

This is an abridged prospectus containing salient features of the Red Herring Prospectus of Sealmatic India Limited dated February 11, 2023 filed with the Registrar of Companies, Mumbai, (the “RHP” or “Red Herring Prospectus”). You are encouraged to read greater details available in the RHP, which is available at website of the company at [www.sealmaticindia.com](http://www.sealmaticindia.com) or at the website of BRLM at [www.iskadvisors.com](http://www.iskadvisors.com) or at the website of the BSE at [www.bseindia.com](http://www.bseindia.com) or expected to be available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in). Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the RHP.

**THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND FOURTEEN PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**



**SEALMATIC INDIA LIMITED**

**Corporate Identification Number: U26900MH2009PLC197524; Date of Incorporation: December 02, 2009**

Registered Office	Corporate Office & Plant No 1	Contact Person	Email and Telephone	Website
4 <sup>th</sup> Floor, Techniplex -I, Techniplex Complex, Off Veer Savarkar Flyover, Goregaon (West), Mumbai 400062, India	Bldg A, Indiplex IV, Survey No-12, Hissa No-9A, Village Ghodbunder, Shanti Vidya Nagri Road, Mira Road (E) Thane-401104 India	Ms. Neha Pinak Chedda  Company Secretary and Compliance Officer	Email Id: <a href="mailto:compliance@sealmaticindia.com">compliance@sealmaticindia.com</a>  Tel No: +91 9867058592	<a href="http://www.sealmaticindia.com">www.sealmaticindia.com</a>

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION**

Name	Type	No. of Shares Offered	Weighted Average Cost of Acquisition (in ₹)
Mr. Mohamed Hanif Chaudhari	Promoter	1,01,769	Negligible
Mr. Sadik S. Chaudhari	Promoter group	1,01,769	Negligible
Mr. Abid Ali. Chaudhari	Promoter group	1,01,771	Negligible
Mrs. Waheeda U. Balwa	Promoter group	1,14,764	Negligible
Mr. Rafiq H. Balwa	Promoter	2,29,527	Negligible

**PROMOTERS OF THE COMPANY  
MR. MOHAMED HANIF CHAUDHARI, MR. UMAR A K BALWA AND MR. RAFIQ H. BALWA**

**DETAILS OF THE ISSUE**

Type	Fresh Issue Size ₹ In Lakhs	OFS Size ₹ In Lakhs	Total Issue Size ₹ In Lakhs	Market Maker Reservation Portion ₹ In Lakhs	Eligibility 229(1)/229(2) & Share Reservation among NII & RII
<b>FRESH ISSUE &amp; OFFER FOR SALE (OFS)</b>	Upto 18,50,000 Equity Shares aggregating upto ₹ [●] Lakhs	Upto 6,49,600 Equity Shares aggregating upto ₹ [●] Lakhs	Upto 24,99,600 Equity Shares aggregating upto ₹ [●] Lakhs	Upto 1,26,000 Equity Shares aggregating upto ₹ [●] Lakhs	THIS ISSUE IS MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED

**ISSUE DETAILS, LISTING AND PROCEDURE**

Initial Public Offer of upto 24,99,600 equity shares of face value of ₹ 10 each (“equity shares”) of Sealmatic India Limited (the “company” or “SIL” or “the issuer”) for cash at a price of ₹ [●] per equity (including a share premium of ₹ [●] per equity share) (the “issue price”), aggregating to ₹ [●] lakhs (“the issue”), comprising of fresh issue of upto 18,50,000 equity shares at ₹ [●] per equity shares aggregating to ₹ [●] lakhs and Offer For Sale of 6,49,600 equity shares by Selling Shareholders at a price of ₹ [●] per equity shares aggregating to ₹ [●] lakhs. the offer includes a reservation of upto 1,26,000 equity shares of face value of ₹ 10 each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs for subscription by the market maker to the offer (the “Market Maker reservation portion”). the issue less market maker reservation portion i.e., issue of upto 23,73,600 equity shares aggregating to ₹ [●] lakhs hereinafter referred to as the (“Net Issue”). the issue and the net issue will constitute 27.62 % and 26.23 % respectively of the post issue paid up equity share capital of the company. the face value of the equity shares is ₹ 10/- each. **These equity shares are proposed to be listed on the SME Platform of BSE (Designated Stock Exchange).**

**Price Band: ₹ 220.00 to ₹225.00 per equity share of face value of ₹ 10/- each and the issue price is 22 to 22.5 times of the face value at the lower price band and upper price band respectively. Bid can be made for minimum of 600 equity shares and the multiples of 600 equity shares thereafter.**

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined and justified by our Company in consultation with the BRLM), on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in the chapter titled “Basis for Issue Price” beginning on page no 104 of this RHP should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our company nor regarding the price at which the equity shares will be traded after listing.

### PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Registrar to the Issue, Registrar and Share Transfer Agents (“RTAs”), Collecting Depository Participants (“CDPs”), Registered Brokers, Underwriters, Banker to the Issue, Investors’ Associations or Self Certified Syndicate Banks (“SCSBs”).

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM or download it from the website of the company at [www.sealmaticindia.com](http://www.sealmaticindia.com) or at the website of BRLM at [www.iskadvisors.com](http://www.iskadvisors.com) or at the website of the BSE at [www.bseindia.com](http://www.bseindia.com) or expected to be available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

### INDICATIVE TIMETABLE

Issue Opening Date	17 <sup>th</sup> February, 2023	Initiation of Allotment / Refunds / Unblocking of Funds or UPI ID linked bank account	On or before 27 <sup>th</sup> February, 2023
Issue Closing Date	21 <sup>st</sup> February, 2023	Credit of Equity Shares to Demat accounts of Allotees	On or before 28 <sup>th</sup> February, 2023
Finalisation of Basis of Allotment with the Designated Stock Exchange	24 <sup>th</sup> February, 2023	Commencement of trading of Equity Shares on the Stock Exchanges	On or before 1 <sup>st</sup> March, 2023

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 8 of this Abridged Prospectus.

### PRICE INFORMATION OF BOOK RUNNING LEAD MANAGER

#### Price Information of past issues handled by the Book Running Lead Manager

Sr. No.	Issuer Name	Issue Size (In Cr.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- one day before filing of Prospectus
1	Advait Infratech Limited	6.89	51	Sept 28, 2020	51.95	0.2%, (+4.67%)	1.02%, (+19.78%)	1%, (32.02%)	₹ 366*
2	Maruti Interior Products Limited	11	55	Feb 16, 2022	71.90	7.93%, (-2.03%)	32.73%, (-8.65%)	173%, (+3.18%)	₹ 172

3	Technopack Polymers Limited	7.865	55	Nov 16, 2022	77.70	79.45% (-0.01%)	-	-	₹ 105.96
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\* Post 1:1 Bonus Issue

#### Note

1. The respective Designated Stock Exchange for each Issue has been considered as the Benchmark Index for each of the above Issues.
2. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

#### Summary Statement of Disclosure

##### Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the ISK Advisors Private Limited, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the website of ISK Advisors Private Limited at [www.iskadvisors.com](http://www.iskadvisors.com)

<b>Names of the Book Running Lead Manager and contact details (Telephone and Email ID) of the Book Running Lead Manager</b>	<b>ISK ADVISORS PRIVATE LIMITED</b> 501, A. N. Chambers, 130, Turner Road, Bandra West, Mumbai-400 050 <b>Tel No.:</b> +91 – 22 – 26431002 or +91 079 26464023 <b>Email:</b> <a href="mailto:ncmpl@ncmpl.com">ncmpl@ncmpl.com</a> <b>Website:</b> <a href="http://www.iskadvisors.com">www.iskadvisors.com</a> <b>Investor Grievance Email:</b> <a href="mailto:enquiry@ncmpl.com">enquiry@ncmpl.com</a> <b>Contact Person:</b> Mr. Ronak I. Kadri <b>SEBI Registration No.</b> INM000012625
<b>Name of Market Maker and contact details (Telephone and Email ID)</b>	<b>SUNFLOWER BROKING PRIVATE LIMITED</b> Sunflower House, 5 <sup>th</sup> Floor, 80 Feet Road, Near Bhaktinagar Circle, Rajkot-360002 <b>Tel No-</b> 0281-2361935/ 079 4039 6993 <b>Email-</b> <a href="mailto:compliance@sunflowerbroking.com">compliance@sunflowerbroking.com</a> <b>Website-</b> <a href="http://www.sunflowerbroking.com">www.sunflowerbroking.com</a> <b>Contact Person-</b> Mr Bhavik Vora/ Mr. Nikunj Mehta <b>SEBI Registration No-</b> INZ000195131
<b>Name of Registrar to the Issue and contact details (Telephone and Email ID)</b>	<b>KFIN TECHNOLOGIES LIMITED</b> Selenium Tower- B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 <b>Tel No.:</b> +91 40 6716 2222 <b>Fax:</b> +91 40 2343 1551 <b>Email:</b> <a href="mailto:sealmatic.ipo@kfintech.com">sealmatic.ipo@kfintech.com</a> ; <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>Investor Grievance Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Contact Person:</b> Mr. M Murali Krishna <b>SEBI Registration No.:</b> INR000000221
<b>Name of Statutory Auditor</b>	M/s R.R. Shah & Associates, Chartered Accountants
<b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>	N. A.
<b>Name of Debenture trustee, if any</b>	N. A.
<b>Self Certified Syndicate Banks:</b>	The list of banks is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . which is updated from time to time

The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible Mobile Apps and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>

**Registered Brokers:** You can submit the Application Forms in the Issue to Registered Brokers at the Broker Centres. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange ([www.bseindia.com](http://www.bseindia.com)). For further details, see section titled “Issue Procedure” beginning at page 255 of the Prospectus.

**Details regarding website address(es) /link(s) from which the investor can obtain list of Registrar to Issue and Share Transfer Agents and Depository Participants who can accept Application From investor (as applicable):** The details of the Designated Registrar and Share Transfer Agents Locations and Designated Collecting Depository Participant Locations, along with their names and contact details are available on the website of the Stock Exchange ([www.bseindia.com](http://www.bseindia.com)) as updated from time to time.

## PROMOTERS OF OUR COMPANY

### **Mr. Mohamed Hanif Chaudhari**

Mr. Mohamed Hanif Chaudhari, aged 56 years, is also a founding member of Sealmatic. He brings to Sealmatic an extensive experience of over 33 years in designing, manufacturing and servicing of mechanical seals. He has been trained in Germany and Japan covering various intricate aspects of sealing technology.

- He holds a unique blend of understanding the dynamics of sealing technology and provides robust solutions to the market place. Over the years he has played many roles including being the Asst Vice President at Burgmann India from 1993 until 2011. Throughout this time, he has not only believed in completely devoting himself to the vision of harnessing sealing technology but championed the cause of providing high performance sealing solutions.
- From year 2012 he is Director in Sealmatic India Limited.

### **Mr. Umar A. K. Balwa**

Mr. Umar A. K. Balwa, 55 years old is one of the founding members of Sealmatic. He has a Bachelor's degree from the Mumbai University. He has extensive experience of over 33 years managing various key functions at Burgmann, Balwa Group and Sealmatic.

- He was the Executive Director Sales of Burgmann India (German conglomerate) from 1993 until 2001 and from 2001 until August 2007 as the Managing Director. During this period and under his leadership, Burgmann was second to none in the business of mechanical seals in India.
- Umar Balwa brings to Sealmatic, his vast and comprehensive knowledge of sealing technology coupled with his drive for innovation and his strong business acumen. He has established an over encompassing sales network through 45 countries across the globe and has been instrumental in Sealmatic's rise as one of the leading sealing technology companies worldwide..
- From year 2011, he is appointed as director in Sealmatic India Limited.

### **Mr. Rafiq H. Balwa**

Mr. Rafiq H. Balwa, aged 37 years, the Promoter Director of our Company has over 10 years of experience in the hospitality and construction industry. He has formal education in Business Management

- He was intensively engaged in the project management, from the ground- breaking stage to its inauguration of the group's Radisson Hotel at Goregaon (West) Mumbai and Hotel under the brand Fairfield by Marriott at Andheri (East) Mumbai. His meticulous planning and operational skills have

led the Radisson hotel to win the prestigious Pacific Asia Travel Writers Association Award for Best Business Hotel

- Furthermore, his experience spearheaded the opening of Grand Blossom, a mini convention centre and another 4 Star hotel under the name of Residency Sarovar Portico. His youthful outlook contributes to the group's future development in the field of hospitality.

There are no Group Companies of our Company currently listed on any Stock Exchange.

## **BUSINESS MODEL / BUSINESS OVERVIEW AND EXPANSION PLAN**

Our company was originally incorporated as Seal Matic India Private Limited on December 02, 2009 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956 with the Registrar of Companies (ROC), Mumbai, Maharashtra. Subsequently, the name of the company was changed to "Sealmatic India Private Limited" pursuant to a special resolution passed by the shareholders of the company at the Extra Ordinary General Meeting held on March 12, 2021. A fresh certificate of incorporation consequent upon change of name was issued on March 30, 2021 by the ROC, Mumbai, Maharashtra. Subsequently, the name of the company was changed to "Sealmatic India Limited" pursuant to a special resolution passed by the shareholders of the company at the Extra Ordinary General Meeting held on October 13, 2022. A fresh certificate of incorporation consequent upon change of name was issued on November 03, 2022 by the ROC, Mumbai, Maharashtra.

Sealmatic designs and manufactures mechanical seals and associated products, sealing support systems mainly for the oil & gas, refinery, petrochemical, chemical, pharmaceutical, fertilizer, power, mining, pulp & paper, aerospace, marine and many more industrial applications. With a wide range of products and services, Sealmatic has solutions for every sealing requirement – such as Pusher Seals, Standard Cartridge Seals, Elastomer Bellows Seals, Metal Bellows Seals, Engineered Seals, Split Seals, Gas-Lubricated Seals and many more. Sealmatic has proven itself with its heavy-duty mechanical seals with innovative and tailor-made sealing solutions guaranteeing longer service. Sealmatic products are globally recognized as a trusted brand in the process industry.

### **Expansion Plan**

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has received. Many of these approvals are granted for fixed periods of time and need renewal from time to time. We will also require various permissions to start new unit no. 2 near Mumbai under expansion plan mentioned in object of the issue on page no 96 of this DRHP. Non-renewal or issue of new permission of the said required permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. We cannot guarantee that we have taken or applied for all the approvals required and if we have not taken any particular approval at all, the same may lead to penalties, both monetary and operational. Details of the approvals obtained by us or are under process of application or which are pending before the appropriate authorities are more particularly mentioned in the chapter titled "Government and Other Key Approvals" beginning on page no. 230 of this Draft Red Herring Prospectus.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled "Key Industry Regulations and Policies" and

“Government and Other Key Approvals” at page nos. 132 and 230 respectively of this Draft Red Herring Prospectus.

### BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience including current/past position held in other firms
1	Mr. Mohamed Hanif Chaudhari	Wholetime Director	For details please refer to “Promoters of Our Company” on page 4 of this Abridged Prospectus.
2	Mr. Umar A K Balwa	Managing Director	For details please refer to “Promoters of Our Company” on page 4 of this Abridged Prospectus.
3	Ms Sania U. Balwa	Director	<p>Ms. Sania Umar Balwa, aged 30 years, has served as a Director at Balwa Group for over seven years. She holds a Master’s degree from the University of Warwick in marketing and strategy. She has a rich experience in international business, sales and marketing that involves conventional and digital media. During her diverse global experience, she has worked for the Family Group with renowned brands such as Radisson, Marriott etc. She has successfully unlocked growth for Sealmatic through the extensive digital marketing campaigns conducted over the past two years.</p> <p>Since October, 2022 she is a Director in Sealmatic India Limited</p>
4	Mr. Deepak A. Ghangurde	Independent Director	<p>He has worked with Bank of India and Syndicate Bank (now Canara Bank) in various capacities for a period of about 30 years. Major part of the service was in Loans and Advances Department during which I had the opportunity of handling the following assignments apart from the other assignments in other departments of the Bank</p> <p>He was appointed as an Independent Director in Sealmatic India Limited since December, 2022.</p>
5	Mr. Ajoy Balkrishna	Independent Director	<p>Mr. Ajoy Balkrishna, aged 54 years, is a commerce graduate from Mumbai University and a thorough hotelier with 32 + years of extensive hospitality experience. He also is a Diploma holder in Hotel Management and has also been through the Regent Executive Development Program.</p> <p>From December, 2022 appointed as an Independent Director of TPL.</p>

For details please see chapter titled “Our Management” on page 140 of the Prospectus.

## OBJECTS OF THE ISSUE

The Objects of the Issue is to raise funds for:

- (a) Part funding to purchase and set up additional SACMI CCM24S-F plant for manufacturing of HDPE Beverages Closures (Compression moulding machine fully equipped with all ancillaries)
- (b) Additional Working Capital Requirement
- (c) General Corporate Purpose

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds from the Issue	[●]
Less: Issue related Expenses	[●]
<b>Net Proceeds from the Fresh Issue</b>	<b>[●]</b>

The fund requirements for each of the object of the Issue are stated as below:

(₹ in lakhs)

Sr. No.	Objects of the Issue	Total Funds Required	Amount Deployed till Date	Amount to be financed from Net Proceeds of Issue	Estimated Net Proceeds Utilization in FY 2022-23
1	Purchase of Plant & Machinery	1200.00	0	1200.00	1200.00
2	Product Development	300.00	0	300.00	300.00
3	Marketing and Post-Sales Support	1100.00	0	1100.00	1100.00
4	General Corporate Purpose	[●]	[●]	[●]	[●]
5	Provisions and Contingency	400.00	0	400.00	400.00
6	Working Capital Requirement	3,723.87	3,007.37	716.00	716.00
	<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years. – Not Applicable**

**Name of monitoring agency, if any – Not Applicable**

**Terms of Issuance of Convertible Security, if any – Not Applicable**

### Shareholding Pattern

Sr. No.	Particulars	Pre Issue No. of Shares	% holding of Pre- Issue	Post Issue No. of Shares*	% holding of Post- Issue*
1	Promoter and Promoter Group	72,00,000	100%	65,50,400	72.38%

2	Public	0	0%	24,99,600	27.62%
	<b>Total</b>	<b>72,00,000</b>	<b>100.00%</b>	<b>90,50,000</b>	<b>100.00%</b>

\* Assuming full subscription in the Issue.

### RESTATED AUDITED FINANCIALS

(₹ in Lakhs)

Particulars	Year ended on 30.09.2022	For the year ended March 31,		
		2022	2021	2020
Share Capital	720.00	20.00	20.00	20.00
Reserves & Surplus	2830.15	2,995.89	2,995.89	2,995.89
<b>Net-Worth</b>	<b>3550.15</b>	<b>3,015.89</b>	<b>3,015.89</b>	<b>3,015.89</b>
Total Income (Revenue plus other income)	<b>2582.12</b>	<b>4,276.80</b>	<b>4,276.80</b>	<b>4,276.80</b>
Profit After Tax	<b>543.45</b>	<b>841.46</b>	<b>841.46</b>	<b>841.46</b>
<b>Earnings Per Share</b>				
Basic & Diluted (Post Bonus)	7.55	420.73	420.73	420.73
Net Asset Value Per Share (₹ in lakhs) – Based on actual no. of equity shares at the end of the year.	49.31	1507.95	1507.95	1507.95
Total Borrowings	224.39	93.56	93.56	93.56

\*For the period of four months and not annualised.

Estimated Annualised EPS for year ended March 31, 2023	15.10
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### INTERNAL RISK FACTORS

Below are the top 10 Risk Factors as per the Prospectus:

1. Our Company is party to certain legal proceedings under Civil Laws and Negotiable Instruments Act. Any adverse decision in such proceedings may have effect on our business, results of operations and financial condition.
2. Some of the statutory approvals and property (ies) owned by our Company are required to be transferred in the name of “Sealmatic India Limited” from “Sealmatic India Private Limited”, pursuant to conversion from private limited to public limited company. Any failure to obtain and renew them or failure to transfer them in name of “Sealmatic India Limited” in a timely manner may affect our business operations
3. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses in timely manner or comply with such rules and regulations or at all may adversely affect our operations.
4. Our third-party suppliers, on whom we rely for the raw material, may fail to deliver raw material of sufficient quality or in a timely manner, which could adversely affect our reputation, net sales and profitability.
5. Our business derives a major portion of its revenue from our users in India & Overseas. The loss of a major customer or a significant reduction and sales of, or demand for our products from our major customers, may adversely affect our business, financial condition.
6. Our revenues and profits are difficult to predict and can vary significantly from period to period, which may impact our ability to pay dividend as well as cause the price of our Equity Shares to fluctuate.
7. The industry in which we operate, requires labor/ manpower and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.
8. Our efforts to protect our intellectual property and to avoid infringing on the intellectual property rights of others may not be successful, which could affect the reputation of our brands and business operations.



9. Trade Receivables and Inventories form a substantial part of our current assets and net worth. Failure to manage our trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.
10. Our business will suffer if we fail to keep pace with rapid changes in technology, product, demand & competition on which we focus.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION****1. Our Company is party to certain legal proceedings under Civil Laws and Negotiable Instruments Act. Any adverse decision in such proceedings may have effect on our business, results of operations and financial condition.**

Our Company is party to certain legal proceedings under Income Tax Laws. These legal proceedings are pending at different levels under the law. Mentioned below are the details of the proceedings involving our company and Group Companies as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on January 03, 2023.

The Litigations are summarized as below:

**LITIGATION INVOLVING OUR COMPANY****a. Cases filed by Company****(i) Direct Tax Liabilities**

<b>Provision of Law</b>	<b>Forum</b>	<b>Amount Concerned</b>	<b>Particulars of Proceedings</b>
Appeal under section 246A of the Income Tax Act, 1961  (Acknowledgement number - 269440341091219)	Commissioner of Income Tax (Appeals)	Rs 79,620/-	The dispute pertains to whether there was an error in assessment of the income of our company for AY 2018-2019. The assessed income of our company was Rs 3,25,61,928/- as against returned income of Rs 3,23,02,603/- The same resulted in addition of income of Rs 2,59,325/- resulting in a disputed amount of Rs 79,620/- in income tax.
Appeal under section 246A of the Income Tax Act, 1961  (Acknowledgement number - 339627511210520)	Commissioner of Income Tax (Appeals)	Rs 2,80,680/-	The dispute pertains to whether there was an error in assessment of the income of our company for AY 2019-2020. The assessed income of our company was Rs 6,78,08,300/- as against returned income of Rs 6,69,70,440/-. The same resulted in addition of income of Rs 8,37,860/- resulting in a disputed amount of Rs 2,80,680/- in income tax.

## LITIGATION INVOLVING OUR DIRECTORS

### A. LITIGATION AGAINST OUR PROMOTER GROUP

#### 1. Litigation involving Tax Liabilities

##### (i) Direct Tax Liabilities

Provision of Law	Forum	Amount Concerned	Particulars of Proceedings
Appeal under section 246A of the Income Tax Act, 1961 filed by Ismail A. Balwa  (Acknowledgement number -115847210060121)	Commissioner of Income Tax (Appeals)	Rs 4,92,059/- (being the amount of disputed demand)	The dispute pertains to whether there was an error in not granting the full credit for tax deducted at source for assessment year 2018-2019.
Appeal under section 246A of the Income Tax Act, 1961 filed by Ismail A. Balwa  (Acknowledgement number -747230280050722)	Commissioner of Income Tax (Appeals)	Rs 2,35,010/- (being the amount of disputed demand)	The dispute pertains to a computation error while calculating the NAV of house / residential property in respect of income tax for assessment year 2020-2021.

##### (ii) Other Pending Litigations:

Provision of Law	Forum	Amount Concerned / Particulars	Particulars of Proceedings
Civil Suit as per the Code of Civil Procedure, 1908  Special Civil Suit No. 123 of 2009 filed against Mr. Ismail Balwa	Court of the Civil Judge, Thane	Survey No. 36, Hissa No. 4 of village Ghodbunder, Thane admeasuring 6897 sq. yards.	The suit has been filed for specific performance of alleged agreement to sell in respect of the premises.
Civil Suit as per the Code of Civil Procedure, 1908  Miscellaneous Application No. 133 of 2014 in Special Civil Suit No. 123 of 2009 filed against Mr. Ismail Balwa	Court of the Civil Judge, Thane	Survey No. 36, Hissa No. 4 of village Ghodbunder, Thane admeasuring 6897 sq. yards.	The applicant alleges that defends have committed contempt by violating an order of status quo passed by the civil court.
Civil Suit as per the Code of Civil Procedure, 1908	Court of the Civil Judge, Thane	Survey No. 36, Hissa No. 4 of village Ghodbunder, Thane	The suit has been filed for specific performance of

Civil Suit No. 558 of 2019 filed against Mr. Ismail Balwa		admeasuring 6897 sq. yards.	alleged agreement to sell in respect of the premises.
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## **LITIGATION AGAINST OUR GROUP ENTITIES**

### **1. Litigation involving Tax Liabilities**

#### **(i) Direct Tax Liabilities**

<b>Sr. No.</b>	<b>Provision of Law</b>	<b>Forum</b>	<b>Amount Concerned</b>	<b>Particulars of Proceedings</b>
1.	Appeal under section 246A of the Income Tax Act, 1961 filed by Resiplex  (Acknowledgement number - 410988841210119)	Commissioner of Income Tax (Appeals)	Rs. 4,00,000/- (being the amount added to returned income)	The dispute pertains to action by the assessing officer in assessing the income of the company at Rs. 21,32,845/- against returned income of Rs. 17,32,845/- by reopening assessment for AY 2011-2012.
2.	Appeal under section 246A of the Income Tax Act, 1961 filed by Techniplex  (Acknowledgement number - 319003281070320)	Commissioner of Income Tax (Appeals)	Rs. 5,43,000/- (being the amount of pending credit not granted towards tax deducted at source)	The dispute pertains to whether there was an error in not granting the full credit for tax deducted at source.
3.	ITXA/146 of 2020 filed by Associated Hospitality and Developers Private Limited	Bombay High Court		An appeal was filed by Associated Hospitality and Developers Private Limited against the Assessment Order in respect of AY 2013-14 with before the Income Tax Appellate Tribunal. Against the observations of the Tribunal disallowing the claim of interest expense, appeal is preferred.
4.	ITXA/835 of 2020 Before the Bombay High Court filed by Associated Hospitality and Developers Private Limited	Bombay High Court		An appeal was filed by Associated Hospitality and Developers Private Limited against the Assessment Order in respect of AY

				2013-14 with before the Income Tax Appellate Tribunal. The Tribunal allowed contentions with respect to the Deemed Dividend u/s 2(22)(e) of the Income Tax Act, 1961. Against the said observations, appeal is preferred by the department.
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**(ii) Indirect Taxes Liabilities**

<b>Provision of Law</b>	<b>Forum</b>	<b>Amount Concerned</b>	<b>Particulars of Proceedings</b>
Appeal under section 26 of the Maharashtra Value Added Tax Act, 2006 filed by Techniplex	Deputy Commissioner of State Tax (Appeal)	Rs. 16,14,294/- (being amount of set off denied, interest levied and penalty imposed)	The dispute pertains to value added tax liability assessed for the period 01.04.2008 to 31.03.2009
Appeal under section 26 of the Maharashtra Value Added Tax Act, 2006 filed by Techniplex	Deputy Commissioner of Sales Tax (Appeal)	Rs. 3,27,67,242/- (being amount of set off denied, interest levied and penalty imposed)	The dispute pertains to value added tax liability assessed for the period 01.04.2009 to 31.03.2010.
Appeal under section 26 of the Maharashtra Value Added Tax Act, 2006 filed by Techniplex	Deputy Commissioner of Sales Tax (Appeal)	Rs. 4,05,55,820/- (being amount of set off denied, interest levied and penalty imposed)	The dispute pertains to value added tax liability assessed for the period 01.04.2010 to 31.03.2011.

There can be no assurance that these litigations will be decided in favor of our Company and its group companies and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Promoters and Directors please refer to the chapter titled "Outstanding Litigations and Material Developments" beginning on page no. 222 of this Red Herring Prospectus.

**ANY OTHER IMPORTANT INFORMATION AS PER LEAD MANAGER / THE COMPANY –  
NONE**

**DECLARATION BY THE COMPANY**

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities Contract (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Prospectus are true and correct.