mr. BharatkumarBhikhabhai Patel	1,00,000	0.91%
7.	Mr. VishalkumarBharatkumar Patel	1,00,000	0.91%
8.	Mrs. Nayana ChandubhaiThakor	17,81,973	16.20%
Total		1,09,99,524	100.00%

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year from the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. HikmatnahadurKrishnabahadur Kunwar	58,57,388	53.25%
2.	Mr. AnirudhsinhAshoksinhBhati	10,30,655	9.37%
3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	5,96,821	5.43%
6.	Mr. BharatkumarBhikhabhai Patel	6,54,471	5.95%
7.	Mr. VishalkumarBharatkumar Patel	8,30,681	7.55%
Total		1,09,99,524	100.00%

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Mr. HikmatnahadurKrishnabahadur Kunwar	58,57,388	53.25%
2.	Mr. AnirudhsinhAshoksinhBhati	10,30,655	9.37%

3.	Mr. Sourabh Praveen Agarwal	7,88,654	7.17%
4.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%
5.	Mr. Manishbhai Govindbhai Chaudhari	5,96,821	5.43%
6.	Mr. BharatkumarBhikhabhai Patel	6,54,471	5.95%
7.	Mr. VishalkumarBharatkumar Patel	8,30,681	7.55%
<b>Total</b>		<b>1,09,99,524</b>	<b>100.00%</b>

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Prospectus.
9. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

#### 10. Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter:

Date of Allotment / Transfer	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Nature of Transaction	Consideration	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
June 17, 2018	30,50,366	10	10	Subscription to MoA upon conversion of company from Partnership firm	Other than cash	27.73%	[●]
August 29, 2018	7,69,950	10	10	Transfer from Mr. AnirudhsinhAshoksinhBhati	Cash	7.00%	[●]
	5,96,821	10	10	Transfer from Mr. Manishbhai Govindbhai Chaudhari	Cash	5.43%	[●]
	4,40,251	10	10	Transfer from Mr. BharatkumarBhikhabhai Patel	Cash	4.00%	[●]
	10,00,000	10	10	Transfer from Mr. Sourabh Praveen Agarwal	Cash	9.09	[●]
<b>Total</b>	<b>58,57,388</b>					<b>53.25%</b>	

11. As on the date of the Draft Prospectus, the Company has 8 (Eight) members/shareholders.

12. The details of the Shareholding of the members of the Promoter Group as on the date of this Draft Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Equity Capital	Pre-Issue Share	
1.	Mr. HikmatnahadurKrishnabhadur Kunwar	58,57,388		53.25%	[●] [●]
<b>Total</b>		<b>58,57,388</b>		<b>53.25%</b>	[●] [●]

13. The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Prospectus is filed with Stock Exchange.

14. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Prospectus.

#### 15. Promoter's Contribution and other Lock-In details:

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment ("Minimum Promoter's Contribution"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in Rs.)	Issue Acquisition Price per Equity Share (in Rs.)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<b>Mr. Hikmatnabadur Krishnabhadur Kunwar</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
TOTAL	[●]					[●]	3 years

\* Subject to finalisation of Basis of Allotment.

<sup>(1)</sup> For a period of three years from the date of allotment.

<sup>(2)</sup> All Equity Shares have been fully paid-up at the time of allotment.

<sup>(3)</sup> All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see chapter titled "Capital Structure" shareholding" on page 11.

The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI (ICDR) Regulations.

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

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters' contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.



In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters' Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Prospectus till the date of commencement of lock in period as stated in this Draft Prospectus.

Other than the Equity Shares locked-in as Promoter's Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter's Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

***Other requirements in respect of 'lock-in'***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be Transfer to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

16. Our Company, our Promoters, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
17. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
18. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.
19. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
20. There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
21. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
24. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.
25. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of

our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

26. Our Promoters and the members of our Promoter Group will not participate in the Issue.

27. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Mr. HikmatnabadurKrishnabadur Kunwar	58,57,388	53.25%
2.	Mr. Manoj Kumar Basudev Agarwal	12,40,854	11.28%

28. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.

29. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “Issue Procedure” beginning on page 155 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.

30. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

31. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

32. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines

33. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

34. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

## **OBJECTS OF THE ISSUE**

### **Requirement of Funds**

Our Company proposes to utilize the funds which are being raised through this Issue (“**Net Proceeds**”) towards the following objects:

- a) Funding the working capital requirements of the company
- b) General Corporate Purposes

(Collectively referred as “**Objects**”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

### **Issue Proceeds & Net Proceeds**

The details of the proceeds of the Issue are set out in the following table:

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[●]
Less: Issue related expenses	[●]
<b>Net Proceeds of the Issue</b>	<b>[●]</b>

### **Utilization of Net Proceeds**

The proposed utilization of Net Proceeds is set forth as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	Funding the working capital requirements of the company	Upto 310.00	[●]
2.	General Corporate Purposes	[●]	[●]
<b>Total</b>		<b>[●]</b>	<b>100</b>

### **Requirement of Funds and Means of Finance**

The fund requirements mentioned above are based on the internal management estimates of our Company and quotations provided by suppliers in this industry which are not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates and requirements from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations.

Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

Accordingly we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 104(1)(d) of the SEBI (ICDR), Regulations, 2018, as amended, through verifiable means towards 75% of the stated means of finance excluding the amount to be raised the net proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer chapter titled “*Risk Factors*” beginning on Page No. 19 of this Prospectus.

### **DETAILS OF THE FUND REQUIREMENTS**

## 1) Funding of working capital requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks and financial institutions. Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements for Fiscal 2021 and estimated financial statements for Fiscal 2022 are as stated below:

(₹ in lakhs)

Particulars	Fiscal 2020 (Restated)	Fiscal 2021 (Restated)	Fiscal 2022 (Estimated)
<b>Current Assets</b>			
Inventories			
- Raw Materials	749.87	807.40	993.71
- Finished Goods	777.18	592.18	300.00
- Semi-Finished Goods	239.59	784.25	555.00
Trade Receivables	1,275.48	1,397.54	1,876.49
Cash and Bank Balance	7.65	29.59	127.25
Short term loans & advances	187.00	12.00	-
Other Current Assets	-	76.47	121.00
<b>Total (A)</b>	<b>3,236.77</b>	<b>3,699.43</b>	<b>4,023.25</b>
<b>Current Liabilities</b>			
Trade Payables	627.15	707.31	496.86
Other Current Liabilities & Short Term Provision	141.96	86.30	404.35
<b>Total (B)</b>	<b>769.11</b>	<b>793.61</b>	<b>901.21</b>
<b>Total Working Capital (A)-(B)</b>	<b>2,467.66</b>	<b>2,905.82</b>	<b>3,122.04</b>
<b>Funding Pattern</b>			
Short-term borrowings from banks	1,451.42	1,666.76	1,650.00
Long-term borrowings (Term loans taken for working capital requirement)	-	-	-
Networth / Internal Accruals	1,016.24	1,239.06	1,340.00

### Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated March 30, 2022 has approved the business plan for the Fiscal 2023. The estimated and projected working capital requirements for Fiscal 2022 is stated below:

Particulars	Fiscal 2023 (Projected)
<b>Current Assets</b>	
Inventories	
- Raw Materials	940.33
- Finished Goods	970.00
- Semi-Finished Goods	485.00
Trade Receivables	2,566.04
Cash and Bank Balance	32.59

Short term loans & advances	50.00
Other Current Assets	121.00
<b>Total (A)</b>	<b>5,164.96</b>
<b>Current Liabilities</b>	
Trade Payables	805.99
Other Current Liabilities & Short Term Provision	469.09
<b>Total (B)</b>	<b>1,275.08</b>
<b>Total Working Capital (A)-(B)</b>	<b>3,889.88</b>
<b>Funding Pattern</b>	
Short-term borrowings from banks/others	<b>1,750.00</b>
Long-term borrowings (Term loans taken for working capital requirement)	-
Networth / Internal Accruals	<b>1,829.88</b>
Proceeds from IPO	<b>310.00</b>

**Assumption for working capital requirements:**

(In days)

Particulars	Holding Level for year/period ended					
	March 31, 2019	March 31, 2020	March 31, 2021	December 31, 2021	March 31, 2022	March 31, 2023 (Projected)
<b>Current Assets</b>						
Inventories						
- Raw Materials	59.68	45.46	43.51	69.81	43.09	30.00
- Semi-Finished Goods	15.00	13.90	28.80	51.54	26.37	30.00
- Finished Goods	41.98	45.09	28.80	51.54	26.37	30.00
Trade Receivables	102.14	73.21	90.47	92.08	81.16	90.00
<b>Current Liabilities</b>						
Trade Payables	69.21	36.38	39.57	75.56	24.41	25.80

**Justification for “Holding Period” levels**

The justifications for the holding levels mentioned in the table above are provided below:

<b>Current Assets</b>	
Trade receivables	Our company is engaged in manufacturing of plastic packing materials. The payment is released by the customer on the delivery of the products or periodically as agreed between the parties.
<b>Current Liabilities</b>	
Trade Payables	We intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed initial public Issue. This would help us in maintaining good relations with our creditors.

Our Company proposes to utilize upto ₹ 310.00 lakhs of the Net Proceeds in Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2023 will be arranged from borrowings and internal accruals/net worth.

**2) General corporate purposes**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for General corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- a) strategic initiatives, partnerships, joint ventures and acquisitions;
- b) brand building and strengthening of promotional & marketing activities; and
- c) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “Utilization of Net proceeds” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●] lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue Size
1.	Issue Management fees including Merchant Banking fees and Market Making fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]	[●]
2.	Advertising and Marketing Expenses	[●]	[●]	[●]
3.	Fees payable to the to the Regulators including stock exchange(s)	[●]	[●]	[●]
4.	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
5.	Brokerage and selling commission <sup>(1)(2)(3)</sup>	[●]	[●]	[●]
6.	Other Expenses (Banker’s to the Issue, Auditor’s fees etc.)	[●]	[●]	[●]
	<b>Total Estimated Issue Expense</b>	[●]	[●]	[●]

<sup>(1)</sup>The SCSBs and other intermediaries will be entitled to a commission of ₹ 10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(2)</sup>The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

<sup>(3)</sup>Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.

## Proposed Schedule of Implementation and funds deployed

Our Company plans to deploy the funds towards the above stated Objects during FY 2023, depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

## Appraisal and Bridge Loans

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

However if the Company avails any bridge loans from the date of the Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

## Monitoring of Utilization of Funds

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full

#### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act, 1934. Our Company confirms that it shall not use the Net Proceeds for any purpose other than abovementioned objects.

#### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

#### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

## **SECTION V – ABOUT THE COMPANY**

### **OUR BUSINESS**

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled “Forward Looking Statements” beginning on Page No. 86 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ending March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on Page No. 19 and 122 respectively.*

Unless otherwise stated, all references in this section to “Sabar” or “the Company” or “our Company” or “we” or “our” or “us” are to Sabar Flex India Limited.

#### **BUSINESS OVERVIEW**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 (“Partnership Firm”) having Firm Registration Number MHN/6001 in the name and style of “*Sabar Flex Industries*” pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of “*Sabar Flex India Limited*” and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter “*History and Certain Corporate Matters*” beginning on Page No. 106 of this Draft Prospectus.

Our Company is promoted by Mr. Hikmatbahadur K. Kunwar. At present look after the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding of the current market situation enables us to improve our geographic horizon and market presence. We believe that we shall be able to create a market position by adhering to the vision of our Promoter and senior management and their experience.

#### **Our business operations are broadly divided into:**

1. To carry on the business as manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films, and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw Materials of packing materials. Manufacturing of ink and all type of raw material of ink.
2. To carry on the business as manufacturers, processors, designers, buyers, sellers, exporters, importers and otherwise dealers in all kinds of packing cases, cartons, drums, crates, cans and containers, wooden boxes, plastic containers, polythene containers, bottles, hollow wares etc., whether made of plastic or any manmade fiber, or of other material, including high and low density polythene, polypropylene, plastic and other manmade fibrous material used in manufacture of all or any of the above products and raw materials used therefore.
3. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of packing materials, containers, receptacles, boxes, cartons, cases, drums, cages, tins, bins, jars, tubes, crates, packing cases, cans, bottles, vials and fittings thereof of every kind and to manufacture and deal in plastic, any other materials whether chemically treated or not, used for the manufacture of any of the articles or products or goods.

Overall, our Company supplies total 3 different products, that is, Multilayer films, Printed laminates, and flexible packaging products (pouches and bags). Printed laminates and flexible packaging products are part of Multilayer film only which are later on cut as per requirement of customer.

For details relating to our business, description of our activities, services, products, location of plant, capacity, facility creation, marketing, competition, markets of each segment, inter alia, please refer to the chapters titled business overview and Industry Overview on Page No 62 of the Draft Prospectus respectively.

#### **OUR LOCATIONAL PRESENCE:**



Sr. No.	Adress	Owned / Leased	Current Use
1.	Plot No.27 and 28, Survey No.33, Village: Dhandha, Tal: Himatnagar, Dist: Sabarkantha, Gujarat:383001	Owned	Manufacturing Plant
2.	Survey No.33, Plot No.25 and 26, Village: Dhandha, Tal: Himatnagar, Dist: Sabarkantha, Gujarat: 383001	Owned	Manufacturing Plant
3.	Survey No.33, Plot No. 30,31 and 32, Village: Dhandha, Tal: Himatnagar, Dist: Sabarkantha, Gujarat: 383001	Owned	Manufacturing Plant
4.	B/1/104, Palledium, Nr. Orchid Wood, Opp.Divya Bhaskar, Corporate Road, Prahladnagar, Ahmedabad-380015	Leased	Registered Office

## OUR COMPETITIVE STRENGTH

### 1. Location Advantage

Our Manufacturing unit is in Dhandha, Himatnagar City of Gujarat which is closed to Rajasthan. As of now Flexible Packaging Industry is not developed in Rajasthan due to which company is getting good orders from salt industry of Rajasthan State and due to location advantage, it provides efficient logistics thereby reducing our transportation as compared to our competitors.

The Indian salt industry is located in Kutch and Rajasthan. Rajasthan is one of our potential target customer bases. We believe that we are the strongest integrated player in Rajasthan specially in salt industry who can cater to the local demands of packaging products.

### 2. Diversified customer base

We focus on maintaining and establishing long term relationships with our customers. Our customers include some of leading players in salt, mehndi etc in Rajasthan. We believe that we have an ability to address the varied and expanding requirements of our customers. Our diversified customer base has helped us in introducing products in South part of India in the states like Tamilnadu, Kerala, Pondicherry.

### 3. Strong management team and motivated and efficient work force

We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Our Promoter Directors have more than a decade of experience in packaging industry. Emphasis on systems and individuals has enabled us to build up capabilities to operate at different locations. Empowerment of management by delegation of authority has been our strength in meeting management expectations and has helped our Company in building a large team of qualified and experienced professionals. We believe that the experience of our senior management team has translated into improved product quality, increased profitability and improved margins which give us competitive edge.

### 4. Quality Assurance

Each of our Company's products passes through stringent quality checks. The quality assurance measures taken by our Company include thorough checking of all raw materials, other inputs and finished goods to ensure quality, statistical methods to identify and analyze areas of improvement, experienced manpower for quality assurance activities, creation of data base for future reference and analysis etc. Each of the divisions is well equipped with modern quality checking and testing equipment in place for quality assurance and functions on our philosophy of providing quality products to customer.

### 5. Research and Development capability

As part of our ongoing quality assurance activities, we have established standard specifications for our raw materials and finished products and continually look at ways to develop anti-tampering packages for our products.

We have dedicated team that is focused on new products development. Our research and development activities include new product development to meet and exceed ever-changing client expectations and to achieve larger market share. Consumer preferences are incorporated into our products by our quality function deployment process. We believe that our manufacturing units have adequate facilities and personnel to ensure compliance with the quality specifications and process parameters we have established. We provide the requisite training periodically to our quality and process control personnel. In addition, we periodically undertake a comprehensive review of various regulatory issues concerning our industry.

## OUR STRATEGY

Our strategy is to build upon our competitive strengths and business opportunities to become one of the leading packaging companies in the world. Our objective is to improve and consolidate our position in the manufacturing and marketing of packaging related products. We intend to achieve this by implementing the following strategies:

**1. To reap the benefit by enhancing manufacturing capacities**

We are focused on establishing and increasing our manufacturing facilities as this will allow us to exercise control over manufacturing costs and the quality of the finished products. We believe that an increase in manufacturing capacity will help us reap the benefits of economies of scale, and this would eventually lead to an improvement in the price competitiveness of our products.

**2. Cost effectiveness**

Apart from expanding business and revenues we have to concentrate on reducing the costs in order to remain competitive in the industry. Measuring and evaluating costs at each cost center and bench marking the same to industry / scientific standards is our core strategy to control direct costs and overheads. Our focus has been to reduce the operational costs to gain competitive edge. We are, to some extent successful in our efforts and hope to continue more vigorously to bench mark ourselves with the best in the industry.

**3. Maintain our focus to strengthen customer relationship**

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities from existing as well as potential customers as we diversify our product portfolio and build upon the existing relationships. We believe that this strategy would increase our customer specific knowledge enabling us to provide packaging solution as per their requirement and develop closer relationships with these customers.

**4. Enhance product quality**

A good quality product is the foundation for a good brand. As mentioned above, we have the ISO 9000:2008 certification. Products manufactured by our Company meet the quality standards of BIS. We believe that consistency of quality products can only be achieved by process orientation. This process orientation assists us in increasing our efficiency and maintaining the quality of the products. We continue to use modern technology and equipment to track the quality of input as well as output.

**5. Continue to train Employees and Seek Entrepreneurship from Employees**

We believe a key to our success will be our ability to maintain and grow a pool of strong and experienced professionals. We have been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attention and attracting and retaining our employees. We intend to continue to encourage our employees to be enterprising and expect them to learn on the Job and contribute constructively to our business, either through ideas, personal networks or effective knowledge management. We also intend to continuously reengineer our management and organizational structure to allow us to respond effectively to the changes faced in the business environment and enhance our overall profitability.

**FINANCIAL SNAPSHOT**

Financial Snapshot of our Company as per Restated Financial Information is as under:

(Amount in Rs. Lakhs)

Particulars	For the period ended on December 31, 2021	FY 2020-21	FY 2019-20	FY 2018-19
Revenue from Operations	4,099.48	7,391.70	6,358.99	3,615.59
Total Revenue	4,112.91	7,397.88	6,364.32	3,617.07
EBITDA	308.17	445.03	363.03	256.01
<b>EBITDA Margin (in %)</b>	<b>7.49</b>	<b>6.02</b>	<b>5.71</b>	<b>7.08</b>
PAT	81.81	139.84	89.80	74.15
<b>PAT Margin (in %)</b>	<b>1.99</b>	<b>1.89</b>	<b>1.41</b>	<b>2.05</b>

Note:

- EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
- PAT Margin = PAT/ Total Revenue

## DOMESTIC AND EXPORT REVENUE BREAKUP FOR PAST THREE FINANCIAL YEARS

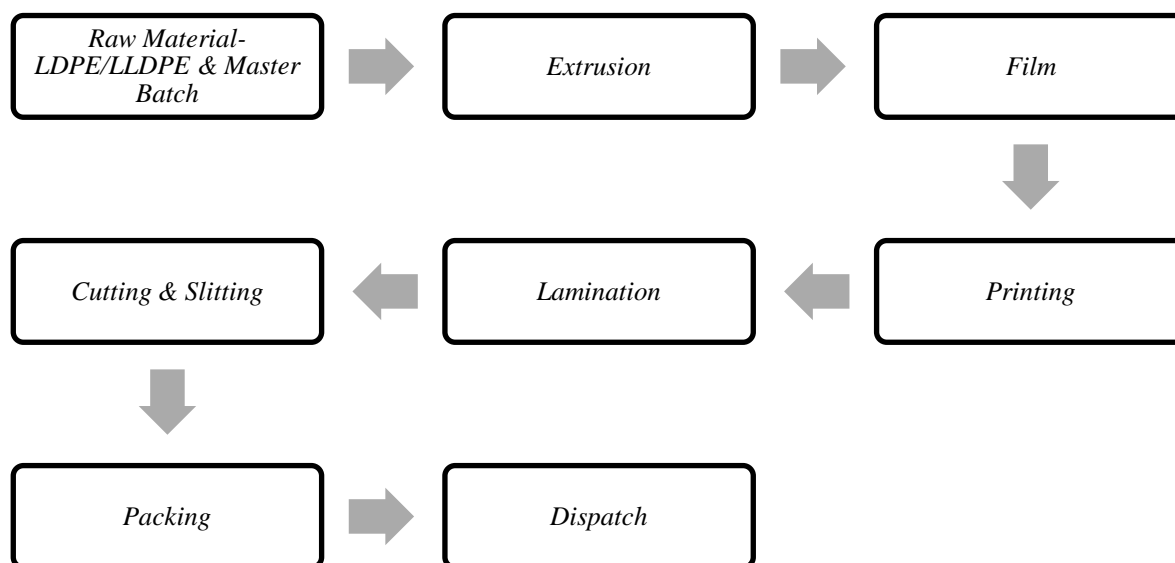
Our Company is having only Domestic presence. Please find below table containing Domestic and Export revenue breakup for the past three financial years:

(Rs. in lacs)

Particulars	March 31, 2019	March 31, 2020	March 31, 2021	December 31, 2021
Domestic Sales	3,615.59	6,358.99	7,391.70	4,099.48
Export	-	-	-	-
<b>Total Revenue</b>	<b>3,615.59</b>	<b>6,358.99</b>	<b>7,391.70</b>	<b>4,099.48</b>

## BUSINESS PROCESS

The following is a diagrammatic representation of the business process of our Company:



### 1. Raw Material-LDPE/LLDPE & Master Batch

Major raw materials needed is LDPE (Low Density Poly Propylene), Master Batch is used for coloring. These are in the form of granules. Other raw materials required is ink, thinner & adhesive. Raw materials is sourced as per requirement.

### 2. Extrusion

It is a blown process where the granules are subjected to high temperature.

### 3. Film

After Extrusion, the granules are converted into a polyester film. These are prepared in accordance with the orders, as per the density requirements.

### 4. Printing

This is done using engraved copper roller cylinders. We have to order cylinders as per the design requirements. The design are engraved on the cylinders and each cylinder caters to only one color. So for each color, a different cylinder are ordered. On the first layer, printing is carried out.

### 5. Lamination

After printing, over the printed layer, another layer is added which is called lamination.

### 6. Cutting & Slitting

After lamination, the polyester roll is cut into various sizes as per the requirement of the customer called cutting & slitting process.

### 7. Packing




Once cutting is done, the pouch making facility, using adhesive packs the end product.

## 8. Dispatch

The final product is sent for dispatch directly from the pouch making facility.

### OUR PRODUCTS

Our Company is in the business of packaging products made from plastics. Most of our Company's existing products are industrial in nature. The main products are as follows:

Sr. No.	Description of Product	Photograph
1.	<i>Flexible packaging products comprising of printed laminates, preformed pouches and surface printed 3 layers films.</i>	
2.	<b>Flexible Printed Laminates</b>	
3.	<b>Multilayer / Monolayer Film</b>	

#### Key advantages of the product

1. Unaffected by water & atmospheric moisture
2. Light in weight
3. Ease of handling
4. Resistant to chemicals, fungus growth etc.
5. High strength to weight ratio
6. Can be used to pack oil, ghee, milk, other food products etc.

#### Key application of the products:

Retail packaging, Consumer packaging, Pharmaceutical products packaging etc.

## **OUR MANUFACTURING PROCESS**

Manufacturing process of flexible packaging products like laminates is described below:

### ***Multilayer / Three-Layered Blown Film***

Three individual extruders are loaded with specific raw material in their respective individual hopper. Extruder comprises of a cylinder like barrel encompassing a screw attached to a gearbox. As the screw rotates, material inside the hopper is pulled and is pushed through the flights of the screw towards the die. All the three extrudates (molten material) converge through the die through individual adapters and form one tubular extrudate. This tube comprises of three different co centric tubes heat welded to one another. This tube is blown by air to give required width of the film. The bubble is pulled up by the haul-off system and then pulled by the winder to wind. In the process it is treated and trimmed to get desired results.

### ***Gravure Printing***

Gravure printing process is used for multi-colored, high-quality jobs at high press speeds. Gravure printing is a direct printing process that uses a type of image carrier called intaglio. Intaglio means the printing plate, in cylinder form, is recessed and consists of cell wells that are etched or engraved to differing depths and/or sizes. These cylinders are usually made of steel and plated with copper and a light-sensitive coating.

The ink is applied directly to the cylinder and from the cylinder it is transferred to the substrate. Gravure presses have the cylinders rotate in an ink bath where each cell of the design is flooded with ink. A system called a "doctor blade" is angled against the cylinder to wipe away the excess ink, leaving ink only in the cell wells.

Rotogravure presses use the gravure process to print continuously on long rolls rather than sheets of paper. Unlike lithography and flexography, gravure printing does not break solid, colored areas into minute dots (half tones) to print the areas, which makes it ideal for reproducing high-quality continuous tone pictures, especially when using glossy inks.

### ***Lamination***

We have installed two distinct machines to laminate two or three different substrates by solvent based adhesive or solvent less adhesives. Solvent less adhesives are odor less and is preferred in food industry, whereas solvent based adhesives are preferred where high bondage between individual substrates are required.

Process principally involves application of adhesive on the first substrate by gravure coating, passage of the substrate through the heated tunnel to dry the adhesive to a desired level, introduction and pinching of the second substrate by secondary unwinder and winding of the laminated structure.

## **COMPETITION**

The packaging industry is highly fragmented and unorganized and to a certain extent localized. However, economies of scale accrue to a few players. We face competition from Uflex, Paper Products Limited, Flexituff International, Radha Madhav Corporations, Uma Converter. However, our Company has some advantage over the competition in terms of product range, marketing and relationships with our clients and backward integration. To counter further competition, we are proposing expansion of our business activity so as to achieve diverse product portfolio, economies of scale and cost competitiveness.

## **Impact of Covid-19**

Effect of Covid 19 was not much on the business of company. Company had not availed moratorium period offered by Government and paid installments of loans etc regularly during covid 19. Manufacturing activity of the company was regular in Covid 19 situation also.

## **HUMAN RESOURCE**

Our senior management team consists of experienced people with diverse skills in manufacturing, engineering, business and finance.

We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees and workers who have prior experience in the packaging industry. We have a policy of providing the necessary training to our new employees and workers. We view this process as a necessary tool to maximize the productivity of our employees.

The employee details are given as below:

Sr.No.	Category	NumberofEmployees
1	Finance & accounts personnel	02
2	Legal and Secretarial	02
3	Technical personnel	04
4	Quality Management	04
5	Administrative staff	03
6	Supervisors & in-charges	07
7	Skilled and unskilled workers	70
	<b>Total</b>	<b>92</b>

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities

Our registered office is well equipped for our business operations to function smoothly.

### Power

As part of our manufacturing operations, we require a steady and abundant supply of power and steam. Our manufacturing unit receives power supply from Uttar Gujarat Vij Company Limited and our manufacturing unit have been sanctioned a power supply of 275 KVA (220 KW) power. As on date, our Company do not have any solar system. In Fiscals 2019, 2020 and 2021 and for the nine months period ended December 31, 2021, utility charges accounted for 2.01%, 1.60%, 1.57% and 1.59% respectively, of our total expenses in such periods.

### Water

Adequate arrangements with respect to water requirements for drinking purpose are made at all the offices of the Company. Company has installed waste management system. Company has installed water purification plant in factory which purify the waste water and make it reusable again and again.

### Technology

Our Company is technology services provider, we have adequate computer systems, servers and other communication equipment's, Internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### 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.

## MARKETING

We expect to maintain our focus on Customer Relationships. We believe that there are significant business opportunities from existing as well as potential customers.

We intend to invest in developing and enhancing recognition of our brand "Sabar" through brand-building efforts, communication and promotional initiatives such as advertisement in electronic media, public relations and investor relations efforts. We believe that our branding exercise will enhance the recall value and trust in minds of our customers and will help in increasing demand for our products.

The company has started expanding its customer horizon over PAN India. The company has started generating orders from South India which is a new market for Sabar. For the last 6 Months, Sabar is pitching for exports to neighboring countries and have started getting favorable response from Nepal.

Sabar has a good image in the mind of customers and in the market by supplying quality goods through which the company is getting new customers from the market.

The company is planning to develop Aluminum Layered products to cater for the industry like pharmaceuticals. MrParth Kunwar Working as the Marketing Head of the company is focusing on product diversification and trying to enter into new segment of the business. As the pharmaceutical industry is the 2<sup>nd</sup> Highest Revenue Generating Industry In the world

and India is the manufacturing hub of the pharmaceutical industry, the company is expecting good orders and good potential in the pharmaceutical market.

Sabar Flex India Limited for the last 2 years have focused on the up-gradation of machines to supply high-end quality products. This will enhance the product portfolio by adding Aluminum layers films that are used in cosmetic, food-grade and pharmaceutical industries.

#### **COLLABORATIONS**

As on date of Draft Prospectus, we do not have any technical, financial and performance guarantee collaborations with any parties.

#### **CAPACITY AND CAPACITY UTILIZATION**

The table shows the capacity utilization details of Our Company:

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Installed Capacity (in MT)</b>	4,200	5,400	5,400
<b>Capacity Utilization (in MT)</b>	1,892	2,620	2,823
<b>Capacity Utilization (in %)</b>	45.05	48.52	52.28

#### **END USERS**

Our products are primarily used for Retail packaging, Consumer packaging, Pharmaceutical products packaging, and hence the companies in such businesses are our end users.

#### **RAW MATERIAL**

Company is purchasing Raw Material from following suppliers

<b>Sr. No.</b>	<b>Name of Product</b>	<b>Supplier</b>
1	LLDPE and LDPE (Granules)	(1) Reliance Industries Limited (2) Bhavya Polymers (3) Mahalka Polymers
2	INK	Rahi Tradelink
3	Thinner	Essam Traders and Rahi Tradelink
4	Adhesive Gum	Hubergroup India Private Limited

#### **INFORMATION TECHNOLOGY**

We have installed license version of Tally ERP software for our business requirements. Company has its own website and company has installed technology system for various task begin from Placement of orders from customers, manufacturing of goods, testing and dispatch.

#### **Inventory & Logistics**

Company is having strict control over inventory management. Registers are maintained for Inventory Management and regularly cross checked by the management and officials. Management is also taking physically stock at regular intervals. Company doesn't have any separate ware house. Company has allocated space in factory for storage. Company is hiring transporters for logistic of Finished Goods.

#### **Research & Development**

Company has inbuilt R & D department in which company is working on packaging products used in Pharmaceutical Industry. Company has 1 Designer in factory who design packaging products for clients.

#### **EXPORT AND EXPORT OBLIGATIONS**

Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any other scheme of Government of India.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Company is not required to constitute CSR committee as per Companies Act 2013, No CSR activities has been carried out by the Company till date.

## INSURANCE

Our Company maintains insurance policies against various risks inherent in our business activities, including our stocks and fixed assets; directors, officers and employees in managerial or supervisory capacity in the Company; third parties entering our stores and distribution centers, under various burglary, fire and special perils, money, directors and officers liability, public liability policies, providing insurance cover against damages to stocks and assets of the Company, damages arising to the Company from wrongful acts of the directors, officers and employees in managerial or supervisory capacity and damages to third parties from accidents, infidelity, housebreaking, cash and stock in transit, monetary loss, that may result in damages to our Company including damages to our assets or stocks which we believe to be appropriate for our business.

## Quality Management

Company has inbuilt Laboratory for quality Management and controls of Goods.

Company has installed various machines like Vacuum Oven, Leakage tester and Universal testing machine which are used to check / testing of finished goods like pouches etc. Machines check the quality, strength, Pressure absorbed capacity of finished goods.

Quality checking lab with equipment- Vacuum Oven, Own (Strength Checking), Sealer Machine (Sealing checking), Leakage tester (Check strength of Pouches), Universal Testing machine (Strength of LD).

## INTELLECTUAL PROPERTY RIGHTS

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

Sr. No.	Particulars		Status
1.	Tradename / logo		Unregistered
2.	Domain Name	<a href="http://www.sabarflex.com">www.sabarflex.com</a>	Registered



## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Prospectus, we have Five (5) Directors consisting of one (1) Managing Director, one (1) Executive Director, one (1) Non Executive Director two (2) Independent Director one of whom is a woman director.

Set forth below, are details regarding our Board as on the date of this Draft Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>HikmatbahadurKrishnabahadur Kunwar</b> <b>DIN:</b> 00024010 <b>Date of Birth:</b> September 8, 1969 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> Shree Chandika Niwas, Zarneshwar Road Opp. Gujarati School Mehtapura, Himmatnagar, Gujarat –383001. <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years with effect from October 16, 2021 <b>Nationality:</b> Indian	52	Sabar Flexi Pack Private Limited
<b>Manoj Kumar Agarwal</b> <b>DIN:</b> 08108458 <b>Date of Birth:</b> May 14, 1972 <b>Designation:</b> Director <b>Address:</b> 4/B, Status Appartments, Mahavir Nagar Near Bombay Society Himatnagar, Gujarat–383001. <b>Occupation:</b> Business <b>Term:</b> Liable to retire by rotation <b>Nationality:</b> Indian	49	Sabar Flexi Pack Private Limited
<b>Sonalbahen Pratik Bhatt</b> <b>DIN:</b> 09507674 <b>Date of Birth:</b> December 01, 1987 <b>Designation:</b> Additional Non-Executive Director <b>Address:</b> Nr. Bank of Baroda, Opp. Seth ni pole, Tal.-Sidhpur, Dist. Patan-384151 <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	34	Nil
<b>Bhavna Shah</b> <b>DIN:</b> 09494548 <b>Date of Birth:</b> July 27, 1988 <b>Designation:</b> Additional Independent Director <b>Address:</b> 7, Chandanwadi, Sahibaug, Behind Circuit House, Ahmedabad – 380 004, Gujarat, India. <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	33	JFL Life Sciences Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Shubham Jain</b> <b>DIN:</b> 09536323 <b>Date of Birth:</b> March 09, 1996 <b>Designation:</b> Additinoal Independent Director <b>Address:</b> 207, Chandan Apartment, 585/3, MG Road, Indore, Madhyapradesh - 452001 <b>Occupation:</b> Professional <b>Term:</b> To hold office till ensuring AGM <b>Nationality:</b> Indian	26	Nil

### Brief Biographies of our Directors

**Hikmatbahadur Krishnabahadur Kunwar**, aged 51 years, is the Managing Director and promoters of our Company. He holds bachelor's degree in business administration from Gujarat University. He also holds a graduation degree in commerce. He holds a diploma in computer training from ACT Computer Education and a post-graduate diploma in international business from University of Salford. He has experience of around 13 years in flexible packaging industry. He is associated with our company since its incorporation.

**Manoj Kumar Agarwal**, aged 49 years, is Executive Director of our Company. He has completed graduation from Ajmer University. He has experience of around 5 years in the packaing industry. He is associated with our company since incorporation.

**Sonalbahen Pratik Bhatt**, aged 34 years, is Additional Non-Executive Director our Company. She is a law graduate from Hemchandracharya North Gujarat University. She is a member of Bar Council of Gujarat. She has expeience of around 8 years in practice of law. She is associated with our company since February 17, 2022.

**Bhavna Shah**, aged 33 years, is Additional Independent Director of our Company. She is a business management graduate from Gujarat University. She is a member of Institute of Company Secretaries of India and has also received a certificate of practice. She has experience of around 7 years in corporate law practices. She is associated with our company since March 15, 2022.

**Shubham Jain**, aged 26 years, is an Additional Independent Director of our Company. He is a commerce graduate. He is an Associate member of Institute of Chartered Accountants of India ans has received a certificate of practice. He has experience of around 4 years in accounting and taxation. He is associated with our company since March 15, 2022.

### Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Prospectus with the SEBI, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

### Relationship between our Directors

None of the directors of our company are related.

### Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in this Draft Prospectus and except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's

employment in our Company or superannuation. Contributions are made regularly by our Company towards provident fund, gratuity fund and employee state insurance.

### **Borrowing Powers of our Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on March 21, 2022, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed Rs. 1000.00 lacs.

### **Terms of appointment and remuneration of our Managing Director**

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 16, 2021 and approved by the Shareholders of our Company at the EGM held on November 11, 2021, Hikmatbahadur Krishnabahadur Kunwar was appointed as the Managing Director of our Company for a period of five (05) years with effect from October 16, 2021 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 36 lakhs per month.
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, Hikmatbahadur Krishnabahadur Kunwar shall be entitled to receive a total remuneration including perquisites, etc., as mentioned above and not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.

### **Remuneration details of our Directors**

#### *i. Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2021 is as follows:

S. No.	Name of the Director	Remuneration (Rs. in lacs)
1.	Hikmatnahadur Krishnabahadur Kunwar	36.00
2.	Manoj Kumar Basudev Agarwal	12.00

Our Executive Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees.

#### *ii. Sitting fee details of our Independent Directors*

Our Independent Directors were not paid sitting fee in Fiscal 2021 for attending meetings of the Board of Directors and its committees. Our Board of Directors in their meeting held on March 16, 2022 have fixed Rs. 5,000 as sitting fee for Non-Executive Directors for attending meetings of the Board of Directors and its committees.

### **Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

### **Remuneration paid to our Directors by our Subsidiary**

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### **Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Prospectus.

### Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	HikmatnabadurKrishnabadur Kunwar	58,57,388	53.25%
2.	Manoj Kumar Basudev Agarwal	12,40,854	11.28%

### Shareholding of Directors in our Subsidiaries

As on date of this Draft Prospectus, our Company does not have a subsidiary.

### Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see “*Terms of appointment and remuneration of our Executive Directors*” above.

HikmatnabadurKrishnabadur Kunwar is the Promoter of our Company and may be deemed to be interested in the promotion of our Company to the extent that he had promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” on pages 122 and 118, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information - Annexure – IV: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*” on page 122 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

### Interest as to property

Except as disclosed in this Draft Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

### Bonus or Profit Sharing Plan for our Directors

None of our Directors are a party to any bonus or profit sharing plan.

### Changes in our Board during the Last Three Years

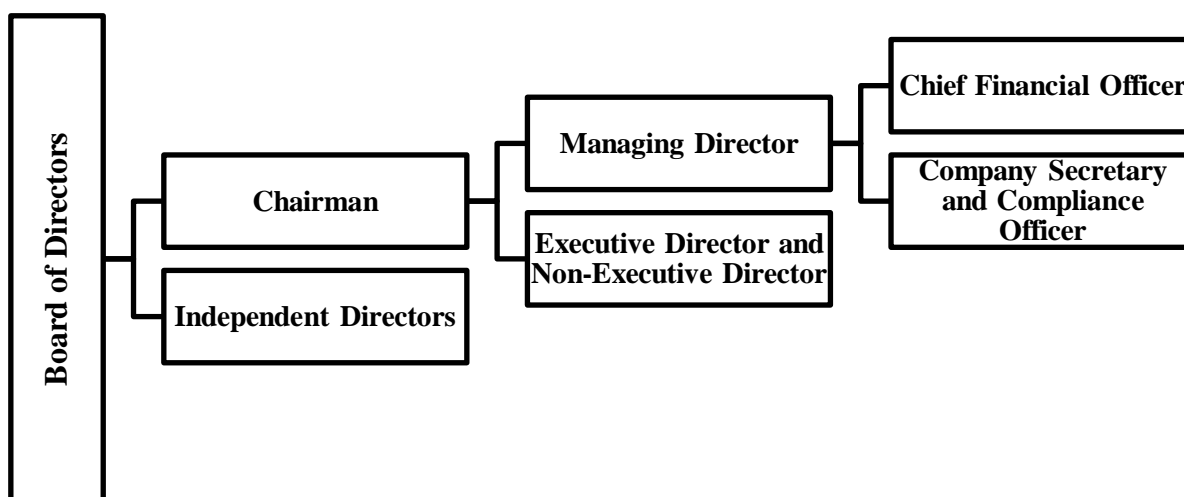
Except as disclosed below, there have been no changes in our Board during the last three years.

Sr.	Name of Director	Date of Change	Reason for change
1.	Priti Jadav	March 16, 2022	Resignation as Independent Director
2.	Arun Kumar	March 16, 2022	Resignation as Independent Director
3.	Shubham Jain	March 15, 2022	Appointed as Additional Independent Director
4.	Bhavna Shah	March 15, 2022	Appointed as Additional Independent Director
5.	Sonal Bhatt	February 17, 2022	Appointed as Additional Non-Executive Director
6.	Priti Jadav	November 30, 2021	Regularisation as Independent Director
7.	Arun Kumar	November 30, 2021	Regularisation as Independent Director
8.	Alpesh Jentibhai Vekariya	November 30, 2021	Resignation as Additional Independent Director

9.	Alpesh Rameshbhai Paliwal	November 30, 2021	Resignation as Additional Independent Director
10.	Priti Jadav	November 25, 2021	Appointed as Independent Director
11.	Arun Kumar	November 25, 2021	Appointed as Independent Director
12.	Hikmatnabadur Krishnabadur Kunwar	October 16, 2021	Appointment as Managing Director
13.	Alpesh Jentibhai Vekariya	June 15, 2021	Appointed as Additional Independent Director
14.	Alpesh Rameshbhai Paliwal	February 01, 2021	Appointed as Additional Independent Director
15.	Parthkumar Hikmat Kunwar	February 05, 2021	Cessation as Executive Director
16.	Parthkumar Hikmat Kunwar	December 31, 2020	Regularisation as Executive Director
17.	Vishalkumar Bharatbhai Patel	June 22, 2020	Cessation as Director
18.	Parthkumar Hikmat Kunwar	June 20, 2020	Appointed as Additional Director

### Management Organization Structure

Set forth is the management organization structure of our Company



### Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

#### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Stakeholders' Relationship Committee; and
- Nomination and Remuneration Committee.

Details of each of these committees are as follows:

**a) Audit Committee**

Our Audit Committee was constituted on March 16, 2022 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Hikmat Bahadur Kunwar	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

**A. Powers of Audit Committee**

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**B. Role of the Audit Committee**

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;

**Explanation:** The term “related party transactions” shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.

10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

#### **b) Stakeholders' Relationship Committee**

Our Stakeholder' Relationship Committee was constituted on March 17, 2022. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Sonal Bhatt	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### ***c) Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on March 17, 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Shubham Jain	Chairman
2.	Bhavna Shah	Member
3.	Sonal Bhatt	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and



- c. consider the time commitments of the candidates.]
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
  4. devising a policy on diversity of board of directors;
  5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
  6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  7. recommend to the board, all remuneration, in whatever form, payable to senior management;
  8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
    - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
  9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
  10. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

### **Our Key Managerial Personnel**

In addition to our Managing Director and Chief Financial Officer, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Prospectus:

**Kushang Surendrakumar Thakkar**, aged 36 years, is the Company Secretary and Compliance Officer of our Company. He has completed Bachelor in Commerce (B.Com.) from Gujarat University in year 2006. He has experience of more than 6 years in field of secretarial compliances. He is responsible for handling secretarial matters of our Company and is appointed with effect from July 5, 2018.

**Tinkle Rawal**, aged 25 years, is the Chief Finance of our Company. She is a commerce graduate. She is a fresher. She is responsible for handling finance related matters of the company and was appointed with effect from February 01, 2022. She has not received remuneration during the Fiscal 2022.

All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except as disclosed under the heading "*Relationship between our Directors*" and herein above, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

### **Shareholding of the Key Managerial Personnel**

Except as disclosed under the heading, "*Shareholding of Directors of our Company*", none of our Key Managerial Personnel hold Equity Shares in our Company.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

None of our Key Managerial Personnel is a party to any bonus or profit sharing plan.

### **Payment or benefit to Key Managerial Personnel of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services

rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel's have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Tinkle Rawal	Chief Financial Officer	February 01, 2022	Appointment
HikmatbahadurKrishnabhadur Kunwar	Managing Director	October 16, 2021	Appointment
KushangSurendrakumar Thakkar	Company Secretary and Compliance Officer	July 05, 2018	Appointment

The attrition of the key management personnel is as per the industry standards.

### **Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

### **Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Prospectus.

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

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### **BUSINESS OVERVIEW**

Our Company was originally formed as a Partnership Firm under the Partnership Act, 1932 ("Partnership Firm") having Firm Registration Number MHN/6001 in the name and style of "Sabar Flex Industries" pursuant to Deed of Partnership dated March 06, 2007. Sabar Flex Industries was thereafter converted from Partnership Firm to a Public Limited Company under Part I Chapter XXI of the Companies Act, 2013 with the name and style of "Sabar Flex India Limited" and received a Certificate of Incorporation from the Registrar of Companies, dated June 7, 2018. The corporate identification number of our Company is U25209GJ2018PLC102720. For further details, including change in our Registered Office, please refer the chapter "History and Certain Corporate Matters" beginning on Page No. 106 of this Draft Prospectus.

Our Company is promoted by Mr. Hikmatbahadur K. Kunwar. At present look after the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. His industry knowledge and understanding of the current market situation enables us to improve our geographic horizon and market presence. We believe that we shall be able to create a market position by adhering to the vision of our Promoter and senior management and their experience.

#### **Our business operations are broadly divided into:**

4. To carry on the business as manufacturers of and dealer in products, articles of packaging, made from paper, board, pulp of all kinds, cellulose films, polyethylene, plastic films, and metal foils and films of all kinds and other flexible or laminated materials, bags, pouches, envelopes, sheets, rolls and all kinds of flexible packaging and manufacturing, fabricating, printing, treating, waxing and laminating all kinds of packing materials and all type of Raw Materials of packing materials. Manufacturing of ink and all type of raw material of ink.
5. To carry on the business as manufacturers, processors, designers, buyers, sellers, exporters, importers and otherwise dealers in all kinds of packing cases, cartons, drums, crates, cans and containers, wooden boxes, plastic containers, polythene containers, bottles, hollow wares etc., whether made of plastic or any manmade fiber, or of other material, including high and low density polythene, polypropylene, plastic and other manmade fibrous material used in manufacture of all or any of the above products and raw materials used therefore.
6. To carry on the business of manufacturers, buyers, sellers, importers, exporters and dealers in all kinds of packing materials, containers, receptacles, boxes, cartons, cases, drums, cages, tins, bins, jars, tubes, crates, packing cases, cans, bottles, vials and fittings thereof of every kind and to manufacture and deal in plastic, any other materials whether chemically treated or not, used for the manufacture of any of the articles or products or goods.

For details relating to our business, description of our activities, services, products, location of plant, capacity, facility creation, marketing, competition, markets of each segment, inter alia, please refer to the chapters titled "Business Overview" and "Industry Overview" on Page No 86 of this Draft Prospectus respectively.

### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### **Regulatory Framework**

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained other permits and licenses

which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

### ***Ability of Management***

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain “key man” life insurance for our Promoters, senior members of our management team or other key personnel.

### ***High dependency on other industries***

Our business is to provide packaging for goods in different industries such as pharmaceuticals and FMCG industries. So the risk associated to our business is that if these industries are adversely affected in any way, or if their demand decreases over time the demand for our business subsequently would decrease from those industries only. To mitigate this we may have to penetrate into several other industries and have business relationships with multiple organisations within the same industries to reduce risk of over dependence on a few companies.

### ***Ability to manage logistics and transportation needs***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our factory to our customers. We have entered into agreements with third party transport service providers and depend on them for supply of goods. Since the cost of our goods carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage or shrinkage may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

### ***Competition***

Competition in the packaging sector as a whole, is generally fragmented. We face significant competition from local or regional players and geographical markets in which we operate, and our success depends on our ability to ensure the continued quality, relevance and innovation of our products. We face competition from big players as they have better financial and other resources than we have, or may be able to develop more effective advertisement and marketing campaigns or better priced or more variety of products than us, which may enable them to compete against us more effectively for future business. These competitive factors may force us to reduce rates and/or increase spend in order to continue to attract new customers, and to pursue new market opportunities. Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of market share. Failure to compete successfully against current or future competitors in each of our business segments could harm our business, operating cash flows and financial condition.

### ***COVID-19 Pandemic***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the industry in which our Company operates and from where it derives substantial revenues and profits. But for Our Company the impact of Covid-19 was on the moderate side on the business of company. Our Company operations was regular in Covid-19 situation. But a prolonged pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the second wave of the virus and the likelihood of a third wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. The future impact of COVID-19 or any other severe communicable disease on our

business and results of operations depends on several factors including those discussed in the chapter “Risk Factors” beginning on Page No. 19. We are continue to closely monitor the economic conditions and the effect of COVID-19 and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

### **Significant Developments after December 31, 2021 that may affect our Future Results of Operations**

The Directors confirm that there have been no other events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at December 31, 2021 and March 31, 2021, 2020, 2019 and 2018 and the related restated summary statement of profits and loss and cash flows for the period/year ended December 31, 2021 and March 31, 2021, 2020, 2019 and 2018 (herein collectively referred to as (“Restated Summary Statements”) have been compiled by the management from the audited Financial Statements for the period/year ended on December 31, 2021 and March 31, 2021, 2020, 2019 and 2018. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“Guidance Note”). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the BSE in connection with its proposed IPO. The Company’s management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

### **b) Use of Estimates:**

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### **c) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

### **d) Provisions and Contingent Liabilities:**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

### **e) Cash and Cash Equivalents:**

Cash and cash equivalents comprises Cash-in-Hand, Short-term Deposits and Balance in Current Accounts with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of

acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**f) Inventories:**

Inventories comprises of Stock-in-Trade.

Closing Stock is valued at Cost or Net Realisable Value whichever is lower. Cost of Stock-in-trade comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

**g) Revenue Recognition:**

Revenue from sale of goods net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

**h) Other Income:**

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

**i) Earning per Share:**

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the period. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**j) Taxation & Deferred Tax:**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – “Accounting for taxes on income”, notified under Companies (Accounting Standard) Rules, 2014. Income tax comprises of both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**k) Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

**RESULTS OF OUR OPERATIONS**
*(Amount ₹ in lacs)*

Particulars	As at December 31, 2021	% of Total	For the year ended March 31							
			2021	% of Total	2020	% of Total	2019	% of Total	2018	% of Total
<b>INCOME</b>										
Revenue from Operations	4,099.48	99.67%	7,391.70	99.92%	6,358.99	99.92%	3,615.59	99.96%	1,054.66	99.47%
Other Income	13.43	0.33%	6.18	0.08%	5.33	0.08%	1.48	0.04%	5.58	0.53%
<b>Total Income (A)</b>	4,112.91	100.00%	7,397.88	100.00%	6,364.32	100.00%	3,617.07	100.00%	1,060.24	100.00%
<b>EXPENDITURE</b>										
Cost of raw materials consumed	3,871.33	96.75%	6,813.01	94.51%	5,836.68	93.49%	2,587.89	73.68%	794.98	76.61%
Direct expenses	132.53	3.31%	250.65	3.48%	212.15	3.40%	742.21	21.13%	183.37	17.67%
Changes in inventories of work-in-progress and finished goods	(438.28)	-10.95%	(370.28)	-5.14%	(324.46)	-5.20%	(209.45)	-5.96%	(23.86)	-2.30%
Employee benefits expense	194.35	4.86%	222.23	3.08%	216.61	3.47%	186.38	5.31%	19.98	1.93%
Finance costs	174.90	4.37%	199.71	2.77%	184.77	2.96%	110.43	3.14%	16.04	1.55%
Depreciation and Amortization	52.98	1.32%	62.35	0.86%	58.25	0.93%	41.76	1.19%	6.80	0.66%
Other expenses	13.67	0.34%	31.16	0.43%	58.80	0.94%	53.35	1.52%	40.37	3.89%
<b>Total Expenses (B)</b>	4,001.48	100.00%	7,208.83	100.00%	6,242.80	100.00%	3,512.57	100.00%	1,037.68	100.00%
<b>Profit before extraordinary items and tax(A-B)</b>	111.43	2.71%	189.05	2.56%	121.52	1.91%	104.50	2.89%	22.56	2.13%
Extraordinary items	-	-	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	111.43	2.71%	189.05	2.56%	121.52	1.91%	104.50	2.89%	22.56	2.13%
<i>Tax expense:</i>										
(i) Current tax	23.19	0.56%	38.69	0.52%	18.96	0.30%	20.11	0.56%	4.85	0.46%
(ii) Deferred tax	6.43	0.16%	10.52	0.14%	13.31	0.21%	14.63	0.40%	(28.58)	-2.70%
(iii) MAT Credit Entitlement	-	0.00%	-	0.00%	(0.55)	-0.01%	(4.39)	-0.12%	-	0.00%
<b>Total Tax Expense</b>	29.62	0.72%	49.21	0.67%	31.72	0.50%	30.35	0.84%	(23.73)	-2.24%
<b>Profit for the year</b>	81.81	1.99%	139.84	1.89%	89.80	1.41%	74.15	2.05%	46.29	4.37%

## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from operations and other income.

### ***Revenue from Operations***

Our revenue from operation as a percentage of our total income was 99.92%, 99.92%, 99.96% and 99.47% for the Financial Years ended March 31, 2021, March 31, 2020, March 31, 2019 and March 31, 2018 respectively.

### **Other Income**

It is the income earned from discounts, interests on deposits, material shortage claims, rate differences, insurance claims and write offs of sundry balances.

### **Expenditure**

Our total expenditure primarily consists of cost of raw materials consumed, direct expenses, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs and Other Expenses.

### ***Employee Benefit Expenses***

Our employee benefits expense comprises of salary and allowances and remuneration to directors, contribution to PF, gratuity and staff welfare fund.

### ***Finance costs***

Our Finance cost expenses comprises of bank charges, interest on borrowings, interest on delayed filing of return and interest on late payment of taxes.

### ***Other Expenses***

Other expenses primarily include remuneration to Statutory Auditor, advertisement expenses, conveyance expenses, stationery and courier expenses, electricity expenses, legal and professional charges, repairs and maintenance expenses, miscellaneous expenses, office expenses, provision for bad and doubtful debts, rent, telephone expenses, travelling expenses and rates & taxes.

### ***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2021 compared with fiscal 2020**

### **Income**

The total income of our company for fiscal year 2021 was ₹7,397.88 lacs against ₹6,364.32 lacs total income for Fiscal year 2020. An increase of 16.24% in total income. This conservative growth was due to the fact that sales were hampered due to the onset of the pandemic. This pandemic affected all the other industries on which we are dependant.

### **Expenditure**

#### ***Cost of raw materials consumed***

In Fiscal 2021, our Company incurred cost for raw materials consumed ₹ 6,813.01 lacs against ₹ 5,836.68 lacs expenses in fiscal 2020. An increase of 16.73% from fiscal 2020 to 2021.

#### ***Direct expenses***

In Fiscal 2021, our Company incurred for direct expenses ₹ 250.65 lacs against ₹ 212.15 lacs expenses in fiscal 2020. An increase of 18.15% from fiscal 2020 to 2021.

#### ***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹ 222.23 lacs against ₹ 216.61 lacs expenses in fiscal 2020. An increase of 2.59% from fiscal 2020 to 2021.

#### ***Finance Costs***

The finance costs for the fiscal 2021 was ₹ 199.71 lacs while it was ₹ 184.77 lacs for fiscal 2020.



### ***Other Expenses***

In fiscal 2021, our other expenses were ₹ 31.16 lacs and ₹ 58.80 lacs in fiscal 2020. A decrease of 47.01% from fiscal 2020 to 2021 due to decrease in insurance expense, legal and professional charges, sales and promotion expenses etc.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 189.05 lacs against profit before tax of ₹ 121.52 lacs in Fiscal 2020, a 55.57% increase.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 139.84 lacs against profit after tax of ₹ 89.80 lacs in fiscal 2020, a 55.72% increase. Such increase is majorly due to increase in total income of the Company and decrease in other expenses of the Company

## **Fiscal 2020 compared with fiscal 2019**

### ***Income***

The total income of our company for fiscal year 2020 was ₹6,364.32 lacs against ₹3,617.07 lacs total income for Fiscal year 2019. A decrease of 75.95% in total income. This was due to expansion in our client base and hence increase in sales.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2020, our Company incurred for costs of raw materials consumed ₹ 5,836.68 lacs against ₹ 2,587.89 lacs expenses in fiscal 2019. An increase of 125.54% from fiscal 2019 to 2020.

#### ***Direct expenses***

In Fiscal 2020, our Company incurred for direct expenses ₹ 212.15 lacs against ₹ 742.21 lacs expenses in fiscal 2019. A decrease of 71.42% from fiscal 2019 to 2020.

#### ***Employee Benefit Expenses***

In Fiscal 2020, our Company incurred for employee benefit expenses ₹ 216.61 lacs against ₹ 186.38 lacs expenses in fiscal 2019. An increase of 16.22% from fiscal 2019 to 2020.

#### ***Finance Costs***

The finance costs for the fiscal 2020 was ₹ 184.77 lacs while it was ₹ 110.43 lacs for fiscal 2019.

### ***Other Expenses***

In fiscal 2020, our other expenses were ₹ 58.80 lacs and ₹ 53.35 lacs in fiscal 2019. An increase of 10.22% from fiscal 2019 to 2020.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2020 of ₹ 121.52 lacs against profit before tax of ₹ 104.50 lacs in Fiscal 2019.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2020 was negative at ₹ 89.80 lacs against profit after tax of ₹ 74.15 lacs in fiscal 2019, a 21.11% increase. Such increase is majorly due to increase in total income of the Company.

## **Fiscal 2019 compared with fiscal 2018**

### ***Income***

The total income of our company for fiscal year 2019 was ₹ 3,617.07 lacs against ₹ 1,060.24 lacs total income for Fiscal year 2018. An increase of 241.16% in total income. This growth was driven by capacity expansion in plant and machinery, driven by debt financing. With the increase capacity, we were able to process more orders which led to this increase in income.

### ***Expenditure***

#### ***Cost of raw materials consumed***

In Fiscal 2019, our Company incurred for costs of raw materials consumed ₹ 2,587.89 lacs against ₹ 794.98 lacs expenses in fiscal 2018. An increase of 225.53% from fiscal 2018 to 2019.

#### **Direct expenses**

In Fiscal 2019, our Company incurred for direct expenses ₹ 742.21 lacs against ₹ 183.37 lacs expenses in fiscal 2018. An increase of 304.76% from fiscal 2018 to 2019.

#### **Employee Benefit Expenses**

In Fiscal 2019, our Company incurred for employee benefit expenses ₹ 186.38 lacs against ₹ 19.98 lacs expenses in fiscal 2018. An increase of 832.83% from fiscal 2018 to 2019.

#### **Finance Costs**

The finance costs for the fiscal 2019 was ₹ 110.43 lacs while it was ₹ 16.04 lacs for fiscal 2018.

#### **Other Expenses**

In fiscal 2019, our other expenses were ₹ 53.35 lacs and ₹ 40.37 lacs in fiscal 2018. An increase of 32.15% from fiscal 2018 to 2019.

#### **Profit/ (Loss) before Tax**

Our Company had reported a profit before tax for the Fiscal 2019 of ₹ 104.50 lacs against profit before tax of ₹ 22.56 lacs in Fiscal 2018.

#### **Profit/ (Loss) after Tax**

Profit after tax for the Fiscal 2019 was at ₹ 74.15 lacs against profit after tax of ₹ 46.29 lacs in fiscal 2018. This 60.18% increase is driven by growth in income. Growth in top line subsequently led to growth in bottom line.

#### **Cash Flows**

(Amount ₹ in lacs)

Particulars	For the period ended December 31, 2021	For the year ended March 31,			
		2021	2020	2019	2018
Net Cash from Operating Activities	144.86	(36.67)	(421.92)	(55.11)	67.35
Net Cash from Investing Activities	(22.39)	(119.96)	(26.28)	(166.63)	(26.75)
Net Cash used in Financing Activities	(111.79)	178.58	446.54	224.37	(38.81)

#### **Cash Flows from Operating Activities**

Net cash from operating activities for fiscal 2021 was at ₹ (25.46) lacs as compared to the Profit Before Tax at ₹189.05 lacs while for fiscal 2020, net cash from operating activities was at ₹ (404.21) lacs as compared to the Profit Before Tax at ₹ 121.52 lacs. For fiscal 2019, the net cash from operating activities was ₹ (55.11) lacs compared to Profit before Tax of ₹ 104.50 lacs. For fiscal 2018, the net cash from operating activities was ₹ 67.35 lacs compared to Profit before Tax of ₹ 22.56 lacs.

#### **Cash Flows from Investment Activities**

Net cash from investing activities for fiscal 2021 was at ₹ (119.96) lacs due to purchase of fixed assets while for fiscal 2020, net cash from investing activities was at ₹ (26.28) lacs due to purchase of fixed assets. For fiscal 2019, the net cash from investing activities was ₹ (166.63) lacs due to purchase of fixed assets. For fiscal 2018, the net cash from investing activities was ₹ (26.75) lacs due to purchase of fixed assets.

#### **Cash Flows from Financing Activities**

Net cash from financing activities for fiscal 2021 was at ₹ 167.37 lacs due to repayment of borrowings and proceeds from borrowings while for fiscal 2020, net cash from financing activities was at ₹ 428.82 lacs due to proceeds from borrowings and repayment of borrowings. For fiscal 2019, the net cash from financing activities was ₹ 224.38 lacs due to proceeds from borrowings, repayment of borrowings and repayment of partner capital. For fiscal 2018, the net cash from financing activities was ₹ (38.81) lacs due to repayment of principal amount and finance costs of borrowings and repayment of partner capital.

### **OTHER MATTERS**

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled *“Financial Information”* and chapter titled *“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”*, beginning on Page 122 and 125 respectively of this Draft Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled *“Risk Factors”* and *“Management’s Discussion and Analysis of Financial Conditions and Result of Operations”*, beginning on Page 19 and 125 respectively of this Draft Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future relationship between Costs and Income**

Other than as described in the chapter titled *“Risk Factors”* beginning on Page 19 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. Competition Conditions**

The industry in we are operating faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture and supply products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an integrated packaging products manufacturers, buyers, sellers, importers, exporters and dealers with industry expertise, which enables us to provide our clients with innovative products suitable to their needs and market requirements.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **GOVERNMENT & OTHER APPROVALS**

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 95 of this Draft Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business:

#### **ISSUE RELATED APPROVALS**

For the approvals and authorizations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Disclosures – Authority for the Issue” on page 139 of this Draft Red Herring Prospectus.

#### **APPROVALS FROM THE STOCK EXCHANGES**

- a) Our Company has received an in-principle approval from Emerge Platform of NSE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE0DZ101013.

#### **General Approvals**

- a) Certificate of Incorporation dated June 7, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Ahmedabad.
- b) Intimation letter dated September 22, 2019 issued for allotment of code number GJNRD0061049000 issued under Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 by the Employees’ Provident Fund.
- c) Certificate of Importer-Exporter Code dated November 22, 2018 bearing IEC number ABACS4202Q issued by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.
- d) Udyam Registration Certificate dated February 15, 2021 bearing Registration Number UDYAM-GJ-01-0047119 issued by Ministry of Micro, Small & Medium Enterprises.

#### **Tax Related Approvals**

- a) Our Company’s permanent account number issued by the Income Tax Department is ABACS4202Q.
- b) Our Company’s tax deduction and collection number issued by the Income Tax Department is AHMS33440B.
- c) Registration certificate of goods and services tax (Gujarat) bearing registration number 24ABACS4202Q1ZB dated December 20, 2021 issued by the Government of India.

#### **Business Related Approvals**

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory	Joint Director, Directorate Industrial Safety and Health, Ahmedabad Region	Registration No. 2315/22201/2018 License Number 34943	April 13, 2018	December 31, 2025

#### **Intellectual Property Related Approvals**

As on date of this Draft Red Herring Prospectus, our Company has not applied for or availed any intellectual property approvals.

**Licenses / approvals which have expired and for which renewal applications have not been made by our Company.**

Nil

**Licenses / Approvals which are required but not yet applied for by our Company:**

The licenses of our Company are under the name of “*Sabar Flex*” and we are yet to apply for changing our name post conversion to a public limited company.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Hikmatbahadur Krishnabahadur Kunwar**

Chairman and Managing Director

DIN: 00024010

Date: June 14, 2022

Place: Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Manoj Kumar Agarwal**

Director

DIN: 08108458

Date: June 14, 2022

Place: Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Sonalbahen Pratik Bhatt**

Additional Non-Executive Director

DIN: 09507674

Date: June 14, 2022

Place: Ahmedabad



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Bhavna Shah**

Additional Independent Director

DIN: 09494548

Date: June 14, 2022

Place: Ahmedabad

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Shubham Jain**

Additional Independent Director

DIN: 09494548

Date: June 14, 2022

Place: Ahmedabad

### **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Corrigendum cum Addendum to the Draft Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made there under or guidelines issued, as the case may be. I further certify that all the statements in this Corrigendum cum Addendum to the Draft Prospectus are true and correct.

**Signed by the Director**

**Sd/-**

**Tinkle Rawal**

Chief Financial Officer

Date: June 14, 2022

Place: Ahmedabad