(Please scan this QR code to view the RHP)

RED HERRING PROSPECTUS
Dated: July 21, 2025
Please read Section 28 and 32 of The Companies Act, 2013
(This Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KAYTEX FABRICS LIMITED

CORPORATE IDENTITIFICATION NUMBER: U18101PB1996PLC017639

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India	**Rubina Mahajan** Company Secretary and Compliance Officer	**Email:** investor@kaytexfabrics.com **Telephone:** 0183 – 400 9025	https://kaytexfabrics.com/

THE PROMOTERS OF OUR COMPANY ARE SANJEEV KANDHARI, AMIT KANDHARI, SHELLY KANDHARI AND PRITI KANDHARI

DETAILS OF OFFER TO PUBLIC

TYPE	FRESH ISSUE SIZE	OFS SIZE	TOTAL OFFER SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG QIB, NIB & IB
Fresh Issue and Offer for Sale	Up to 31,99,200 Equity Shares aggregating to ₹ [●] Lakhs	Up to 6,79,200 Equity Shares aggregating to ₹ [●] Lakhs	Up to 38,78,400 Equity Shares aggregating to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 229 (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 325. For details of share reservation among QIBs, NIBs and IBs, see "*Offer Structure*" on page 343

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME	TYPE	NUMBER OF SHARES OFFERED / AMOUNT (₹ IN LAKHS)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) *
Sanjeev Kandhari	Promoter Selling Shareholder	Up to 3,39,600 Equity Shares aggregating to ₹ [●] Lakhs	0.38
Amit Kandhari	Promoter Selling Shareholder	Up to 3,39,600 Equity Shares aggregating to ₹ [●] Lakhs	0.38

* *As certified by M/s. S G U R & Co, Chartered Accountants, pursuant to their certificate dated July 15, 2025.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹10/- each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in "*Basis for Offer Price*" on page 129 should not be considered 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 39.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements made or confirmed by such Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, confirms that it does not assume any responsibility for any other statements, disclosures and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or any other Selling Shareholder or any other person, in this Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of NSE ("**NSE Emerge**"). For the purpose of the Offer, NSE is the Designated Stock Exchange.

DETAILS OF BOOK RUNNING LEAD MANAGER ("BRLM")

Logo	Name	Contact Person	Telephone	Email
SOCRADAMUS Wisdom For Finance	Socradamus Capital Private Limited	Kritika Rupda	022 - 4961 4235	info@socradamus.in

DETAILS OF REGISTRAR TO THE OFFER

Logo	Name	Contact Person	Telephone	Email
	Bigshare Services Private Limited	Babu Rapheal C	022 - 6263 8200	ipo@bigshareonline.com

BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	MONDAY, JULY 28, 2025**	BID / OFFER OPENS ON	TUESDAY, JULY 29, 2025	BID / OFFER CLOSES ON	THURSDAY, JULY 31, 2025***

***Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.*
**** Our Company in consultation with the BRLM, may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.*
 # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Offer Closing Date.

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RED HERRING PROSPECTUS
Dated: July 21, 2025
Please read Section 28 and 32 of The Companies Act, 2013
(This Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KAYTEX FABRICS LIMITED

Our company was incorporated as a private limited company under the name "*Kaytex Fabrics Private Limited*" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 29, 1996 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on December 05, 2024 and the name of our Company was changed to "*Kaytex Fabrics Limited*" with a fresh certificate of incorporation dated December 19, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre. For further details on incorporation and registered office of our Company, see "*History and Certain Corporate Matters*" on page 248.

Corporate Identification Number: U18101PB1996PLC017639;
Registered & Corporate Office: Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India;
Contact Person: Rubina Mahajan, Company Secretary and Compliance Officer;
Telephone: 0183 – 400 9025; **Email:** investor@kaytexfabrics.com; **Website:** https://kaytexfabrics.com/

THE PROMOTERS OF OUR COMPANY ARE SANJEEV KANDHARI, AMIT KANDHARI, SHELLY KANDHARI AND PRITI KANDHARI

INITIAL PUBLIC OFFERING OF UPTO 38,78,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE OFFER"). THE OFFER COMPRISES A FRESH ISSUE OF UP TO 31,99,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 6,79,200 EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹ [●] LAKHS, COMPRISING UP TO 3,39,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY SANJEEV KANDHARI ("PROMOTER SELLING SHAREHOLDER") AND UP TO 3,39,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY AMIT KANDHARI ("PROMOTER SELLING SHAREHOLDER") (COLLECTIVELY, THE "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE [●] % OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY, OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH. THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF BUSINESS STANDARD HINDI (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND ALL EDITIONS OF THE PUNJABI DAILY NEWSPAPER, DES PARDES (PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid / Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company and Selling Shareholders may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum period of one Working Day, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price band and the revised Bid / Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a public notice and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations and in compliance with Regulation 253(1) and 253(2) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs (the "**QIB Portion**"), provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders ("**Non-Institutional Portion**") on a proportionate basis to Non-Institutional Bidders out of which (a) one third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10.00 lakhs; (b) two third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than ₹10.00 lakhs provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, not less than 35% of the Net Offer shall be available for allocation to Individual Bidders ("**Individual Bidder Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Offer Procedure*" on page 347.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the equity shares of our Company. The Offer Price, Floor Price or the Price Band as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 129 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 39.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements made or confirmed by such Selling Shareholder in this Red Herring Prospectus to the extent of information specifically pertaining to itself and its portion of the Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, severally and not jointly, confirms that it does not assume any responsibility for any other statements, disclosures and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or the other Selling Shareholder or any other person, in this Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on SME Platform of NSE ("**NSE Emerge**"). Our Company has received "In-Principle" approval from the NSE Emerge for the listing of the Equity Shares pursuant to letter dated May 28, 2025. For the purpose of the Offer, NSE is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 396.

BOOK RUNNING LEAD MANAGER ("BRLM")	REGISTRAR TO THE OFFER
SOCRADAMUS CAPITAL PRIVATE LIMITED Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Telephone:** 022 – 4961 4235 **Email:** info@socradamus.in **Investors Grievance e-mail:** investors@socradamus.in **Website:** https://socradamus.in/ **Contact Person:** Kritika Rupda **SEBI Registration Number:** INM000013138	**BIGSHARE SERVICES PRIVATE LIMITED** Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai – 400 093, Maharashtra, India **Telephone:** 022 - 6263 8200 **Email:** ipo@bigshareonline.com **Investor Grievance e-mail:** investor@bigshareonline.com **Website:** www.bigshareonline.com **Contact Person:** Babu Rapheal C **SEBI Registration Number:** INR000001385

BID / OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE	MONDAY, JULY 28, 2025**	BID / OFFER OPENS ON	TUESDAY, JULY 29, 2025	BID / OFFER CLOSES ON	THURSDAY, JULY 31, 2025***

***Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Offer Opening Date.*
**** Our Company in consultation with the BRLM, may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.*
 # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms in "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "Restated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of the Articles of Association" on pages 129, 138, 141, 237, 273, 309, 347 and 367 respectively, shall have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
Kaytex Fabrics / The Company / Our Company / Kaytex Fabrics Limited	Kaytex Fabrics Limited, a public limited company incorporated in India under the Companies Act, 2013 having its Registered Office at Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
AoA / Articles / Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on January 03, 2025 in accordance with Section 177 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 257
Auditors / Statutory Auditors / Peer Reviewed Auditors	The current statutory and peer reviewed auditors of our Company, being M/s S G U R & Co. Chartered Accountants
Bankers to our Company	HDFC Bank Limited
Board of Directors / Board / Directors (s)	The Board of Directors of our company, including all duly constituted Committees thereof described in "*Our Management – Board of Directors*" on page 251
Chairman / Chairperson	Sanjeev Kandhari, the Chairman of our Company. For details with respect to his profile, see "*Our Management – Brief Profile of our Directors*" on page 253
Chief Financial Officer / CFO	Amit Kandhari, the Chief Financial Officer of our Company. For details with respect to his profile, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 264
Company Secretary and Compliance Officer	Rubina Mahajan, the Company Secretary and Compliance Officer of our Company. For details with respect to her profile, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 264
Corporate Identification Number / CIN	U18101PB1996PLC017639
Corporate Office / Registered Office / Registered and Corporate Office	The registered and corporate office of our Company situated at Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in "*Our Management – Corporate Governance*" on 257
D&B	Dun & Bradstreet Information Services India Private Limited
D&B Report	Industry report titled "*Report on Digital Textile Printing Industry in India*" dated January 30, 2025 which is exclusively prepared for the purpose of the Offer and issued by D&B and is commissioned and paid for by our Company. D&B was appointed on December 28, 2024.

Term	Description
	The D&B Report will be available on the website of our Company at https://kaytexfabrics.com/ipo/ until the Bid / Offer Closing Date
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each
Equity Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
Executive Directors	The Executive Directors of our Company, being Sanjeev Kandhari and Amit Kandhari, as disclosed in the chapter "*Our Management*" on page 251
Group Companies	Our group companies, as disclosed in chapter "*Our Group Companies*" on page 323
Independent Directors	Non-executive, independent director appointed as per the Companies Act, 2013 and the SEBI LODR Regulations namely Rahul Tandon and Rajiv Arora. For details of our Independent Directors, see "*Our Management*" on page 251
ISIN	International Securities Identification Number. In this case being INE13ZD01013
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in "*Our Management – Key Managerial Personnel and Senior Management*" on page 264
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated January 03, 2025, or identification of material (a) outstanding litigation proceedings of our Company, our Promoters and our Directors; (b) group companies; and (c) creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Red Herring Prospectus
Managing Director	The Managing Director of our Company, being Sanjeev Kandhari
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on January 03, 2025 in accordance with Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 257
Non-Executive Directors	The non-executive director(s) of our Company, including our Independent Directors, namely Shelly Kandhari, Priti Kandhari, Rahul Tandon and Rajiv Arora. For details of our Non-Executive Directors, see "*Our Management*" on page 251
Promoters	The Individual Promoters of our Company being Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari
Promoter Group	Persons and entities constituting the promoter group of our company pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations as disclosed in "*Our Promoters and Promoter Group*" on page 268
Promoter Selling Shareholders / Selling Shareholders	Sanjeev Kandhari and Amit Kandhari
Registrar of Companies / RoC	Registrar of Companies, Chandigarh
Restated Financial Information	The Restated Financial Information of our Company comprising of the Restated Summary Statement of Assets & Liabilities for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the Financial Years ended on March 31, 2025, March 31, 2024 and March 31, 2023 and the significant accounting policies and explanatory notes. The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended (the "**Guidance Note**"); and (d) the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act. The Restated Summary Statements have been compiled from Audited financial statements of our Company for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 which were in accordance with AS

Term	Description
Senior Management	The Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and described in "*Our Management – Key Managerial Personnel and Senior Management*" on page 264
Shareholders	The equity shareholders of our Company
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee of our Company, constituted on January 03, 2025 in accordance with Section 178 of the Companies Act, 2013, as described in "*Our Management – Corporate Governance*" on page 257

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a Prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are allotted
Anchor Investor (s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹200.00 Lakhs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLM during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as a Bid for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Offered and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLM
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date and in the even the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid / Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus

Term	Description
Banker (s) to the Offer	Collectively, Escrow Collection Bank, Refund Bank, Public Offer Account Bank and the Sponsor Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 347
Bid	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Bidder pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, the Cap Price multiplied by the number of Equity Shares Bid for by such Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Thursday, July 24, 2025, which shall be published in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located). In case of any revisions, the extended Bid / Offer Closing Date shall also be notified on the website of the BRLM and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank, and shall also be notified in an advertisement in the same newspapers in which the Bid / Offer Opening Date was published, as required under the SEBI ICDR Regulations. Our Company in consultation with the Book Running Book Running Lead Manager may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Tuesday, July 22, 2025 which shall be published in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located)
Bid / Offer Period	Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the BRLM, consider closing the Bid / Offer Period for the QIB Category one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSBs Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
Book Running Book Running Lead Manager / BRLM	The Book Running Lead Manager to the Offer namely, Socradamus Capital Private Limited
Broker Centres	Broker centres notified by the Stock Exchange where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the website of the Stock Exchange at www.nseindia.com
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to being a minimum of 105% of the Floor Price
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) / CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI RTA Master Circular and UPI Circulars as issued by SEBI, as per the list available on the respective website of the NSE, as updated from time to time
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, Bidder status, occupation, bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange in terms of the Red Herring Prospectus, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by IBs, Non-Institutional Bidders Bidding with an application size of up to ₹5.00 Lakhs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders with an application size of more than ₹5.00 Lakhs (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated Market Maker / Market Maker	Gretex Share Broking Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time

Term	Description
Designated Stock Exchange / Stock Exchange	NSE Emerge
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated February 17, 2025 filed with the Stock Exchange and issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI (s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI (s)	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement dated July 11, 2025 to be entered into by our Company, the Registrar to the Offer, the BRLM, the Syndicate Members and the Banker(s) to the Offer for, among other things, the appointment of the Sponsor Bank, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Escrow Collection Bank	The Bank(s) which are clearing members and registered with SEBI as bankers to an Offer and with whom the Escrow Account will be opened, in this case being Kotak Mahindra Bank Limited
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue component of the Offer comprising of an issuance by our Company of up to 31,99,200 Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time issued. The General Information Document is available on the websites of the Stock Exchange and the BRLM
Individual Bidders / IB	Individual Bidders, who have applied for the Equity Shares for a minimum bid size of two lots wherein the amount exceeds more than ₹2.00 lakhs in any of the Bidding options in the Offer (including HUFs applying through their *Karta* and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Individual Bidder Portion	The portion of the Net Offer being not less than 35% of the Net Offer consisting of up to 13,20,000 Equity Shares, available for allocation to Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than two lots subject to availability in the Individual Bidder Portion and the remaining Equity Shares to be Allotted on a proportionate basis
Gross Proceeds	The Offer proceeds from the Fresh Issue
Market Maker Reservation Portion	The Reserved portion of up to 1,94,400 Equity shares of ₹10/- each at an Offer Price of ₹ [●]/- aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Offer of our Company
Market Making Agreement	The agreement dated July 19, 2025 entered amongst our Company, Designated Market Maker and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain market making arrangements are agreed to in relation to the Offer

Term	Description
Mobile App (s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Monitoring Agency	Infomerics Valuation and Rating Limited
Monitoring Agency Agreement	The agreement dated July 12, 2025 to be entered between our Company and the Monitoring Agency
Minimum NIB Application Size	Bid amount of more than two lots in the specified lot size
Mutual Fund	Mutual Funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the Net QIB Portion, or 27,200 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Market Maker Reservation Portion
Net Proceeds	The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 110
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non – Institutional Bidders / NIBs	All Bidders that are not QIBs or Individual Bidders and who have Bid for Equity Shares for an amount more than two lots (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not less than 15% of the Net Offer consisting of up to 8,08,800 Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price in the following manner: (a) one third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10.00 lakhs; and (b) two third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than ₹10.00 lakhs. Provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of NSE for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations
OCB / Overseas Corporate Body	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
Offer	The initial public offering of up to 38,78,400 Equity Shares, comprising the Fresh Issue and the Offer for Sale, for cash at a price of ₹ [●] each (including premium of per ₹ [●] each) aggregating ₹ [●] Lakhs comprising the Net Offer and the Market Maker Reservation Portion
Offer Agreement	The agreement dated January 10, 2025 as amended by the amendment agreement dated July 18, 2025 entered amongst our Company, the Selling Shareholders and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale component of the Offer of up to 6,79,200 Equity Shares offered by Selling Shareholders aggregating up to ₹ [●] Lakhs, comprising of an offer for sale of up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Sanjeev Kandhari and up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Amit Kandhari

Term	Description
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 110
Offered Shares	Up to 6,79,200 Equity Shares aggregating up to ₹ [●] Lakhs being offered by the Selling Shareholders as part of the Offer for Sale, comprising of an offer for sale of up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Sanjeev Kandhari and up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Amit Kandhari
Price Band	Price band ranging from a minimum price of ₹171/- per Equity Share (Floor Price) to the maximum price of ₹180/- per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), at least two Working Days prior to the Bid / Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be made available to the Stock Exchange for the purpose of uploading on their respective website
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price
Promoters' Contribution	Aggregate of 20% of the post- Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of 3 years from the date of Allotment
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined in accordance with the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account opened with the Public Offer Account Bank, being Kotak Mahindra Bank Limited under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank	Kotak Mahindra Bank Limited, with which the Public Offer Account is opened for collection of Bid Amounts from Escrow Account and ASBA Accounts on the Designated Date
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Offer
QIB Category / QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of up to 15,55,200 Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The bank account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	The Banker(s) to the Offer with whom the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited

Term	Description
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and stock brokers registered with the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI
Registrar / Registrar to the Offer	Bigshare Services Private Limited
Registrar Agreement	The agreement dated January 10, 2025 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of in terms of SEBI RTA Master Circular
Resident Indian	A person resident in India, as defined under FEMA
Revision Form	The Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders, Non-Institutional Bidders and Individual Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI RTA Master Circular, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at 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
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely Bigshare Services Private Limited
Share Escrow Agreement	Agreement dated July 18, 2025 entered into amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Bankers to the Offer registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, which has been appointed by our Company to act as a conduit between the Stock Exchange and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being Kotak Mahindra Bank Limited

Term	Description
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Member, to collect ASBA Forms and Revision Forms
Syndicate	Gretex Share Broking Limited
Syndicate Agreement	Agreement dated July 19, 2025 to be entered into amongst our Company, the Selling Shareholders, the BRLM, the Syndicate Members and Registrar to the Offer in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriter	Socradamus Capital Private Limited
Underwriting Agreement	The Agreement among the Underwriter, the Selling Shareholders and our Company dated July 18, 2025
UPI	Unified Payments Interface, which is an instant payment system developed by the NPCI
UPI Bidders	Collectively, individual investors applying as (i) Individual Bidders in the Individual Bidders Portion and (ii) Non-Institutional Bidders with a Bid size of up to ₹5.00 lakhs in the Non-Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public Offers where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the bid cum application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an Offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI), along with the circulars issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Bid and by way of a SMS for directing the UPI Bidder to such UPI mobile App) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI App equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI

Term	Description
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price band; and (ii) Bid / Offer Period, the expression "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (iii) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS 18	Accounting Standard 18, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021, as amended and the Companies (Accounts) Rules, 2014, as amended and other relevant provisions of the Companies Act, 2013
BSE	BSE Limited
Calendar Year / year	Unless the context otherwise requires, shall refer to the 12 months period ending December 31
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and any modifications thereto or substitutions thereof, issued from time to time
COVID – 19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, CDSL and NSDL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product

Term	Description
GoI / Government / Central Government	Government of India
GST	Goods & Services Tax
HUFs	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act / IT Act	Income Tax Act, 1961, as amended from time to time
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
IGAAP / Indian GAAP / AS / Accounting Standards	Generally Accepted Accounting Principles in India, i.e. Accounting standards notified under Section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2021, as amended and the Companies (Accounts) Rules, 2014, as amended
IPO	Initial Public Offer
IST	Indian Standard Time
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of Understanding
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rupee / Rs. / ₹ / INR	Indian Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Master Circular	SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI RTA Master Circular	SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023

Term	Description
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
STT	Securities Transaction Tax
US$ / USD / US Dollar	United States Dollar, the official currency of the Unites States of America
USA / U.S. / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Business, Technical and Industry - Related Terms

Term	Description
3D Printing	Three-Dimensional Printing. Use of additive manufacturing technologies to create textile-like structures, designs, or embellishments by depositing material layer by layer
3D Textile Printing	Three-Dimensional Textile Printing. Advanced manufacturing technology that involves creating three-dimensional designs, textures, or patterns directly onto textile surfaces
Accessories	Supplementary items made from fabric or other textile materials that enhance the functionality, appearance, or versatility of clothing
Acid Inks	Type of ink used to print directly on silk, wool, genuine leather, as well as synthetic fibres
Acrylic	A wool substitute that is lightweight and warm; often found in sweaters and blankets
Acrylic Spinning	Process of producing acrylic fibers, which are synthetic fibers made from polyacrylonitrile or its copolymers
Activewear	Clothing designed to be worn for sports, exercise, and outdoor activities
Adobe Illustrator	Computer-graphics application software produced by Adobe Inc. that allows users to create refined drawings, designs, and layouts
Advanced Fiber Technologies	Innovative techniques and materials used to create high-performance fabrics and textiles with enhanced properties tailored for specific applications
Advanced Printing Technologies	Innovative and high-tech methods used to print designs directly onto fabrics with exceptional precision, speed, and customization capabilities to cater to modern textile needs
AEPC	Apparel Export Promotion Council. Official body of apparel exporters in India that provides invaluable assistance to Indian exporters as well as importers/international buyers who choose India as their preferred sourcing destination for garments
Algae-based textiles	Innovative, sustainable fabrics made from materials derived from algae, a renewable and eco-friendly resource
Alpaca	A type of wool that is derived from the fibers that naturally grow on alpacas
Analog Printing	Traditional, non-digital methods of transferring designs onto fabric and involves the use of physical screens, blocks, rollers, or stencils to apply dyes or pigments in a repetitive and uniform manner
Antibacterial	A substance that kills bacteria or stops them from growing
Apparel	Clothing or garments designed for wearing
Artistic Fabrics	Fabrics that are designed and crafted to emphasize creativity, aesthetics, and visual appeal
Athleisure Wear	Casual clothing designed to be worn both for exercising and for general use
ATUFS	Amended Technology Upgradation Fund Scheme. An initiative launched by the Government of India under the Ministry of Textiles to promote the modernization and technological advancement of the textile industry
Automotive Textiles	Technical textile used in the transportation and automotive industries
B2B Distribution Model	Business-to-Business Distribution Model. A type of distribution model in which a business sells products or services to other businesses rather than directly to individual consumers
B2C Distribution Model	Business-to-Consumer Distribution Model. A type of distribution model where businesses sell products or services directly to individual consumers
Bamboo	A type of textile made from the pulp of bamboo plants. It is valued for its softness, durability, and eco-friendly qualities

Term	Description
Banners	A long piece of cloth with words or signs on it, which can be hung up or carried on two poles
Beams	Cylindrical structures or rolls used in textile manufacturing to hold yarns or fabric during various stages of production, such as weaving, dyeing, and finishing
Beat-up	Process where the newly inserted weft thread (filling yarn) is pushed securely into place against the previously woven fabric
Bedding	Textiles and materials used to cover and furnish a bed, providing comfort, warmth, and style
Bio-Synthetic Fabrics	Fabrics made from bio-based raw materials derived from renewable sources such as plants, algae, or microorganisms, combined with synthetic processes or components
Bio-Synthetic Yarn	A type of yarn produced from bio-based raw materials, often derived from renewable resources such as plants, algae, or microorganisms, combined with synthetic processes
Blended Fabrics	Fabrics made by combining two or more different types of fibers to create a fabric with enhanced properties
Blended Textiles	Textiles created by combining two or more different types of fibers, whether natural, synthetic, or both, to achieve a balanced set of properties
Blended Yarn	Textile yarn spun from a mixture of two or more fiber raw materials
Blends	Textiles made by combining two or more different types of fibers to achieve a material with improved characteristics
Brand Enabler	Company or service provider that supports brands in creating and producing customized, high-quality textile products using digital printing technology and helping brands achieve unique, visually appealing, and market-ready textiles
Brands	A product or service that has a unique and immediately recognizable identity that distinguishes itself from others in its industry
C2B	Consumer-to-Business. Model where consumers provide various products or services to businesses
C2C	Consumer-to-Consumer. business model whereby customers can trade with each other, typically facilitated by a third-party platform or marketplace
CAD	Computer-Aided Design. Use of computer software to create, modify, analyze, or optimize designs
CAGR	Compound Annual Growth Rate. Mean annual growth rate of an investment over a period longer than one year
Carded Fibers	Fibers that have undergone the carding process, a mechanical method used to disentangle, clean, and align raw fibers to produce a uniform sheet or web
Carding	A mechanical process that disentangles, cleans and intermixes fibres to produce a continuous web or sliver suitable for subsequent processing
Cashmere	A type of wool that is made from the hair of a certain type of goat native to the Gobi Desert and Central Asia
Casual Wear	Articles of clothing suitable for informal occasions or situations
CCTV	Closed-Circuit Television. A system of video surveillance that transmits video signals from cameras to specific monitors or recording devices within a closed and private network
CEPC	Carpet Export Promotion Council. A non-profit making organization, setup in 1982 by the Ministry of Textiles, Government of India to promote export of Carpets, all types of Handmade / handmade knotted Carpets, Rugs, Floor Coverings & other allied Products from India
Chemical Padding	Fabrics are often treated with sizing agents or other chemicals (known as padding) to enhance rigidity, improve ink absorption and eliminates wrinkles to ensure smooth feeding into the printer
Chiffon	A lightweight, sheer, and flowing fabric known for its soft and delicate texture
Clarus	A technology that transforms natural fibers into high-performance fabrics while remaining biodegradable
Cleaning	Process of removing impurities
Clothing	Garments or apparel worn on the body for protection, modesty, adornment, or social expression
CMYK Colour Model	Cyan, Magenta, Yellow and Key Colour Model. A subtractive colour model used in colour printing and design, where colours are created by combining different percentages of these four base colours
CO2	Carbon Dioxide. Colourless, odourless gas that is naturally present in Earth's atmosphere
Colour Separation	Process of separating the design into individual colour channels to ensure precise colour application during printing

Term	Description
Computerised Embroidery	Process of creating intricate and precise embroidery designs on fabric using automated embroidery machines controlled by specialized computer software
Continuous Inkjet	A type of inkjet printing technology where a continuous stream of ink droplets is generated and directed toward the substrate, with unused droplets being recirculated for future use
Corduroy Fabrics	A durable textile characterized by its distinctive raised ridges, known as wales, which run parallel down its length
Cotton Fabric	A natural textile made from the fibers of the cotton plant
Cotton Knitted Fabrics	Textiles made by interlooping cotton yarns through knitting processes, resulting in flexible, stretchy, and breathable materials
Cotton Twill Fabric	A fabric with a diagonal weave pattern that's made from cotton
Cotton Woven Fabric	A textile made by weaving cotton threads at right angles to each other
COVID-19	Coronavirus disease. An infectious disease caused by the SARS-CoV-2 virus
Curing	Process of applying heat, pressure, or ultraviolet light to fix the printed ink onto the fabric
Curtains	A piece of cloth or other material intended to block or obscure light, air Drafts, or (in the case of a shower curtain) water
Custom Design Services	Personalized solutions that enable clients to create and print unique designs, patterns, or artwork directly onto fabrics
Customization	Ability to produce unique, personalized designs on textiles, tailored to specific preferences, needs, or branding requirements
Customized Clothing	Garments that are designed and printed to meet individual preferences, specific designs, or brand requirements using advanced digital printing technology
Cutting	Process of slicing or shaping fabric into specific patterns, shapes, or pieces that will be assembled to create garments, upholstery, or other textile products
D2C	Direct-to-Consumer. Business model of selling products directly to customers and thereby bypassing any third-party retailers, wholesalers, or middlemen
D'Cot	Retail fashion brand under the Donear Group focusing on offering affordable, stylish, and high-quality ready-to-wear clothing for men, catering primarily to the mid-value segment of the market
Debt-Equity Ratio	Debt-Equity Ratio compares our company's total liabilities with our shareholder equity and is used to assess the extent of our reliance on debt
Denim	A sturdy cotton twill fabric; primarily used for jeans and casual wear
Denim Wear	Clothing made from denim, a sturdy cotton twill fabric known for its durability, comfort, and timeless style
Design Studio	Creative workspace or facility equipped with tools, software, and resources for developing innovative and customized designs specifically for digital printing on textiles
Designs	Artistic patterns, motifs, images, or arrangements that are applied to fabrics to enhance their aesthetic appeal or functional use
Digital Fabric Printing	Modern textile printing technique that uses digital technology to print designs directly onto fabric surfaces
Digital Garment Printing	A modern textile printing technique where digital designs are printed directly onto fabric using specialized inkjet technology
Digital Images	Electronically created or processed visual representations used as design inputs for printing onto fabrics
Digital Printing Market	Industry that revolves around the use of digital printing technology to produce high-quality, customized prints
Digital Printing Technologies	Advanced methods of directly transferring digital designs onto textiles using computer-controlled printers
Digital Textile Printer Machine	Specialized printing device designed to apply digital designs directly onto textiles or fabrics
Digital Textile Printing	Modern printing technique that involves transferring digital designs directly onto fabrics using advanced inkjet technology
Digitally Printed Fabrics	Fabrics that have been printed with designs or patterns using digital textile printing technology
Digitization	Process of converting designs, images, or patterns into a digital format that can be directly processed by a digital printer
Direct Digital Textile Printing	Process of directly printing the design onto the fabric using inkjet technology
Direct-to-Fabric Printers	Advanced digital printing machines designed to print directly onto textiles without the need for transfer mediums like paper

Term	Description
Disperse Inks	A type of dye-based ink specially formulated for printing on synthetic fabrics, primarily polyester and polyester blends
Dobby Fabrics	Woven fabric produced on the dobby loom, characterised by small geometric patterns and extra texture in the cloth
Donear NXG	Premium apparel brand under the Donear Group, designed to offer high-quality, trendy, and comfortable menswear
Drapery	A decorative piece of material usually hung in loose folds and arranged in a graceful design
Drying	Process of drying the printed fabric using heaters attached to the printer or through other drying methods
DTF	Direct-to-Fabric. A digital printing method that involves printing designs directly onto a roll of fabric
DTG	Direct-to-Garment. A modern digital printing method used to apply designs directly onto textiles, particularly garments like t-shirts, hoodies, and other apparel
Dye	Coloured substance used to impart colour to textiles by chemically bonding with the fibers
Dye Fixation	Process of permanently bonding dye molecules to the fibers of a fabric to ensure colourfastness, durability, and resistance to washing, rubbing, and environmental factors
Dye Sublimation Inks	Specialized inks used in the dye sublimation printing process, where designs are transferred onto materials through heat and pressure
Dye Sublimation Printers	Specialized printing devices that use heat to transfer dye-based inks onto materials, typically polyester fabrics or coated surfaces, through a sublimation process
Dyeing	Process of adding colour to textiles, fibers, yarns, or fabrics by immersing them in a dye solution or applying dye directly to their surfaces
Dye-Sublimation	Printing process that uses heat to transfer dye onto materials
EBITDA	EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods
EBITDA Margin	EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement
E-commerce	Electronic Commerce. Commercial activities including the electronic buying or selling products and services which are conducted on online platforms or over the Internet
Econyl	A regenerated nylon made from discarded fishing nets, fabric scraps, and other nylon waste
Electrophotography	Digital printing process that uses electrical charges to transfer toner or dye onto a substrate, including textiles
Electrostatic	Printing technology where electrostatic charges are used to transfer toner or dye particles onto a textile substrate
Embroidery	The process of embellishing the surface of textiles with decorative stitching using colourful threads
EPCH	Export Promotion Council for Handicrafts. Non-profit organisation, with an object to promote, support, protect, maintain and increase the export of handicrafts
EPF	Employee Provident Fund. Government-backed savings scheme designed to provide financial security and retirement benefits to employees
ETI	Ethical Trading Initiatives. Leading alliance of trade unions, NGOs and businesses, working together with key stakeholders to promote practical solutions to end the abuse of human rights at work
EU	European Union. Political and economic union of 27 European countries that are bound together by shared goals, policies, and institutions
Export Promotion Council	Government-recognized organization established to promote and support the export of goods and services from a specific country or region
Exports	Trade that involves sending goods to another country for sale
Fabric	Material made by interlacing, knitting, or bonding fibers together to create a flexible and durable sheet, used in a wide range of applications such as clothing, home furnishings, and industrial products
Fabric Printing	Process of applying patterns, designs, or images onto textile surfaces to enhance their aesthetic appeal and functionality
Fabric Processing	Series of treatments and finishing techniques applied to raw fabrics to enhance their appearance, texture, functionality, and durability, making them suitable for specific applications

Term	Description
Fabric Production	Process of creating textile materials by interlacing, knitting, or bonding fibers to form a continuous sheet of fabric
Fashion	Prevailing styles and trends in clothing, accessories, footwear, makeup, and overall aesthetic expressions at a particular time and place
Fashion Brands	Companies or labels that design, manufacture, market, and sell clothing, accessories, footwear, or related products under a distinct identity or trademark
Fast Fashion	Business model in the fashion industry focused on rapidly producing trendy, affordable clothing inspired by the latest runway styles, celebrity looks, or social media trends
Fiber	The basic unit of raw material used to create textiles and fabrics
Fiber Preparation	Initial stage in textile production, involving the treatment and processing of raw fibers to make them suitable for spinning into yarn or directly forming fabrics
Fiber Strands	Individual or grouped fine thread-like structures that make up fibers
Final Inspection	Quality control process conducted at the end of the production cycle to ensure that finished garments meet the required specifications, standards, and customer expectations
Finished Textiles	Fabrics that have undergone all necessary processing steps to enhance their appearance, texture, functionality, and durability, making them ready for their intended use in garments, home furnishings, or industrial applications
Finishing	Final series of treatments applied to textiles after weaving or knitting to enhance their appearance, texture, performance, and functionality
Finishing Treatments	Specialized processes applied to textiles after weaving or knitting to enhance their appearance, texture, performance, or functionality
Fixation	Process of applying heat and pressure (e.g., steaming) to ensure that the ink bonds effectively with the fabric fibers, enhancing durability and colourfastness
Flags	A piece of cloth with a pattern or picture on it, often tied to a pole or rope and used as a symbol of a country, club, etc. or as a signal
Flame Retardants	Chemical substances applied to materials to reduce their flammability and delay the spread of fire
Flannel	Soft fabric made from wool or cotton; commonly used in shirts and shorts
Flat Knitting Machines	Mechanical or computerized devices used to produce flat, two-dimensional knitted fabrics or panels
Flat Screen-printing	Traditional printing technique used to transfer designs onto textiles or other flat surfaces by pressing ink through a stencil (or screen) using a squeegee
FTA	Free Trade Agreement. Agreement between two or more countries aimed at reducing or eliminating trade barriers, such as tariffs, quotas, and import restrictions, to facilitate the free flow of goods and services across borders
Garment	Any piece of clothing or apparel designed to be worn on the body
Garment Dyeing	Process of colouring ready-to-wear clothes after they have been cut from a roll of grey fabric and stitched to a particular form
Garment Manufacturing	Process of producing clothing and apparel from raw materials like fabrics
GDP	Gross Domestic Product. The total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period
Gen Z	Generation Z or Zoomers. Demographic cohort succeeding Millennials and preceding Generation Alpha
Ginning	Process in which the cotton fibres are separated from the cotton seeds or lint
H&M	Hennes & Mauritz. A globally recognized multinational fashion retailer specializing in offering affordable, stylish, and sustainable clothing, accessories, footwear, and home products for men, women, teenagers, and children and operates through physical stores and online platforms, catering to diverse markets worldwide
Handloom	Manually operated weaving device used to produce textiles by interlacing warp (longitudinal) and weft (horizontal) threads
Hand-woven Fabric	A type of textile crafted using traditional or manual weaving techniques on hand-operated looms
Haute Couture	French term meaning “high sewing” or “high fashion” and refers to the creation of exclusive, custom-fitted clothing crafted by luxury fashion houses
Heat-pressed	Process where heat and pressure are applied to transfer designs or ink onto textiles, ensuring proper adhesion and durability
HEPC	Handloom Export Promotion Council. A nodal agency constituted under The Ministry of Textiles, Government of India to promote exports of all handloom products like fabrics, home furnishings, carpets, floor coverings, etc.

Term	Description
High-end Garments	Premium-quality clothing designed with superior craftsmanship, luxurious materials, and exceptional attention to detail and is often associated with luxury fashion brands that cater to consumers seeking exclusivity, sophistication, and long-lasting value
High-performance Fabrics	Specially engineered textiles designed to deliver enhanced functionality and durability and are crafted to meet the demands of activities or environments requiring superior performance, such as sports, outdoor wear, industrial applications, or medical use
Home Furnishings	Textiles specifically designed and used for decorating and enhancing the comfort, functionality, and aesthetics of living spaces
Home Textiles	Textiles that are used to furnish homes
Hybrid Printers	Advanced machines that combine traditional screen printing and modern digital printing technologies to deliver high-quality, versatile, and efficient results
Hybrid Printing Solutions	Integration of traditional screen printing with digital printing technologies within a single workflow or machine and leverages the strengths of both methods, offering efficiency, cost-effectiveness, and high-quality, customizable outputs for textile applications
Hypoallergenic	Products or materials designed to minimize the risk of causing allergic reactions
Imports	Trade that involves buying goods or services from a foreign country and bringing them into own country
Industrial Textiles	Fabrics and materials specifically designed and manufactured for use in industrial applications and processes
Ink	Specially formulated liquid or paste used to transfer designs, patterns, or colours onto textiles during the printing process
Ink Selection	Process of choosing the appropriate type of ink based on the fabric type, printing method, and desired outcome
Inkjet Technology	Digital printing method where micro-droplets of specially formulated inks are precisely sprayed onto fabrics to create high-resolution designs
Innerwear	Clothing worn on or near the skin, usually under one's clothing
Installed Capacity	Maximum output or production capability of a manufacturing unit, machinery, or facility under ideal conditions
Interior Design	Art and science of enhancing the interior spaces of buildings to achieve a functional, aesthetically pleasing, and comfortable environment
Interlacing	Process of crossing and weaving yarns or threads to form a cohesive textile structure
Inventory (days)	Inventory days measures the average number of days a company takes to convert its inventory into sales. It reflects how efficiently the company manages its stock levels and how quickly it can turn raw materials, work-in-process, and finished goods into revenue. For a textile manufacturing business like ours, Inventory Days is critical, as it directly impacts cash flow, production planning, and profitability
ISEPC	Indian Silk Export Promotion Council. Operates under the Ministry of Textiles, Government of India to promote and facilitate the export of silk and silk products from India
Jacquard	Textile characterized by complex, intricately woven patterns that are directly integrated into the fabric's structure and are created using a specialized Jacquard loom, which enables precise control over individual warp threads
JPDEPC	Jute Products Development Export Promotion Council. An Industry-led body created under the Companies Act of 1956 with the principal purpose of giving added push to the initiatives required for taking export of Jute goods to a sustainable higher level
Kids' Wear	Clothing, accessories, and footwear specifically designed and tailored for kids
Kintra	Bio-synthetic yarn which performs like traditional polyester but is biodegradable and derived from renewable sources like corn or wheat sugar
KKCL	Kewal Kiran Clothing Limited. An Indian apparel manufacturing and retail company dealing in casual, formal, semi-formal and western wear for men and women at affordable prices
Knits	A type of textile created through the process of knitting, where loops of yarn are interlocked to form a flexible and stretchy material
Knitting	A method for production of textile fabrics by interlacing yarn loops with loops of the same or other yarns
Kornit Atlas MAX Poly	State-of-the-art direct-to-garment and direct-to-fabric printer developed specifically for high-quality printing on polyester fabrics and is part of Kornit's advanced line of digital textile printers, offering precision, vibrancy, and durability for sportswear, athleisure, and other polyester-based applications

Term	Description
KTIPL	Kankariya Textile Industries Private Limited. Player in the textile industry, specializing in the processing, printing, and manufacturing of a diverse range of textile products
Let-off	Controlled release of warp yarns from the warp beam as the weaving process progresses
Linen	Natural fabric made from the fibers of the flax plant
Lingerie	Category of women's intimate apparel
Looms	Device used to weave cloth and tapestry
Lycra	A type of synthetic fabric that stretches, used for making clothes that fit close to the body, especially sports clothes
Lyocell	Sustainable, semi-synthetic fabric made from cellulose fibers, typically derived from wood pulp from trees like eucalyptus, beech, or spruce
Made-ups	Category of textile products used in households, focusing on enhancing comfort, functionality, and aesthetics
MATEXIL	Manmade and Technical Textiles Export Promotion Council. Operates under the Ministry of Textiles, Government of India to promote the export of manmade fiber textiles and technical textiles from India
Mechanical Processes	Physical treatments applied to textiles to alter their appearance, texture, or performance without involving chemical changes
Men's Wear	Clothing, accessories, and footwear specifically designed and tailored for men
Merino	Premium natural fiber obtained from the fleece of Merino sheep, prized for its exceptional softness, fine texture, and versatility
Mid-Value Brands	Brands positioned between luxury and budget categories in terms of price, quality, and target market
Mimaki TX300P-1800MkII	Versatile digital textile printer designed for both direct-to-textile (DTT) and transfer printing, offering exceptional quality and flexibility
MMF	Manmade Fibers. Fibers that are created artificially by humans
Moisture-wicking	A fabric property that pulls moisture away from the skin and dries it quickly
Multi-Pass Industrial Printers	High-performance digital printing machines wherein the print head moves back and forth across the material multiple times, gradually building up the design in layers for enhanced precision and colour saturation
Muslin	Lightweight cotton fabric often used for baby clothes or as a base for patterns
Mycelium Leather	A leather alternative made from the root structure of mushrooms
Natural Fabrics	Textiles made from fibers that are derived from natural sources, such as plants, animals, or minerals and are prized for their comfort, breathability, and eco-friendly characteristics, as they are biodegradable and renewable
Natural Fiber	Fiber obtained from plants, animals, or minerals that can be spun into yarn or thread to create textiles and are naturally occurring, biodegradable, and renewable, making them a sustainable choice for fabric production
NCR	National Capital Region. Planning region centred upon the National Capital Territory (NCT) of Delhi in India which encompasses Delhi and several districts surrounding it from the states of Haryana, Uttar Pradesh, and Rajasthan
NTTM	National Technical Textiles Mission. Initiative launched by the Government of India to promote the growth, production, and usage of technical textiles in the country
Nylon	Synthetic fabric made from polyamide polymers derived from petroleum-based products
On-demand Apparel	Clothing produced only after an order is placed, using streamlined processes and advanced technologies to create customized or small-batch garments
On-demand Printing	Digital printing process where designs are printed directly onto fabric or garments only when an order is placed, eliminating the need for bulk production, allowing for customized and small-batch production with minimal waste
Outdoor Gear	Specialized clothing, equipment, and accessories designed for use in outdoor activities, such as hiking, camping, climbing, skiing, and other adventure or recreational pursuits
Outerwear	Clothing specifically designed to be worn over other garments, providing protection from environmental elements such as cold, wind, rain, or snow
PAT	Profit after tax helps us in identifying information regarding the overall profitability of the business
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of the business
PDEXCIL	Powerloom Development & Export Promotion Council. Operates under the Ministry of Textiles, Government of India and is a non-profit organization working for the development

Term	Description
	of Powerloom Industry in India and promoting export of Fabrics and Made ups from Powerloom Manufacturers
Performance Apparel	Clothing specifically designed to enhance the wearer’s comfort, functionality, and efficiency during physical activities or in demanding conditions
PGIL	Pearl Global Industries Limited. Multinational cloth manufacturing company in India that provides end-to-end supply chain solutions to brands across the globe developing apparel for people of all ages, genders, locations and style preferences
Picking	Process of inserting the weft yarn (the horizontal thread) into the warp shed (the space created between the warp threads) during the weaving process
Piece Dyeing	Process of dying fabric material before it is made into a finished garment
Piezoelectric Inkjet	Technology that uses piezoelectric crystals within the print head to precisely control the release of ink droplets onto fabric and allows for high-resolution, efficient, and versatile printing on a wide range of textiles
Pigment Ink Printers	A printer which utilizes pigment inks to print on a wide range of fabrics, including cotton and polyester blends
Pigment Inks	A type of ink that uses tiny pigment particles suspended in a liquid carrier to create prints on fabric surfaces
Plant-Based Innovations	Innovations involving the development and use of fabrics derived from plant-based sources, emphasizing sustainability, biodegradability, and reduced environmental impact
PLI	Production Linked Incentive Scheme. Initiative by the Government of India to enhance the manufacturing capabilities and competitiveness of various sectors in the country
PM MITRA	Prime Minister Mega Integrated Textile Region and Apparel. It is an initiative by the Government of India to establish world-class textile parks across the country to strengthen India's position as a global hub for textile production and exports by integrating the entire textile value chain, from fiber to fabric to finished products, in a single location
Point-of-Sale Displays	Custom printed textiles are utilized in retail environments for signage and displays that attract customer attention
Polyester	A synthetic fabric made from petroleum-based chemicals
Post-Treatment	Processes applied to printed fabrics after the printing stage to ensure colour fixation, enhance durability, and achieve the desired finish
PPE	Personal Protective Equipment. Protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury or infection
Premium Brands	High-quality brands positioned above mid-value and mass-market segments in terms of price, quality, and exclusivity
Print	Application of designs, patterns, or images onto fabric surfaces using various techniques and inks
Print Bureaus	Specialized service providers that offer printing solutions for textiles on a contract or project basis
Printer	Machine or device used to apply designs, patterns, or images onto fabrics
Printing	Process of applying designs, patterns, or images onto fabric surfaces using dyes, pigments, or inks
Printing Paste	Thickened mixture of dyes, pigments, or other colouring agents combined with binders, thickeners, and auxiliary chemicals
Printing Plates	Rigid or flexible surfaces used in traditional printing techniques to transfer designs onto fabric
Printing Screen	A mesh surface stretched over a frame, used to apply designs onto fabric by allowing ink or dye to pass through specific open areas while blocking others
Printing Techniques	Various methods and processes used to transfer designs, patterns, or images onto fabric surfaces
Processing Equipment	Machinery and tools used before, during, and after the printing process to prepare fabrics, optimize print quality, and ensure the durability and aesthetic appeal of the final product
Quality Control	Systematic process of inspecting and ensuring that the textile meets specified standards of quality, functionality, and aesthetics
Raw Fibers	Unprocessed fibers that serve as the primary material for creating yarns, fabrics, and textile products
Raw Material	Basic, unprocessed materials that are used as inputs in the production of textile products
Rayon	Semi-synthetic fabric made from wood pulp which is soft and breathable and is often used as a silk substitute

Term	Description
Reactive Dyes	Class of dyes that form a covalent bond with the fibers of a fabric during the dyeing process, creating a strong and permanent attachment
Reactive Ink Printers	Specialized printers that use reactive dye-based inks to produce vibrant and durable designs on natural fibers like cotton, linen, silk, and viscose
Reactive Inks	A type of dye-based ink used in digital textile printing, designed to form a chemical bond with cellulose-based fibers such as cotton, linen, and viscose
Ready-made Clothing	Garments that are mass-produced in standardized sizes and designs, intended for immediate purchase and wear without requiring additional tailoring or customization
Ready-to-stitch Suits	Pre-cut fabric sets designed for creating customized garments and includes all the essential pieces of fabric (for the top, bottom, and dupatta or scarf) required to stitch a suit
Ready-to-wear	Clothing that is mass-produced in standard sizes and sold directly without the need for significant alterations
Recycled Polyester	A type of fabric made from post-consumer plastic waste such as bottles and discarded textiles
Retail Outlets	Physical or online stores that sell fabric, garments, or textile products printed using digital printing technology
Return on capital employed	Return on capital employed provides how efficiently our Company generates operating returns from total capital employed in the business
Return on equity	Return on equity provides how efficiently our Company generates returns from equity financing
Revenue from Operations	Revenue from Operations includes revenue from the sale of fabrics, such as digitally printed, dyed, jacquard, dobby, and corduroy fabrics, as well as ready-to-stitch garments like suits, shawls, and stoles. Additionally, it encompasses income from job work services, including dyeing, digital printing, scouring, and finishing for third-party clients. This KPI provides valuable insights into business growth, operational efficiency, and market penetration, highlighting how effectively we manage production, inventory, and sales to meet customer needs. It also showcases the strength of our product diversification, reflecting contributions from various product categories and segments, such as domestic and export markets or Tier 1/2 cities and Tier 3/4 cities
RMG	Ready-Made Garment. Finished textile products that are mass-produced in standard sizes and designs, intended for immediate wear without requiring further tailoring or alterations
Rotary Machines	Printing systems that use rotating cylindrical screens to transfer designs onto fabric continuously
Rotary Printing	Process that uses cylindrical screens to transfer designs onto fabric
Rotary Screen Printing	Textile printing technique that uses rotating cylindrical screens to transfer designs onto fabric
Rotary Screen Textile Printing	Industrial printing method used to transfer designs onto textiles using cylindrical screens
Rotating Screens	Cylindrical screens made of metal or synthetic mesh which are engraved with a specific pattern to be used in rotary screen printing to transfer designs onto fabric
Satin	A type of fabric weave that produces a characteristically glossy, smooth or lustrous material, typically with a glossy top surface
Screen Printing	Process of pressing the paint through a printing screen (made of either steel frame or a nylon mesh) to print on the fabric and it is performed either manually or with through machine
Screens	Tools used to transfer designs onto fabric by allowing ink or dye to pass through specific areas, creating the desired pattern on the fabric
Selection	Process of choosing the most suitable textile material for a specific purpose or application, based on factors such as its properties, functionality, aesthetics, and cost
Semi-synthetic Fabric	A type of textile made from natural raw materials, such as cellulose derived from plants, that are chemically processed to create fibers suitable for fabric production
Sewing	The skill or activity of making or repairing clothes
Shedding	Process of creating an opening or shed between the warp threads on a loom, allowing the insertion of the weft yarn
Silk	A smooth, light, and luxurious fabric made from the protein fibers of silkworms
Single-pass Printing	It is a digital textile printing technique that enables faster printing at a higher quality as it uses multiple printer heads that are positioned along the whole width of the fabric with the total image being created in one pass
Sizing Agents	Substances that are applied to fabric to improve their quality and performance

Term	Description
Slivers	Long, loosely assembled strands of fibers that have been carded (combed and aligned) but not yet twisted into yarn
Smart Textiles	These are intelligent textiles that incorporates technology to sense, respond, or adapt to environmental changes or user inputs and combines electronics, materials science, and textile engineering
SMEs	Small and Medium Enterprises. It includes small and medium-sized businesses that maintain revenues, assets, or a workforce below certain thresholds defined by regulatory bodies
Soft Signage	Printed fabric displays used for advertising, branding, and informational purposes
Softening	Process of improving the texture and feel of textiles, making them smoother, more flexible, and pleasant to the touch
Space-Dyed Yarns	Yarns that have been dyed in multiple colours along their length, creating a unique, multicoloured effect when woven or knitted into fabrics
Spandex	Highly elastic, synthetic fabric made from polyurethane-based fibers
Specialized Sports Gear	Apparel and accessories specifically designed for athletic activities, sports, or physical exercises
Spinning	Process of converting raw fibers into yarn
Spinning Frames	Machines used in the textile manufacturing process to convert fiber into yarn
Sportswear	Clothing designed specifically for athletic and physical activities, offering comfort, functionality, and performance-enhancing features
SRTEPC	Synthetic & Rayon Textiles Export Promotion Council. Supported by the Ministry of Textiles, Government of India, it is dedicated to promote the export of synthetic and man-made fiber textiles and provides assistance to Indian exporters to enhance their global competitiveness and market reach
Steaming	Post-printing process used to fix dye-based inks, such as reactive or acid inks, onto fabric
Sublimation Digital Textile Printing	Process where sublimation inks are digitally printed onto a transfer paper and then transferred onto synthetic fabrics using heat and pressure
Sublimation Inks	Specialized dye-based inks used in the sublimation printing process which turn directly from a solid to a gaseous state when exposed to heat and pressure
Sublimation Printing	Digital printing technique that employs pressure and heat to transfer a pattern from sublimation paper to fabric
Sustainability	Practice of designing, producing, and consuming textile products in a way that minimizes negative environmental, social, and economic impacts
Swimwear	Clothing specifically designed for swimming and other water-based activities
Synthetic Fabrics	Textiles made from artificially created fibers produced through chemical processes
Synthetic Fiber	Fibers made by humans through chemical synthesis
T&A	Textile & Apparel. Interconnected industries involved in the production, processing, and manufacturing of fabrics and garments. While textiles include the creation of fabrics through processes like weaving, knitting, and dyeing, apparel focuses on designing, manufacturing, and selling ready-to-wear clothing and accessories
Table Linens	Fabric items used to cover and decorate tables, such as tablecloths, runners, placemats, and napkins, that are printed using advanced digital printing technology
Team Uniforms	Set of clothing that members of a team wear to identify themselves with their team
Technical Textiles	Category of textiles specifically engineered and manufactured with specific performance characteristics and properties, making them suitable for various industrial, medical, automotive, aerospace, and other technical applications
Technology	Scientific knowledge and/or equipment that is needed for a particular industry
Tencel	Brand name for a type of fabric made from lyocell or modal fibers, both of which are derived from sustainably sourced wood pulp, such as eucalyptus, beech, or spruce trees
TEXPROCIL	Cotton Textiles Export Promotion Council. Operating under the Ministry of Textiles, Government of India, it promotes and facilitates the export of cotton-based textile products
Textile	Materials made by interlacing fibers, yarns, or threads through weaving, knitting, felting, or other techniques and are used in a wide range of applications, including clothing, home furnishings, industrial products, and technical solutions
Textile Manufacturers	A business that produces usable textiles
Textile Media	Textiles or fabrics used as a medium for artistic expression, communication, or functional purposes in various contexts such as advertising, art, design, and industrial applications
Textile Printing Technology	Methods and processes used to apply designs, patterns, or colours onto textiles

Term	Description
Textile Processing	Series of chemical, mechanical, and physical treatments applied to fibers, yarns, or fabrics to improve their appearance, texture, performance, and functionality
Textile Value Chain	Series of activities involved in making a textile product, from its conception to its final sale and includes design, production, marketing, and distribution
Texturising Units	Specialized facilities or machinery used in the textile industry to process synthetic yarns, altering their structure to improve properties such as elasticity, bulk, and texture
Thermal Inkjet	Digital printing technology that uses heat to eject tiny droplets of ink onto a surface
Thermal Wear	Clothing designed to provide insulation and retain body heat in cold weather conditions
Trade Payables (days)	Trade Payables days indicates how long it takes our company to pay our suppliers and vendors after receiving an invoice. It reflects how efficiently the company manages its payment obligations and working capital and indicates how well we manage payments for raw materials such as yarn, dyes, chemicals, and other inputs essential for production
Trade Receivables (days)	Trade Receivables days is the average time it takes for our company to collect payment from our customers for outstanding invoices. Monitoring Trade Receivables Days helps us to evaluate the creditworthiness of wholesale and brand partners, identify delays in collections from institutional buyers and ensure a healthy cash flow to finance production cycles
Traditional Attire	Clothing styles and garments that are rooted in the cultural, historical, and regional heritage of a specific community or country
Traditional Leather Tanning	Process of preserving and treating animal hides using natural materials and time-honoured techniques to create durable, flexible leather
Traditional Rotary Printing	A textile printing method that employs rotating cylindrical screens to transfer designs onto fabric
Transfer Paper	Specially coated paper used to transfer printed designs from the paper onto fabrics through heat and pressure
Trends	General direction or prevailing patterns of change in behaviour, preferences, practices, or developments over a specific period and can influence various domains, such as fashion, technology, business, culture, and industries, reflecting shifts in societal interests, innovations, or market demands
UAE	United Arab Emirates. A country in West Asia, in the Middle East, at the eastern end of the Arabian Peninsula
Ultra-Value Brands	The brands which focus on low-priced products and high-volume sales, enabling them to maintain profitability despite lower margins
Upholstery	Fabric or materials used to cover furniture, such as sofas, chairs, and cushions
US	United States. A federal republic located primarily in North America, consisting of 50 states, a federal district (Washington, D.C.), and several territories and is one of the world's largest countries by both area and population known for its diverse culture, advanced economy, and significant influence in global affairs
Velvet	Luxurious and soft fabric characterized by its dense, plush pile surface, which gives it a smooth, rich texture and sheen
Virgin Polyester	A synthetic fibre created through a chemical reaction involving petroleum
Viscose	A semi-synthetic textile made from regenerated cellulose derived from natural sources like wood pulp, typically from bamboo, beech, or pine trees
Viscose Blend	A textile made by combining viscose fibers with other fibers, such as cotton, polyester, or elastane, to create a material that offers enhanced properties like improved durability, elasticity, or affordability while retaining the softness and drapability of viscose
W&WEPC	Wool & Woollens Export Promotion Council. Organization established by the Central Government to promote India’s exports of wool, wool blended products, and acrylic knitwear
Wall Coverings	Materials used to decorate, protect, or enhance the aesthetic appeal of interior walls
Warp	Set of lengthwise yarns or threads that are stretched vertically on a loom during the weaving process
Washing	Process of cleaning printed fabrics to remove excess inks, unfixed dye residues, and auxiliary chemicals after printing and fixation
Water-Proofing	Process of treating textiles to make them impervious to water penetration
Weaving	Process of interlacing yarns to create fabric
Weft	Horizontal yarns or threads that are woven over and under the warp (vertical) yarns during the weaving process
WOLTEXPRO	Wool Industry Export Promotion Council. A non-profit organization that promotes the export of Indian woollen textiles

Term	Description
Women's Wear	Clothing, accessories, and footwear specifically designed and tailored for women
Wool	Natural textile made from the fleece or hair of animals, most commonly sheep, but also goats (cashmere, mohair), alpacas, llamas, and camels
Workwear	Clothing designed specifically for individuals engaged in manual labour, professional trades, or industrial work
Working Capital Cycle (days)	Working Capital Cycle Days measures the time taken to convert our company’s net current assets (working capital) into cash. It reflects the efficiency of our company’s operations and cash flow management by tracking the time required to manage the entire cash-to-cash conversion cycle, from purchasing raw materials to collecting payments from customers
Woven Fabrics	Textile produced by interweaving warp and weft threads
Woven Garments	Clothing items made from woven fabrics
WYO	Wear Your Opinion. Retail brand specializing in customizable apparel and accessories for men, women, and children
Yarn	Continuous strand of fibers that is spun or twisted together to create a structure suitable for making textiles

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CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

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

All references herein to the "US", the "U.S.", the "USA", or the "United States" are to the United States of America and its territories and possessions and all references to "U.K.", or "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland.

Page Numbers

Unless indicated otherwise, all references to page numbers in this Red Herring Prospectus are to page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information in this Red Herring Prospectus is derived from the Restated Financial Information.

The Restated Financial Information of our Company comprises of the Restated Summary Statement of Assets and Liabilities as on March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flows for financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023, and the significant accounting policies and explanatory notes (together, the "**Restated Summary Statements**").

The Restated Summary Statements have been prepared to comply in all material aspects with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended (the "**Guidance Note**"); and (d) the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Summary Statements have been compiled from the Audited financial statements of the Company for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 which were prepared to comply in all material respects with the AS notified under the section 133 of the Companies Act read with Rule 4 of the Companies (Accounting Standards) Rules, 2021 (as amended from time to time) and which have been approved by the Board of Directors at their meeting held on June 03, 2025, September 04, 2024 and September 02, 2023 respectively.

For further information on our Company's financial information, please see "*Restated Financial Information*" on page 273.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

In addition, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

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

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with AS, the Companies Act, 2013, the SEBI ICDR Regulations and Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. There are significant differences between Indian GAAP, IFRS and U.S. GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. For details in connection with risks involving differences between Indian GAAP, U.S. GAAP and IFRS, please see "*Risk Factors - Risks Relating to the Offer and the Objects of the Offer - Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 74.

Unless the context otherwise indicates, any percentage amounts (excluding certain operational metrics), with respect to the financial information of our Company in this Red Herring Prospectus have been derived from the Restated Financial Information.

Non-GAAP Measures

Certain non-GAAP measures presented in this Red Herring Prospectus such as Net Asset Value per Equity Share, EBIT, EBITDA, EBITDA Margin, Cash EBIT, Return on Capital Employed, Debt to Equity Ratio, Net Debt to Equity Ratio and Net Worth (collectively "**Non-GAAP Measures**") are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Accounting Standards, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Accounting Standards, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Accounting Standards, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP Measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company's management believes that they are useful information in relation to our business and financial performance.

For the risks relating to Non-GAAP Measures, see "*Risk Factors – Other Risks Relating to the Offer and the Objects of the Offer - We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS*" on page 73.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been derived from a report titled "*Report on Digital Textile Printing Industry in India*" dated January 30, 2025 (the "**D&B Report**") that has been commissioned and paid for by our Company and prepared by D&B exclusively for the purpose of understanding the industry our Company operates in, in connection with the Offer. The D&B Report is available on the website of our Company at https://kaytexfabrics.com/ipo/, until the Bid / Offer Closing Date. D&B has confirmed pursuant to its letter dated January 30, 2025 that it is an independent agency and is not related, in any manner, to our Company, our Directors, our Promoters, our Key Managerial Personnel, our Senior Management or the Book Running Lead Manager.

References to Digital Textile Printing Industry in India in the "*Industry Overview*" chapter on page 141 are in accordance with the presentation, analysis and categorisation in the D&B Report. Further, industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends.

The extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which we conduct business, and the methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Other Risks - We have commissioned an industry report from Dun & Bradstreet Information Services India Private Limited, which has been used for industry related data in this Red Herring Prospectus.*" on page 71. Accordingly, no investment decisions should be made based on such information.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for Offer Price*" on page 129 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

Time and Year

All references to time in this Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a Calendar Year.

Currency and Units of Presentation

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

In this Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in lakhs. One lakh represents '1 lakh' or '1,00,000'. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources may be rounded off to other than two decimal points in the respective sources and such figures have been expressed in this Red Herring Prospectus in such number of decimal points as provided in such respective sources. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Exchange Rates

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

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	Exchange Rate as on*		
	March 31, 2025#	March 31, 2024	March 31, 2023
1 USD	85.58	83.37	82.22

** If the RBI reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed. Source: www.fbil.org.in*
 # The latest available data for the fiscal year has been provided as of March 28, 2025.
Note: Exchange rate is rounded off to two decimal places.

Notice to Prospective Bidders

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, Bidders must rely on their own examination of our Company and the terms of this Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities law. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no offering of securities in the United States.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "*aim*", "*anticipate*", "*are likely*", "*believe*", "*continue*", "*can*", "*could*", "*expect*", "*estimate*", "*intend*", "*may*", "*likely*", "*objective*", "*plan*", "*project*", "*propose*", "*seek to*", "*shall*", "*will*", "*will achieve*", "*will continue*", "*will likely*", "*will pursue*" or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. These forward-looking statements are based on our management's belief and assumptions, current plans, estimates and expectations, which in turn are based on currently available information. As a result, actual results could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance.

Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Changes in consumer preferences, fashion trends, and demand for specific textile designs can impact our order volumes and revenue. The rapid shift towards sustainable and eco-friendly products may also influence demand;
- Volatility in prices for raw materials that we use in our manufacturing process, especially due to supply chain disruptions or tariffs, could increase production costs and affect profitability;
- Rapid changes in digital printing technology could render our existing equipment obsolete or require additional investments to stay competitive;
- Any disruption, breakdown or shutdown of our manufacturing facilities in Punjab;
- Our inability to develop and maintain designs, etc. to support our customers' evolving needs or our inability to maintain the quality of our fabrics and reputation with its customers;
- Any delay, suspension or termination of our contracts with our customers; and
- Changes in government regulations affecting the textile industry or changes to applicable laws and regulations applicable to us and our customers.

Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Inability to maintain and develop our brand;
- Adverse statutory and regulatory actions from Income Tax Department or any other statutory or regulatory authority;
- Any adverse developments affecting Punjab where our manufacturing facilities are located;

- Our business strategies and plans to achieve these strategies;
- Conflict of interest between our business and activities undertaken by entities in which certain of our directors and our Promoters have interest in future;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" pages 39, 203 and 277 respectively.

Neither our Company, nor the Selling Shareholders, nor the Book Running Lead Manager, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our company and the Equity Shares from the date of the Red Herring Prospectus until the date of the Allotment. In accordance with the requirements of SEBI, each of the Selling Shareholders (through our Company and the BRLM) shall, severally and not jointly, to the extent of statements specifically made or confirmed by them in relation to themselves and their respective portion of Offered Shares in this Red Herring Prospectus, ensure that investors in India are informed of material developments until the date of Allotment.

SECTION II – SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Our Business", "Industry Overview", "Our Promoters and Promoter Group", "Restated Financial Information" and "Outstanding Litigation and Material Developments" on pages 39, 82, 96, 110, 203, 141, 268, 273 and 309 respectively.

Primary Business of our Company

Our company is a fast-fashion fabric solutions and manufacturing enterprise, integrating technology, design, and traditional craftsmanship to create quality textiles and fashion products. We specialize in producing fabrics from fibres like cotton, viscose, and polyester, with a strong focus on digital printing technology, enabling vibrant, customizable, and trend-driven designs. Expanding into womenswear, we also offer a diverse range of ready-to-stitch suits, co-ord sets, shawls, and stoles. We operate —as a brand enabler, providing fabrics and design solutions to apparel brands; through our own brands, offering fabrics and garments; and in the non-branded segment, serving wholesalers and retailers.

Summary of the Industry in which our company operates

Digital textile printing referred to as direct-to-garment or digital garment printing, is a process of reproducing digital images/prints on textiles and garments using specialized or modified inkjet technology. The Indian digital textile printing market's revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85%. In the coming years, revenue is projected to reach USD 1,212.3 million by CY 2030F, up from USD 648.4 million in CY 2024E at a CAGR of 11.00%. Factors such as rising disposable incomes and changing consumer preferences is creating a strong demand. (*Source: D & B Report*)

Names of Promoters

As on the date of this Red Herring Prospectus, our promoters are Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari. For further details, see "*Our Promoters and Promoter Group*" on page 268.

Details of the Offer

The following table summarizes the details of the Offer. For further details, see "*The Offer*" and "*Offer Structure*" on pages 82 and 343, respectively.

Present Offer of Equity Shares by our Company	Up to 38,78,400 Equity shares for cash at a price of ₹ [●]/- per Equity share (including a premium of [●] per Equity Share) aggregating up to ₹ [●] Lakhs
Of which:	
(i) Fresh Issue [(1)]	Up to 31,99,200 Equity Shares aggregating up to ₹ [●] Lakhs
(ii) Offer for Sale [(2)]	Up to 6,79,200 Equity Shares aggregating up to ₹ [●] Lakhs being offered by the Selling Shareholders (comprising up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Sanjeev Kandhari and up to 3,39,600 Equity Shares aggregating up to ₹ [●] Lakhs by Amit Kandhari)
Market Maker Reservation Portion	Up to [●] Equity shares aggregating up to ₹ [●] Lakhs
Net Offer to the Public	Up to [●] Equity shares aggregating up to ₹ [●] Lakhs

(1) The Offer has been authorized by a resolution of our Board dated December 23, 2024 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated December 27, 2024.
(2) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 325. Further, each of the Selling Shareholders, severally and not jointly, confirms compliance with and that it shall comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

The Offer and Net Offer shall constitute [●] % and [●] %, respectively, of the post Offer paid-up Equity Share capital of our Company.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Funding capital expenditure for construction of additional warehouse facility in Amritsar;	255.55
2.	Funding capital expenditure for construction of dedicated sales office in Amritsar;	373.20
3.	Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar;	501.00
4.	Funding our incremental working capital requirements; and	3,000.00
5.	General corporate purposes	[●]
	Net Proceeds*	[●]

To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

For further details, see "*Objects of the Offer*" on page 110.

Aggregate Pre-Offer Shareholding of our Promoters and the Members of our Promoter Group (Other than our Promoters) and the Selling Shareholders

The aggregate pre- Offer shareholding of our Promoters and the members of our Promoter Group (other than our Promoters) and the Selling Shareholders, as a percentage of the pre- Offer paid-up Equity Share capital, on a fully diluted basis, of our Company is set out below:

Name of Shareholder	Pre-Offer	
	Number of Shares	Percentage % holding
Promoters		
Sanjeev Kandhari#	57,49,975	49.99%
Amit Kandhari#	57,49,975	49.99%
Shelly Kandhari	-	-
Priti Kandhari	-	-
Total (A)	**1,14,99,950**	**99.98%**
Promoter Group		
Sagar Kandhari	10	Negligible
Sahil Kandhari	10	Negligible
Chahat Kandhari	10	Negligible
Devika Arora	10	Negligible
Sweety Ahuja	10	Negligible
Total (B)	**50**	**0.02%**
Total (A + B)	**1,15,00,000**	**100.00%**

 # Also, the Promoter Selling Shareholders.

For further details, see "*Capital Structure*" on page 96.

The aggregate pre-Issue and post-Issue shareholding of our Promoters and the members of our Promoter Group (other than our Promoters), the Selling Shareholders and Additional Top 10 shareholders as at allotment of our Company is set out below:

Sr. No	Name of Shareholder	Pre-Issue shareholding as at the date of Advertisement		Post-Issue shareholding as at Allotment (3)			
		Number of Equity Shares (2)	Share Holding (in %) (2)	At the lower end of the price band (₹171/-)		At the upper end of the price band (₹180/-)	
				Number of Equity Shares (2)	Share Holding (in %) (2)	Number of Equity Shares (2)	Share Holding (in %) (2)
1	Sanjeev Kandhari#	57,49,975	49.99%	[●]	[●]%	[●]	[●]%
2	Amit Kandhari#	57,49,975	49.99%	[●]	[●]%	[●]	[●]%
3	Shelly Kandhari	-	-	[●]	[●]%	[●]	[●]%
4	Priti Kandhari	-	-	[●]	[●]%	[●]	[●]%
5	Promoter Group (1)	50	0.02%	[●]	[●]%	[●]	[●]%
Additional Top 10 shareholder							
	Nil	-	-	-	-	-	-

Notes:
1) The Promoter Group shareholders are Sagar Kandhari, Sahil Kandhari, Chahat Kandhari, Devika Arora & Sweety Ahuja

2) Includes all options that have been exercised until date of Prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of Prospectus.
3) Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.
 # Also, the Promoter Selling Shareholders.

Summary derived from the Restated Financial Information

The following information has been derived from our Restated Financial Information for the Financial Years ended on March 31, 2025, March 31, 2024, and March 31, 2023:

(₹ in lakhs, except share data)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Equity Share Capital	1,150.00	50.00	50.00
Net worth#	5,007.20	3,354.73	2,113.65
Revenue from operations	15,278.73	12,494.14	9,918.84
Restated Profit after tax for the year	1,690.47	1,130.80	559.14
Earnings per equity share (Basic & diluted) (in ₹) @	14.70	9.83	4.86
Net Asset Value per Equity Share (in ₹) *	43.54	29.17	18.38
Total borrowings^	3,814.82	3,550.84	2,701.11

Notes:
 # Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation each as applicable for the Company on restated basis.
@ Earnings per share (basic and diluted) means Basic earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.
** Net asset value per equity share means total equity divided by weighted average number of equity shares. Net Asset Value per equity share after considering bonus shares impact with retrospective effect.*
^ Total borrowings means total of long-term and short-term borrowings.

For further details, see "*Restated Financial Information*" and "*Other Financial Information*" on pages 273 and 274, respectively.

Auditor Qualifications

There are no qualifications by our Statutory Auditors which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of pending litigation proceedings as on the date of this Red Herring Prospectus involving our Company, Directors, Promoter and our Group Companies as disclosed in the chapter titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations#	Aggregate amount involved (₹ in Lakhs)
Company						
By the Company	1	-	-	-	-	11.40
Against the Company	1	13	-	-	-	27.65*
Promoters						
By Promoter	-	-	-	-	-	-
Against Promoter	-	3	-	-	-	0.50
Directors (other than Promoters)						
By our directors	-	-	-	-	-	-
Against the directors	-	-	-	-	-	-
Key Managerial Personnel & Senior Management Personnel						
By our KMPs/ SMPs	-	-	-	-	-	-
Against the KMPs/ SMPs	-	-	-	-	-	-

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations#	Aggregate amount involved (₹ in Lakhs)
Group Companies						
By the Group Company	-	-	-	-	-	-
Against the Group Company	-	5	-	-	-	0.05*

 # Determined in accordance with the Materiality Policy.
**Amount quantifiable to the extent.*

Risk Factors

Specific attention of the investors is invited to "*Risk Factors*" on page 39 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

As of March 31, 2025, we have following contingent liabilities as per AS 29:

a. Claims against the Company (including unasserted claims) not acknowledged as debt:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Related to Direct Tax Matters	25.97	25.33	23.46
Related to Indirect Tax Matters	-	-	-
Related to Bank Guarantees	-	-	-
Other Matters	0.35	0.35	-

For further information, please see "*Restated Financial Information*" and "*Outstanding Litigation and Other Material Developments*" on page 273 and 309, respectively.

Summary of Related Party Transactions

A summary of the related party transactions entered into by our Company for the Financial Years ended on March 31, 2025, March 31, 2024 and March 31, 2023, as per AS 18 – Related Party Disclosures read with SEBI ICDR Regulations derived from the Restated Financial Information is detailed below:

List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Amit Kandhari	Director
2	Sanjeev Kandhari	Director
3	Priti Kandhari	Director
4	Shelly Kandhari	Director
5	Sahil Kandhari	Relative to Director
6	Sweety Ahuja	Relative to Director
7	Chahat Kandhari	Relative to Director
8	Janak Kandhari	Relative to Director
9	Sanjeev Kandhari HUF	Relative to Director
10	Estate of Krishan Kumar Kandhari	Relative to Director
11	Amit Kandhari HUF	Relative to Director
12	Vikas Enterprises	Sister Concern
13	S S Enterprises	Sister Concern
14	Kandhari Textiles Private Limited	Associate Company
15	Radhey Krishna Trading Co	Sister Concern
16	Sai Lakshay Prints Pvt Ltd	Sister Concern
17	Manohar Lal Grover	Relative to Director
18	Neeraj Grover (M.L enterprises)	Relative to Director

Sr. No	Name of the Related Party	Relationship
19	Khanna Dyeing and Finishing Mills Pvt Ltd	Sister Concern
20	K.M Industrial Fab	Sister Concern

(₹ in Lakhs)

Transactions during the year	For the Year Ended on		
	March 31, 2025	March 31, 2024	March 31, 2023
Salary Paid			
Amit Kandhari	60.00	60.00	60.00
Sanjeev Kandhari	60.00	60.00	60.00
Priti Kandhari	5.25	12.60	12.60
Shelly Kandhari	5.25	12.60	12.60
Sahil Kandhari	18.00	12.00	12.00
Sweety Ahuja	5.45	4.80	-
Devika Arora	1.40	1.48	-
Rubina Mahajan	1.00	-	-
Rent Paid			
Kandhari Textiles Private Limited	48.60	37.60	36.60
Priti Kandhari	18.00	-	-
Shelly Kandhari	18.00	-	-
Rent Received			
Radhey Krishna Trading Co	1.27	1.27	1.15
Kandhari Textiles Private Limited	2.40	2.40	2.40
Purchases			
Radhey Krishna Trading Co	1,801.39	1,210.43	1,316.79
Neeraj Grover (M.L enterprises)	-	0.63	-
K.M Industrial Fab	-	-	1.54
Incentive			
Sahil Kandhari	25.35	-	-
Interest Paid			
Chahat Kandhari	1.19	2.66	2.36
Sahil Kandhari	0.15	3.37	3.54
Priti Kandhari	3.94	13.92	13.82
Janak Kandhari	6.37	15.80	13.02
Sanjeev Kandhari HUF	17.92	32.32	27.26
Shelly Kandhari	0.41	8.12	8.91
Estate of Krishan Kumar Kandhari	7.51	15.25	13.08
Amit Kandhari	45.47	29.80	28.32
Sanjeev Kandhari	18.52	5.25	8.09
Amit Kandhari HUF	10.67	19.95	15.70
Vikas Enterprises	4.94	9.70	8.78
S S Enterprises	1.44	2.74	2.32
Loan Received			
Amit Kandhari	275.27	5.80	85.00
Sanjeev Kandhari	174.82	7.65	4.80
Priti Kandhari	4.00	11.50	25.65
Shelly Kandhari	4.00	31.50	20.50
Estate of Krishan Kumar Kandhari	-	-	-
Amit Kandhari HUF	-	50.00	15.00
Sahil Kandhari	-	-	10.00
Sanjeev Kandhari HUF	-	20.00	11.00
Vikas Enterprises	-	2.00	-

Transactions during the year	**For the Year Ended on**		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Janak Kandhari	-	18.00	-
Loan Repaid			
Amit Kandhari	93.05	39.40	34.40
Sanjeev Kandhari	26.65	24.25	40.30
Priti Kandhari	55.65	65.80	35.23
Shelly Kandhari	12.02	94.00	15.17
Amit Kandhari HUF	148.39	31.75	24.00
Sahil Kandhari	13.76	15.87	3.61
Sanjeev Kandhari HUF	220.12	20.70	18.50
Janak Kandhari	90.16	32.40	0.20
Vikas Enterprises	63.78	7.30	1.00
S S Enterprises	19.39	-	-
Chahat Kandhari	18.31	-	-
Estate of Krishan Kumar Kandhari	105.69	-	-
Commission & Brokerage			
Sahil Kandhari	-	-	3.66
Manohar Lal Grover	1.78	-	-
Sales			
Neeraj Grover (M.L enterprises)	7.55	20.42	13.40
Khanna Dyeing and Finishing Mills Pvt Ltd	1.80	3.31	-
Sweety Ahuja	1.54	-	-
Radhey Krishna Trading Co	64.67	-	-
Sale Job work			
K.M Industrial Fab	-	-	13.35
Khanna Dyeing and Finishing Mills Pvt Ltd	-	0.54	0.43
Dyeing and Finishing			
Khanna Dyeing and Finishing Mills Pvt Ltd	-	0.47	2.99
Board and Committee Meeting Fees paid			
Shelly Kandhari	0.80		
Priti Kandhari	0.70		
Rahul Tandon	0.85		
Rajiv Arora	0.80		

Figures shown above are exclusive of GST and TDS

(₹ in Lakhs)

Outstanding Balance (Receivables)/Payable	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Outstanding Balance (Investment)			
Sai Lakshay Prints Pvt Ltd	-	-	-
Outstanding Balance (Payable Balance)			
Amit Kandhari	356.09	173.86	180.64
Sanjeev Kandhari	167.68	19.51	31.38
Priti Kandhari	-	47.71	89.48
Shalley Kandhari	-	7.61	62.80
Sahil Kandhari	-	13.61	26.45
Janak Kandhari	-	83.79	83.97
Sanjeev Kandhari HUF	-	202.21	173.82
Estate of Krishan Kumar Kandhari	-	98.19	84.47
Amit Kandhari HUF	-	137.72	101.52

Outstanding Balance (Receivables)/Payable	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Vikas Enterprises	-	58.84	55.41
S S Enterprises	-	17.95	15.20

For details, please refer to chapter titled "*Other Financial Information – Related Party Transactions*" on page 276.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our directors, selling shareholders and their relatives (as defined in Companies Act, 2013) 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 a period of six months immediately preceding the date of this Red Herring Prospectus.

Weighted Average Price at which specified securities were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Red Herring Prospectus set forth in the table below:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Red Herring Prospectus	No. of Equity Shares acquired in last one year	Weighted Average cost of Acquisition per Equity Share in the last one year (in ₹) *
1.	Sanjeev Kandhari#	57,49,975	55,00,000	-
2.	Amit Kandhari#	57,49,975	55,00,000	-
3.	Shelly Kandhari	-	-	-
4.	Priti Kandhari	-	-	-

Note: For arriving at the weighted average price at which the equity shares of the Company were acquired by the Promoters and the Selling Shareholders, only acquisition of equity shares which are allotted to them has been considered while arriving at weighted average price per Equity Share for last one year.
**As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.*
 # Also, the Promoter Selling Shareholders.

Average Cost of Acquisition

The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders as at the date of this Red Herring Prospectus is set forth below:

S. No.	Name of the Promoter	Equity shareholding as on the date of this Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Sanjeev Kandhari#	57,49,975	0.38
2.	Amit Kandhari#	57,49,975	0.38
3.	Shelly Kandhari	-	-
4.	Priti Kandhari	-	-

Note: Average cost of acquisition of Equity Shares of the Company held by the Promoters and the Selling Shareholders in respect of their respective shareholding in the Company is calculated as per FIFO Method.
**As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.*
 # Also, the Promoter Selling Shareholders.

For further details of the average cost of acquisition of our Promoters, see "*Capital Structure – Build-up of the Promoters shareholding in our Company*" on page 99.

Details of price at which specified securities were acquired in the three years preceding the date of this Red Herring Prospectus

Except as set out below, no specified securities have been acquired in the three years preceding the date of this Red Herring Prospectus, by our Promoters, Promoter Group, Selling Shareholders and Shareholders with the right to nominate directors or with any other rights:

Name of the acquirer / shareholder	Date of acquisition of Equity Shares	Number of Equity Shares*	Acquisition price per Equity Share (in ₹)	Nature of Transaction
Promoters				

Name of the acquirer / shareholder	Date of acquisition of Equity Shares	Number of Equity Shares*	Acquisition price per Equity Share (in ₹)	Nature of Transaction
Sanjeev Kandhari#	September 04, 2024	55,00,000	-	Bonus Issue
Amit Kandhari#	September 04, 2024	55,00,000	-	Bonus Issue
Shelly Kandhari	-	-	-	-
Priti Kandhari	-	-	-	-
Promoter Group				
Sagar Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Sahil Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Chahat Kandhari	November 18, 2024	10	-	Acquired pursuant to Gift
Devika Arora	November 18, 2024	10	-	Acquired pursuant to Gift
Sweety Ahuja	November 18, 2024	10	-	Acquired pursuant to Gift

 # Also, the Promoter Selling Shareholders.

Weighted Average Cost of Acquisition of all shares transacted in the three years, 18 months and one year preceding the date of this Red Herring Prospectus

Period	Number of Equity Shares transacted of face value ₹10/-each	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition@	Range of acquisition price per Equity Share: lowest price-highest price (in ₹)
Last one year preceding the date of this Red Herring Prospectus	1,10,00,000	-	-	Nil^
Last 18 months preceding the date of this Red Herring Prospectus	1,10,00,000	-	-	Nil^
Last three years preceding the date of this Red Herring Prospectus	1,10,00,000	-	-	Nil^

@To be updated in the Prospectus upon finalisation of the Price Band.
^Nil is the lowest price since bonus issue for 1,10,00,000 equity shares were made on September 04, 2024.
**As certified by M/s. S G U R & Co, Chartered Accountants, by way of their certificate dated July 15, 2025.*

Details of Pre-IPO Placement

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

Issue of equity shares for consideration other than cash in the last one year

Except as disclosed below, our company has not issued Equity Shares for consideration other than cash in the last one year preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
September 04, 2024	1,10,00,000	10/-	-	Issue of bonus shares in the ratio of 22:1 (i.e. 22 new Equity Shares for each Equity Share held)	Nil, except for expansion of capital base of our Company

For further details, please see "*Capital Structure – Equity Share Capital History of our Company*" on page 96.

Split / consolidation of equity shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the last one year preceding the date of this Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI, as on the date of this Red Herring Prospectus.

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SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occurs, our business, financial condition, results of operations and cash flows could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Furthermore, some events may be material collectively rather than individually.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence have not been disclosed in the applicable risk factors. Prospective Investors should read this section together with "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Industry Overview" on pages 203, 277 and 141 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective Bidders should rely on their own examination of us and the terms of the offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Potential Bidders should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties where actual results could materially differ from those anticipated in these forward-looking statements. For further details, see chapter titled "Forward Looking Statements" on page 28.

Unless the context requires otherwise, the financial information used in this section is derived from our Restated Financial Information on page 273. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

*Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, "Report on Digital Textile Printing Industry in India" released on January 30, 2025 ("**D&B Report**") prepared by Dun & Bradstreet Information Services India Private Limited, appointed by our Company pursuant to an engagement letter dated December 28, 2024, and such D&B Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. The D&B Report is available on the website of our Company at https://kaytexfabrics.com/ipo/. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Internal Risk Factors

<u>Risks Relating to our Business</u>

1. ***During Fiscal 2025, Fiscals 2024 and Fiscal 2023, we derived 89.68%, 94.81% and 91.05% our revenue from operations from domestic sales from our customers in Northern India, which exposes us to risks specific to these Indian geographies and market.***

We derived a significant portion of our revenue from our customers in Northern India during Fiscal 2025, Fiscals 2024 and Fiscal 2023 as set out below:

(₹ in Lakhs)

State	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Punjab	10,429.17	*68.26%*	9,924.26	*79.43%*	7,364.86	*74.25%*
Haryana	2,083.62	*13.64%*	913.95	*7.31%*	381.88	*3.85%*
Delhi	762.49	*4.99%*	657.78	*5.26%*	938.67	*9.46%*
Uttar Pradesh	214.94	*1.41%*	185.30	*1.48%*	136.78	*1.38%*
Himachal Pradesh	136.25	*0.89%*	142.28	*1.14%*	145.96	*1.47%*
Uttarakhand	29.58	*0.19%*	-	-	-	-

State	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Jammu and Kashmir	41.86	*0.27%*	21.70	*0.17%*	63.18	*0.64%*
Chandigarh	3.98	*0.03%*	-	-	-	-
Total	**13,701.89**	***89.68%***	**11,845.26**	***94.81%***	**9,031.33**	***91.05%***

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Due to a significant concentration of our revenues in this region, we are highly impacted by risks specific to these geographies, such as civil unrest as well as other adverse social, economic and political events in these states, natural disasters, regional conflicts, and other unforeseen events and circumstances. If any of these risks materialise or if there is a significant downturn in these states, our results of operations and future profitability could be adversely impacted. Further, there have been no instances during the last 3 financial years where the Company has been impacted due to its revenue from domestic sales to customers in Northern India or exposure to risks specific to these geographies and market conditions.

2. ***Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires a significant amount of working capital for our day-to-day operations before payment is received from our customers. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. As on March 31, 2025, our Company had sanctioned working capital facilities aggregating to ₹3,155.00 lakhs from HDFC Bank Limited and outstanding working capital facilities aggregating to ₹2,067.88 lakhs. Details of our working capital during Fiscals 2025, 2024 and 2023 are set out below:

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
A.	**Current Assets**			
	Inventories	4,020.45	3,120.88	1,551.91
	Trade receivables	3,545.70	2,836.78	2,569.16
	Short Term Loans and Advances	68.03	110.18	206.75
	Other Current Assets	1,766.86	1,185.15	864.38
	Total Current Assets (A)	**9,401.04**	**7,252.99**	**5,192.20**
B.	**Current Liabilities**			
	Trade payables	2,257.03	1,542.13	1,555.76
	Other Current Liabilities	379.57	340.79	276.07
	Short Term Provisions	634.28	450.61	372.36
	Total Current Liabilities (B)	**3,270.88**	**2,333.53**	**2,204.19**
C.	**Total Working Capital requirements (C=A-B)**	**6,130.16**	**4,919.46**	**2,988.01**
D.	**Funding Pattern**			
	Borrowings from banks, financial institution and non-banking financial companies	2,067.88	1,413.58	799.36
	Unsecured loans from Related Parties	523.77	878.10	919.88
	Internal Accruals and Equity	3,538.51	2,627.78	1,268.77
	Total	**6,130.16**	**4,919.46**	**2,988.01**

As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated July 15, 2025.

There have been instances of claims filed for compensation for loss incurred pursuant to defaults by the customers. For details see, "*Outstanding Litigation and Material Developments*" on page 309. Further, claim for compensation, settlement of disputes, etc. may take time and involve us expending financial and other resources, and the outcome may be uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our customers to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. However, there have been no instances of losses resulting from environmental liabilities in the last 3 financial years and the current financial year. We may also have a higher inventory level at our facilities due to various factors such as, delay in deliveries to the customers, natural disasters, pandemic, government-imposed restrictions, etc.

All of these factors may result, in increase in the amount of receivables, inventory and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. While there have been no instances of inaccurate budgeting of working capital requirements in during Fiscals 2025, 2024, and 2023, there may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Additionally, our Company intends to utilise ₹3,000.00 lakhs from the Net Proceeds to fund working capital requirements of our Company in Fiscal 2026. We intend to scale up production capacity for our digitally printed fabrics and ready-to-stitch garments. As we continue to expand our product offerings and penetrate new markets, both domestic and international, the demand for raw materials such as yarns, greige fabrics, dyes, and chemicals is expected to increase, necessitating larger upfront procurement costs. Additionally, as we focus on offering value-added products and strengthening our distribution network in Tier 3, and Tier 4 cities, our inventory holding period is likely to grow, resulting in a higher requirement for working capital. Furthermore, the expansion into new geographic regions and the increased scale of production for both branded and non-branded products will lead to a larger receivables cycle, as we extend credit terms to our customers. This will further necessitate incremental working capital funding to ensure that we can efficiently manage cash flows, support day-to-day operations, and avoid any disruptions in production or customer fulfilment. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled "*Objects of the Offer*" on page 109.

3. ***We are a fast fashion fabrics solutions and manufacturing company which is vulnerable to variations in demand and changes in consumer preferences, which could have an adverse effect on our business, results of operations and financial condition.***

Our business is significantly influenced by consumer preferences and fashion trends, particularly in the Indian wear and fast-fashion fabrics market. The success of our products, including digitally printed fabrics, jacquard fabrics, corduroy fabrics, dobby fabrics, and ready-to-stitch garments, depends on our ability to anticipate, identify, and respond to evolving consumer demands and emerging fashion trends. Consumer preferences in the textile and apparel industry are constantly evolving, driven by factors such as shifts in lifestyle, changing cultural norms, increased exposure to global fashion trends, and the growing influence of Western and fusion wear. While Indian traditional wear such as suits, sarees, shawls, stoles, and scarves continue to have a significant market, there is a risk that consumer preferences may shift away from traditional attire, particularly among younger generations. The younger consumer segment in India is increasingly adopting Western fashion styles or opting for fusion wear that blends traditional elements with contemporary designs. As a result, demand for traditional Indian fabrics and ready-to-stitch garments may decline over time, especially if younger consumers perceive them as less trendy or outdated. Any such shift in consumer preferences could impact sales volumes and reduce demand for our products. Moreover, the rise of fast fashion and the influence of global brands has led to rapid changes in fashion trends, making it challenging to predict and meet customer expectations. The short lifecycle of fast fashion products requires us to continuously innovate and introduce new fabric designs, patterns, and colours that are relevant to current market trends. If we fail to adapt to these changing preferences or fail to offer attractive, trendy, and customizable fabrics, we risk losing market share to competitors who may be quicker to respond to shifting demands.

Additionally, regional and cultural differences in fabric preferences across India's diverse markets require us to offer a wide range of products that cater to different tastes and styles. For example, Tier 1 and Tier 2 cities may have a higher demand for modern and contemporary fashion, while Tier 3 and rural markets may continue to prefer traditional designs. Balancing these varied consumer preferences across different regions and age groups adds complexity to our product development and inventory management. Further, consumer preferences are also impacted by socio-economic factors, such as rising disposable incomes, changing work environments, and social occasions, which influence buying behaviour and fashion choices. If we are unable to effectively track and respond to these socio-economic factors, we risk missing growth opportunities or producing products that do not align with market demands.

To mitigate these risks, we strive to innovate through design and our manufacturing capabilities by utilizing multiple technologies, including digital printing, jacquard weaving, and value-added processes such as embroidery, handwork, dyeing, and fabric finishing. These technologies enable us to offer customizable, on-trend fabrics and ready-to-stitch garments that cater to fast-changing fashion preferences across traditional and contemporary fabric segments. Our focus remains on maintaining a diverse product portfolio that serves both premium and value segments, covering a range of products such as jacquard suits, shawls, stoles, digitally printed fabrics, dobby fabrics, and corduroy fabrics. This comprehensive approach allows us to meet varying consumer demands across different regions and demographics. However, there is no guarantee that our efforts to innovate, diversify, and adopt new technologies will successfully align with future consumer preferences. If consumer preferences shift significantly away from Indian wear fabrics, or if we fail to adapt to rapidly evolving fashion trends, it could result in declining demand for our products, inventory buildup, and reduced profitability, which would adversely affect our financial performance and market position. Furthermore, the textile and apparel industry is highly competitive and dynamic, requiring businesses to continuously innovate and respond to market changes quickly. Failure to maintain relevance in this evolving fashion landscape could materially impact our business operations, financial condition, and long-term growth prospects.

4. ***We recently adopted digital textile printing technology in our operations and any challenges in digital textile printing operations could negatively affect our business and financial performance.***

Our digital textile printing segment is a key growth driver for our business, enabling us to offer customized, high-quality fabrics with modern designs and faster turnaround times, which align with the demand for fast-fashion products. We have recently adopted digital printing technology in 2020 as part of our efforts to diversify our product offerings and enhance production efficiency. However, as a recent entrant in the digital textile printing segment, we face additional risks related to limited operational experience, initial investments, and market acceptance of our digitally printed products. We are already in the advance stage of installing additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have installed HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is a solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. The machinery, once fully operational, is expected to increase our digital printing capacity to 140.00 lakhs metres per annum ("**MPA**"). Any challenges in scaling up our digital printing operations, including technical issues, market adaptation, or cost management, could negatively impact our business operations, financial performance, and growth prospects. The digital printing market is highly competitive and technology-driven, requiring continuous investments in upgrading machinery, adopting new techniques, and maintaining innovation in design and production processes. As a recent adopter of this technology, we may face risks in achieving production efficiencies, meeting customer expectations for print quality, or effectively managing the learning curve associated with operating advanced digital printing equipment. Any failure to invest in newer digital printing technologies or to adapt to rapidly changing fashion trends and customer preferences could result in reduced demand for our digitally printed fabrics, leading to loss of market share and declining revenues from this segment.

Additionally, fluctuations in raw material costs, particularly inks, dyes, and fabric substrates, could impact the profitability of our digital printing operations. If we are unable to pass on increased raw material costs to our customers, our profit margins may be adversely affected. Furthermore, operational challenges such as machine breakdowns, delays in production, or inconsistent print quality could disrupt our production schedules, resulting in delayed deliveries and customer dissatisfaction, potentially harming our brand reputation. The demand for digitally printed fabrics is highly influenced by consumer preferences, fast-changing fashion trends, and seasonal demand cycles. Any decline in demand for customized or digitally printed fabrics due to shifting market preferences, economic slowdowns, or emergence of alternative technologies could result in lower order volumes, under-utilization of our digital printing capacity, and higher operating costs, which may adversely impact our profitability.

Moreover, environmental regulations governing printing processes and the use of chemicals in digital printing may require us to implement additional compliance measures or invest in sustainable practices, which could increase our operational costs. Failure to comply with these regulations could expose us to legal risks, penalties, and reputational damage, further affecting our financial performance.

5. ***We do not have long term agreements for supply of our raw materials. If we are unable to procure raw materials of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be***

adversely affected. Majority of our raw materials are sourced from few key suppliers. Discontinuation of operations of such suppliers may adversely affect our ability to source raw materials at a competitive price.

We are dependent on key suppliers for few of our primary raw materials, such as yarns, chemicals, dyes, inks and greige fabrics which are the primary raw materials used in the manufacture of our products. During Fiscals 2025, 2024 and 2023, we sourced raw materials from 222 suppliers, 210 suppliers and 202 suppliers, respectively. We procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

(₹ in Lakhs)

Particulars	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Total Purchases	***% of Total Purchases***	**Total Purchases**	***% of Total Purchases***	**Total Purchases**	***% of Total Purchases***
Top 10 suppliers*	4,768.20	*68.55%*	3,920.70	*62.26%*	3,153.48	*71.07%*
Top 15 suppliers*	5,107.70	*73.43%*	4,430.00	*70.34%*	3,401.23	*76.65%*

**We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business.*
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

If we experience significant increased demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all.

Further, raw material costs significantly influence the pricing of digital textile printed fabrics, impacting the various aspects of production and shaping overall market dynamics. The choice of fabric is a primary determinant of the overall cost in digital textile printing with natural fibres, such as cotton and silk, incurring higher costs than synthetic materials like polyester due to the additional pre-treatment processes required for optimal print quality. The base fabric's quality and type directly impacts the final pricing for the customer. Similarly, inks used in digital printing are specialized and can be quite costly. Eco-friendly inks, while beneficial for sustainability, can be up to 30% more expensive than standard inks contributing significantly to the overall pricing structure of printed textiles. Additionally, the efficiency of production is also affected by raw material costs. If fabric or ink prices rise, manufacturers may need to adjust their pricing models to maintain profitability. While digital printing allows for smaller runs without high setup fees, increased raw material costs can lead to higher per-unit prices for smaller orders. As demand for specific fabrics and inks fluctuates, suppliers may increase prices, further impacting manufacturers' cost structures, leading to adjustments in retail pricing as companies strive to balance competitiveness with profitability. The shift towards sustainable materials may further influence raw material costs, as eco-friendly options often come at a premium. (*Source: D& B Report*).

For Fiscals 2025, 2024 and 2023, our total cost of material consumed was ₹11,184.75 lakhs, ₹10,693.21 lakhs and ₹7,756.74 lakhs, representing 85.18%, 97.36% and 85.11% respectively, of our total expenses. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. The amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time and the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in Government policies and regulations, including those relating to the textile industry in general.

Although there have not been any instances in the last 3 financial years and the current financial year where we have faced a shortage of raw materials, we cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations.

6. ***Inability to accurately gauge product demand and maintain optimal inventory levels could adversely affect our business and financial performance.***

The success of majority of our business relies heavily on our ability to anticipate and forecast customer demand and changing market trends. Our production planning and inventory management are based on demand forecasts. We manufacture goods and stock; customers review those on launch and place orders for delivery in 2-6 weeks typically. Any inaccuracies in these forecasts could result in inventory imbalances, such as excess stock that we may not be able to sell in a timely manner or at all, or under-stocking, which may hinder our ability to meet customer demand. This could adversely impact our sales, cash flows, and customer relationships.

We maintain inventory across various categories, including raw materials, work-in-progress, and finished goods, which are stored at our manufacturing facilities and warehouses. Maintaining optimal inventory levels is critical to our operations, as it enables us to respond effectively to customer orders. However, given the working capital-intensive nature of our business, managing inventory levels also ties up substantial funds. These funds are only realized upon the sale of finished goods, creating a time gap between inventory procurement and revenue realization, which impacts our cash flow cycle. As of March 31, 2025, March 31, 2024 and March 31, 2023, our inventory as a percentage of current assets was 42.39%, 42.90%, and 29.24%, respectively. Our inventory turnover ratio (calculated as cost of goods sold divided by average inventory) during these periods was 3.01 times, 3.91 times and 4.75 times, respectively. Additionally, our inventory cycle (i.e., inventory days) was 137 days, 125 days and 73 days for Fiscals 2025, 2024, and 2023, respectively. While we strive to avoid both under-stocking and over-stocking, our estimates and forecasts may not always be accurate, due to fluctuations in customer preferences, seasonal demand patterns, and market uncertainties. If we under-stock inventory, our ability to fulfil customer orders and meet market demand could be compromised, resulting in lost sales opportunities and damage to customer relationships. Conversely, if we over-stock inventory, we may incur higher working capital requirements, additional storage costs, and financing expenses. In such cases, we may be required to sell excess stock at a discount or write off unsold inventory, leading to potential losses. In summary, accurate demand forecasting and efficient inventory management are critical to our operations. Any inaccuracies in forecasting customer demand could lead to inventory imbalances, which may adversely impact our business, financial performance, and cash flows. Maintaining optimal inventory levels is key to managing working capital efficiently and reducing the risk of financial strain caused by blocked funds in inventory.

7. ***Our business is seasonal in nature, which could adversely affect our financial performance.***

Our business is seasonal in nature, with higher sales volumes during specific periods, such as festive seasons, weddings, and other cultural events. As a result, our revenue and cash flows are often concentrated in certain months of the year, which could lead to fluctuations in our financial performance across different quarters. The demand for traditional Indian wear fabrics and garments, including digitally printed fabrics, jacquard suits, shawls, stoles, and sarees, tends to increase significantly during festive seasons and wedding seasons in India and other markets with a large Indian diaspora. However, during non-festive or off-peak periods, we may experience a slowdown in orders, leading to under-utilization of our manufacturing capacities, lower sales volumes, and reduced profitability in those periods.

For instance, in Fiscal 2025, our quarterly revenue contribution was as follows:

Q1 (April-June): 21.49% of total revenue from operations;
Q2 (July-September): 24.91% of total annual revenue from operations;
Q3 (October-December, festive and wedding season): 33.17% of total revenue from operations;
Q4 (January-March): 20.43% of total revenue from operations.

Additionally, unpredictable factors such as weather conditions, changes in consumer behaviour, or shifts in fashion trends could impact seasonal demand patterns. For instance, an unusually long monsoon season or economic slowdowns during peak sales periods could adversely affect consumer spending on apparel and textiles, leading to lower-than-expected sales during the periods when we typically achieve higher revenues. The seasonal nature of our business also requires us to manage our working capital efficiently, particularly in anticipation of peak demand periods. We may need to increase inventory levels of raw materials and finished goods ahead of festive seasons, which ties up cash flows and exposes us to the risk of overstocking if demand does not materialize as expected. Any mismatch between anticipated demand and actual sales volumes could result in excess inventory, increased storage costs, and potential markdowns to clear unsold stock, which could adversely impact our margins and profitability.

Furthermore, our export markets may experience different seasonal patterns compared to our domestic market, adding further complexity to managing production schedules and inventory levels. This can result in production inefficiencies if we are unable to align our production timelines with varying demand cycles across different regions and markets. In summary, the seasonal nature of our business poses risks of revenue fluctuations, inventory imbalances, and under-utilization of manufacturing capacities during off-peak periods. If we are unable to effectively manage these seasonal fluctuations, it could adversely impact our financial performance, cash flows, and overall profitability.

8. ***Our relationship with our distributors is critical to our business. During Fiscals 2025, 2024 and 2023, 41.61%, 45.56% and 35.26% respectively, of our total revenue from operations was attributable to our distributors. If we are unable to maintain successful relationships with our distributors, our business, results of operations and financial condition may be adversely affected.***

During Fiscals 2025, 2024 and 2023, 41.61%, 45.56% and 35.26%, respectively, of our total revenue from operations was attributable to our distributors. Our revenue from our top 20 distributors during Fiscals 2025, 2024 and 2023 was ₹4,733.99 lakhs, ₹4,161.17 lakhs and ₹2,544.12 lakhs representing 30.98%, 33.30% and 25.65%, respectively, of our total revenue from operations. We rely significantly on our distributors to sell our products and we expect that sales through such distributors will continue to account for a significant percentage of our revenues. Our Company, Promoters, members of Promoter Group, Directors and Key Managerial Personnel do not have any direct or indirect conflict of interest with such distributors. Our distributors market and distribute our products to various end users in India and abroad. Our distribution model includes selling our goods through distributors / agents on both cash and credit basis. While our goods are sold directly to the distributors, the sales to our customers, through our agents involve paying a certain commission to these agents. During Fiscals 2025, 2024 and 2023 commission paid by us to our brokers/ agents was ₹191.96 lakhs, ₹136.57 lakhs and ₹97.45 lakhs, representing 1.46%, 1.24% and 1.07%, respectively, of our total expenses. We do not enter into any long-term contracts or formal arrangements or agreements with our distributors. Further, these distributors work with us on a non-exclusive basis.

Our distributors may discontinue their association without any notice and with little or no penalty. The loss of a considerable number of distributors and the inability to replace them or the failure to recruit additional distributors could materially and adversely affect our results of operations and cash flows and also the pricing of the products offered by us which may in turn materially and adversely affect our business prospects, financial condition, results of operations and cash flows. While, it is also possible that, from time to time, our distributors may violate the terms of our arrangements, such as the pricing terms, and we may need to sever ties with certain of our distributors, however, in the last 3 financial years and the current financial year, there has not been any instance of violation of terms and conditions by any of our distributors and hence no consequent action was taken by our Company. While in the last 3 financial years and the current financial year, there have not been any instance of fraud and financial irregularities on behalf of our distributors, we may in the future, become aware of fraud and financial irregularities on behalf of our distributors which may have legal or financial implications for us.

9. ***Our business prospects in the branded segment rely on the strength and market acceptance of our brands, and any inability to sustain or increase product sales could negatively impact our business performance.***

Under our branded segment, we develop, design, source, market and sell a wide portfolio of fabrics and ready-to-stitch garments (womenswear) across multiple brands, namely "*Rasiya*", "*Kaytex*" and "*Darbaar-e-Khaas*". Our brand names, images and recognition are key factors in customers' decision-making of purchasing our products in Tier 3 and 4 cities, semi-urban and rural areas of North India, and thus are critical to maintaining and expanding our customer base. We have leveraged the strength and image of our brands to grow and scale our operations.

With our brands catering to both premium and value segments of the women's Indian wear market, we leverage our existing distribution network to effectively up-sell and cross-sell products across our portfolio. By offering a diverse range of ready-to-stitch garments, jacquard fabrics, and digitally printed products, we are able to meet the varying preferences and budgets of customers through the same sales channels, maximizing our customer reach and sales potential. However, maintaining and enhancing the recognition, reputation, and differentiation of each of our brands is critical to sustaining our market position. There is a risk that we may face challenges in brand perception, market relevance, or customer loyalty, and any failure to successfully manage our brands may adversely impact our business operations, growth prospects, and competitiveness in the evolving textile and apparel market.

Among our existing brands, a significant portion of our total product revenue is derived from the sale of products under our "*Rasiya*" brand. Set out below are details of the product revenue for Fiscals 2025, 2024 and 2023:

(₹ in Lakhs)

Market Segment	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Brand Enabler	4,662.92	*30.52%*	2,577.79	*20.63%*	1,668.46	*16.82%*
Own Brands						
- *Rasiya*	*5,464.66*	*35.77%*	*4,445.61*	*35.58%*	*2,100.84*	*21.18%*
- *Kaytex*	*1,151.15*	*7.53%*	*1,211.04*	*9.69%*	*1,400.80*	*14.12%*
- *Darbar-e-Khaas*	*347.21*	*2.27%*	*38.44*	*0.31%*	-	-
Non-Branded	2,317.13	*15.17%*	2,342.98	*18.75%*	3,083.09	*31.08%*
Total Product Revenue	**13,943.07**	***91.26%***	**10,615.86**	***84.97%***	**8,253.19**	***83.21%***

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

The revenue from our "*Rasiya*" brand contributed to ₹5,464.66 lakhs, ₹4,445.61 lakhs and ₹2,100.84 lakhs, representing 35.77%, 35.58% and 21.18% of our revenue from operations for Fiscals 2025, 2024 and 2023, respectively. While our other brands have experienced growth, if the brand image, reputation or brand recall of our "*Rasiya*" "*Kaytex*" and "*Darbaar-e-Khaas*" brands weakens, or our "*Kaytex*" and "*Darbaar-e-Khaas*" brands experience reduced sales for any reason, including the aforementioned risks, our business and results of operations may be adversely affected.

We intend to continue to enhance the brand recall through the expansion of our footprint. Our marketing strategies rely on subtle, underlying core messages based on shared values and are focused on traditional Indian values and cultures. Our messages are contained in distinctive marketing, advertising and customer engagement initiatives. Many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, especially with respect to our emerging brands, the new products we launch or in geographic markets where we intend to expand our operations. Maintaining and enhancing our brands may require us to make substantial investments and incur substantial expenses in many areas including product design, marketing, advertising, e-commerce, community relations and employee training. For Fiscals 2025, 2024 and 2023, our advertisement expenses amounted to ₹16.12 lakhs, ₹3.78 lakhs and ₹1.17 lakhs, respectively, amounting to 0.12%, 0.03% and 0.01% of our total expenses, respectively.

Our investments in marketing our brands may not be successful, and our results of operations would also suffer if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. We anticipate that, as our business continues to expand through entering new markets and launching new designs and ready-to-stitch garments, and as the market becomes increasingly competitive, maintaining and enhancing our brands may continue to take significant effort and be a significant cost for us. Consumers in new markets may be less compelled by our brand image as compared to consumers in our existing markets, and thus may be less willing to purchase our products. If our marketing initiatives fail to yield the intended results, or we fail to maintain or enhance our brand recognition and reputation or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

Our brands may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion, without our knowledge, to unauthorized distribution channels, product defects, counterfeit products, unfair labour practices, failure to protect the intellectual property rights in our brand and other factors may threaten the strength of our brands and could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brands will depend largely on our ability to retain our position in the Northern India market, and that our range of products is of a high quality. We cannot assure you that the quality of our products will be maintained or enhanced.

10. If any new products that we launch are not as successful as we anticipate, our business, cash flows, results of operations and financial condition may be adversely affected.

Our business strategy involves the continuous introduction of new products, including digitally printed fabrics, jacquard fabrics, corduroy fabrics, dobby fabrics, and ready-to-stitch garments, to align with evolving fashion trends and changing consumer preferences. The success of our new product launches is critical to maintaining our competitive position, expanding our customer base, and driving revenue growth. However, there is a risk that new products we launch may not be as successful as we anticipate, resulting in lower-than-expected demand, unsold inventory, and increased operational costs. The success of any new product depends on several factors, including accurate assessment of market demand, consumer preferences, competitive pricing, quality, timing of the launch, and effective marketing efforts. If we fail to properly anticipate market trends or customer preferences, or if competitors introduce similar products more effectively, our new products may fail to gain traction in the market. This could lead to disappointing sales performance, inventory build-up, and additional costs for promotions or discounts to clear unsold stock, which would adversely affect our cash flows and profitability.

Additionally, launching new product categories requires investment in research and development, marketing, and production capabilities, which may not always yield immediate or guaranteed returns. If customer reception to our new products is poor or if market demand shifts unexpectedly, the resources and capital we allocate to developing these products may not generate the anticipated returns, negatively impacting our financial condition and results of operations. Further, new product launches often require extensive promotion and marketing efforts to create brand awareness and customer interest. If our marketing strategies fail to reach the target audience or do not generate sufficient demand, the success of our new products could be compromised. Moreover, the textile and apparel market is highly competitive and fast-paced, making it critical to launch new products at the right time to capture market share. Delays in product development or launch could result in lost opportunities and reduced competitiveness, further impacting our business performance. In summary, failure of new product launches to meet market expectations or achieve the desired sales performance could result in lower revenues, increased costs, and reduced profitability, which would adversely affect our business, cash flows, results of operations, and financial condition.

11. ***We may not be able to successfully manage the growth of our business if we are not able to effectively implement our strategies.***

Our installed capacities as at Fiscals 2025 was 158.77 lakhs MPA across all manufacturing units. For details, see "*Our Business - Our Manufacturing capabilities*" on page 217. Since our inception in 1996, our company has achieved several key milestones, driven growth and expanding its capabilities across various segments of the textile manufacturing industry. We began operations with seven shuttle-less rapier looms for dobby fabrics, with an initial manufacturing capacity of less than 5.00 lakhs MPA. In 2004, we reached our dobby fabric production capacity to 10.00 lakhs MPA, driven by increasing demand for versatile fabric options. By 2008, we introduced a state-of-the-art jacquard unit enabling us to produce high-quality jacquard fabrics with an initial capacity of less than 2.00 lakh MPA. The following year, in 2009, we established a separate fabric processing unit enhancing fabric finishing and value addition capabilities and further expanded our capacities, increasing dobby fabric production to 20.00 lakh MPA and jacquard fabric capacity to 4.00 lakh MPA. By 2010, we evolved into a fully integrated composite unit, streamlining end-to-end textile manufacturing processes and introduced dyeing and finishing processes in the existing processing unit, elevating fabric quality and customization options. In 2013, we continued to strengthen our jacquard capabilities by expanding the manufacturing capacity to 10.00 lakh MPA, positioning ourselves as a player in this high-value fabric segment. By 2017, we increased our dobby fabric production capacity to 40.00 lakh MPA. In 2019, we further scaled our jacquard fabric production capacity to 25.00 lakh MPA, solidifying our presence in the premium textile market. A significant milestone was achieved in 2020 with the commencement of digital printing operations, marking our entry into the fast-fashion segment with an initial capacity of 3.00 lakh MPA. Recognizing the growing demand for customizable and modern fabric designs, we expanded our digital printing capacity to 10.00 lakh MPA in 2021. In 2023, we continued to scale our operations by increasing jacquard fabric capacity to 50.00 lakh MPA and expanding our digital printing capacity to 50.00 lakh MPA, aligning with the growing fast-fashion market trends. In 2024, our company reached a major milestone, with revenue from operations surpassing ₹12,000 lakhs, reflecting our consistent growth. We also launched our brands catering to both traditional and contemporary fashion markets. Additionally, we increased our digital printing capacity to 85.00 lakhs MPA, ensuring our position in the digital printing segment. These milestones reflect our continuous efforts to innovate, expand capacity, and diversify our product offerings, enabling us to stay relevant in the dynamic textile industry and meet the ever-evolving market demands. However, we cannot assure you that our growth strategies, in particular the proposed increase of our manufacturing capacities, will be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. We have developed and installed in-house software system for *inter alia* material management, production and warehouse management. We have also implemented certain internal controls such as, executing certain procedures and processes in relation to the strengthening of the internal controls pertaining to the accounting and finance functions. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

12. ***If we are unable to attract new customers, retain customers at existing levels or sell additional products to our existing customers, our business will be adversely affected.***

To continue to grow our business, it is important that we continue to acquire new customers. Our success in adding new customers depends on numerous factors, including our ability to offer various value-added products and services, execute our sales and marketing strategy, attract, effectively train, and retain new sales, marketing, professional services, and support personnel, develop or expand relationships with distributors, expand into new geographies and verticals, effectively manage and forecast our customer count, and expand our use cases for our existing customers.

It is important for our continued growth that we retain our existing customers. Our customer acquisition costs, i.e., advertisement and sales promotion expenses and brokerage expenses paid to our agents/brokers were ₹208.08 lakhs, ₹140.34 lakhs and ₹98.62 lakhs representing 1.58%, 1.28% and 1.08% respectively, of our total expenses Fiscals 2025, 2024 and 2023, respectively. Our customers have no long-term contracts or obligation to purchase our products at the same prices and terms or at all. Our customer retention may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our products, our prices, reduction in our customers' spending levels, availability of cheaper substitutes, etc. Our ability to increase revenue also depends in part on our ability to increase the number of value-added products and services to be offered to our existing and new customers.

13. ***We do not have long-term agreements with a majority of our customers. Any changes or cancellations to our orders or our inability to forecast demand for our products may adversely affect our business, results of operations and financial condition.***

We do not have firm commitments or long-term supply agreements with our customers and instead rely on purchase orders. We also do not enter into contracts for a specific term with our customers. Therefore, there are no past instances of termination of contracts before the completion of its term. The sales of our products or services to our customers are undertaken through purchase orders executed by our customers which are then fulfilled by our Company. Many of the purchase orders we receive from our customers specify quantities and price per unit. Further, our average delivery schedule is 2-4 weeks. Set out below are details of the number of customers catered by us, number of purchase orders received by us during Fiscals 2025, 2024 and 2023:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of customers catered	497	455	447
Number of purchase orders received	14,470	7,717	6,646

A few of the purchase orders placed by our customers on our Company also include provisions relating to liquidated damages and specific performance in case of delay or default in delivery of our products. While there has been no instance of cancellation of orders prior to their finalization during Fiscals 2025, 2024 and 2023, the orders may be amended or cancelled prior to finalisation, in the future and should such an amendment or cancellation take place, it may adversely impact our production schedules. Cancellations or unanticipated variations or scope or schedule adjustments may occur due to unforeseen circumstances. The occurrence of any such events may lead to the cancellation of orders or the deferment of revenue, which may adversely affect our business, results of operations and financial condition.

Set out in the table below is the share of the top 20 and top 15 customers in our revenue from operations for the Fiscals 2025, 2024 and 2023:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Top 15 customers*	7,521.19	*49.23%*	5,635.27	45.10%	5,082.23	*51.24%*
Top 20 customers*	8,415.45	*55.08%*	6,245.69	51.16%	5,692.12	*57.39%*

**We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.*
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Our top 15 and top 20 customers contribute a significant portion of our revenue from operations. Our failure or inability to continue such relationship for any reason (including, due to failure to negotiate acceptable terms or adverse change in the financial or economic conditions) could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Additionally, as we do not bind a majority of our customers to any long-term agreements specifying a certain volume of business required to be transacted between us, our customers may terminate their relationship with us, with or without cause, with no advance notice and without compensation. Consequently, there is no commitment on the part of the customer to continue to place new purchase orders with us and as a result, our sales from period to period may fluctuate significantly. Our Company cannot ascertain customer turnover ratio, as some of our customers may purchase goods from us in a particular Fiscal and these customers may not purchase goods from us in the following Fiscal. However, this does not prevent such customers from purchasing goods from the Company in the future.

Further, the absence of any contractual exclusivity in relation to our business arrangements with our customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur additional raw materials costs and manufacture a higher of number of products than required. Similarly, if we underestimate demand, we may not procure sufficient raw material in a timely manner, which could impact our production and delivery schedules. While there has been no instance in the last 3 financial years and the current financial year of significant inaccuracy in demand forecasting, leading to an adverse impact on our ability to deliver products to customers in a timely manner, or at a competitive cost or any effect on our business, results of operations and financial condition, any significant inaccuracy in demand forecasting going forward may adversely impact our ability to deliver products to customers in a timely manner, or at a competitive cost, which may adversely affect our business, results of operations and financial condition.

14. ***Any failure in our quality control processes may damage our reputation, and adversely affect our business, cash flows, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products and services does not meet our customers' expectations.***

It is possible that our products and services may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or handling of our products or other raw materials. We set internal quality standards, including consistent definitions of defects to be detected. However, given the high volume of raw materials and scale of production of finished goods, we are not able to inspect every single item, and may rely instead on selective methods such as sampling. Although there have been no material instances in the past, we cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers, or otherwise. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted. Any deficiencies in the quality of our products may cause adverse reactions to users of such products. This may expose us to product liability claims and legal proceedings brought against us by customers. Although there have been no such actions against us in the past, we cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. Product liability claims, successful or otherwise, may adversely affect our reputation, brand image and sales. Our inability to avoid or defend product liability claims may adversely affect our business, cash flows, results of operations and financial condition. Further, there have been no instances during the last 3 financial years impacting our reputation, business, cash flows, results of operations, or financial condition due to failure in our quality control processes. Additionally, we have not encountered any reputational harm or legal proceedings due to the quality of our products and services unable to meet customer expectations.

15. ***We operate in a competitive business environment. Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may materially and adversely affect our business, cash flows, financial condition and results of operations.***

The textile and fabric manufacturing industry, particularly in the fast-fashion and Indian wear segments, is highly competitive and includes a large number of domestic and international players offering similar fabrics and ready-to-stitch garments across a range of price points and quality levels. Pricing pressure from competitors could significantly impact our ability to maintain or increase our product prices, thereby affecting our revenue from product sales, gross margins, and overall profitability. If we are unable to compete effectively on pricing, we may be forced to lower our prices to retain existing customers and attract new business, which could result in lower revenue per unit sold, reduced profit margins, and weakened financial performance. In the fast-changing textile and apparel market, price sensitivity among customers, including retailers, wholesalers, and apparel brands, is a key factor influencing buying decisions. Many customers may switch to alternative suppliers or competitors offering similar fabrics or garments at lower prices, particularly in Tier 3/4 cities, rural areas, and semi-urban markets, where price competitiveness is critical. Additionally, international competitors, who may have lower production costs due to economies of scale, vertical integration, or access to cheaper raw materials, could also undercut our pricing, further increasing market pressure on us to adjust our pricing strategy.

The rise of online platforms and e-commerce channels has also increased price transparency, allowing customers to compare products and prices more easily, thereby putting additional pressure on pricing. In such a scenario, discounting strategies by competitors or promotional offers could result in downward pricing pressure, forcing us to reduce our prices to remain competitive, which could negatively impact our revenue and profitability. Moreover, input costs, such as yarn, chemicals, dyes, and power, have been increasing due to inflationary pressures and supply chain challenges. If we are unable to pass on these rising costs to customers due to competitive pricing pressures, it could adversely impact our gross margins and profitability. At the same time, offering discounts or rebates to secure orders during seasonal slowdowns or off-peak periods may further erode our margins.

Additionally, pricing pressure could intensify if new entrants or existing competitors introduce alternative fabrics or designs at more attractive price points, or if apparel brands and institutional buyers choose to source from other manufacturers with lower costs. The short lifecycle of fast-fashion products also means that price sensitivity is higher, as customers expect frequent new collections at affordable prices. In such a scenario, price cuts by competitors to clear inventory or capture market share could force us to follow suit, potentially leading to pricing wars that could impact the entire industry. While we continue to focus on differentiating our products through superior quality, innovative designs, digital printing solutions, customization, and fully integrated manufacturing capabilities, there is no assurance that these efforts will be sufficient to mitigate the impact of pricing pressure from competitors. Our fully integrated operations, which include weaving, jacquard, embroidery, dyeing, finishing, and digital printing, allow us to control quality, reduce costs, and streamline production processes. However, despite these advantages, competitors with lower production costs, larger economies of scale, or aggressive pricing strategies may still exert pricing pressure in the market. If we are unable to effectively manage these competitive pressures, it could negatively impact our margins, profitability, and market position, particularly in the fast-changing textile and fashion industry.

16. ***The industry in which we operate possess various risks and challenges as provided in the Industry Report titled "Report on Digital Textile Printing Industry in India" dated January 30, 2025, which is exclusively prepared for the purposes of the Offer and issued by D&B and is commissioned and paid for by our Company ("D&B Report").***

The Digital Textile Printing Industry in which we operate possess various risks and challenges such as:

- *High Ink Costs:* Digital inks can be significantly more expensive than traditional inks used in conventional printing methods. This high cost impacts the overall production expenses, particularly for large-scale operations where ink consumption is considerable.

- *Production Speed:* The speed of digital textile printing is often slower compared to conventional methods like rotary screen printing. This can lead to higher costs per metre of fabric printed, making it less competitive for large production runs where speed is critical.

- *Fabric Compatibility:* Not all fabrics are suitable for digital textile printing, which can limit the versatility of this technology. While advancements are being made to expand the range of compatible materials, challenges remain with certain textures and properties that may not yield high-quality prints.

- *Initial Investment and Maintenance Cost:* The installation of digital textile printing technology requires a substantial initial investment, which can be a barrier for small businesses. Additionally, ongoing maintenance costs and the need for specialized equipment can add to the financial burden.

- *Skill Shortages:* There is often lack of trained personnel who are proficient in operating digital textile printing machinery and understanding its complexities. This skills gap can hinder effective implementation and operation, leading to inefficiencies in production.

- *Quality Control and Consistency:* Achieving consistent print quality across different batches can be challenging. Variations in fabric quality, ink application, and printer settings may lead to discrepancies in colour accuracy and overall print fidelity.

- *Environmental Concerns:* While digital textile printing is generally more sustainable than traditional methods, it still faces scrutiny regarding environmental impacts, particularly concerning the disposal of inks and chemicals used in the process. Ensuring eco-friendly practices remains a challenge for many producers.

- *Market Acceptance:* Some established textile manufacturers may be reluctant to transition from traditional methods to digital textile printing due to concerns about quality, reliability, and the learning curve associated with new technologies. This resistance can slow down the adoption of digital solutions in the industry.

These above challenges could have a material adverse effect on our business, financial condition, cash flow and results of operations.

<u>Other Risks relating to our Financial Position</u>

17. ***Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.***

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For Fiscals 2025, 2024 and 2023 our trade receivables were ₹3,545.70 lakhs, ₹2,836.78 lakhs and ₹2,569.16 lakhs, respectively. Our trade receivables turnover ratio (i.e., revenue from operations divided by average trade receivables) for Fiscals 2025, 2024 and 2023 was 4.14 times, 4.62 times and 4.14 times. Our trade receivable days during each of Fiscals 2025, 2024, and 2023 was 85 days, 83 days and 95 days, respectively.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. We do not have any formal credit policy and details of our bad debts and our debtors' age analysis can be summarised as under:

As at 31.03.2025:

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Trade receivables - Considered good	3,445.48	29.64	36.74	0.65	17.81	3,530.32
Trade receivables - doubtful debt	-	-	-	-	-	-
Disputed						
Trade receivables - Considered good	-	-	-	-	15.33	15.33
Trade receivables - doubtful debt	-	-	-	-	-	-
Total	**3,445.48**	**29.64**	**36.74**	**0.65**	**33.14**	**3,545.65**

As at 31.03.2024:

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Trade receivables - Considered good	2,664.86	131.91	1.03	1.11	22.54	2,821.45
Trade receivables - doubtful debt	-	-	-	-	-	-
Disputed						
Trade receivables - Considered good	-	-	-	15.33	-	15.33
Trade receivables - doubtful debt	-	-	-	-	-	-
Total	**2,664.86**	**131.91**	**1.03**	**16.44**	**22.54**	**2,836.78**

As at 31.03.2023:

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Trade receivables - Considered good	2,409.96	105.93	26.58	3.30	23.39	2,569.16
Trade receivables - doubtful debt	-	-	-	-	-	-
Disputed						
Trade receivables - Considered good	-	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-	-
Total	**2,409.96**	**105.93**	**26.58**	**3.30**	**23.39**	**2,569.16**

For further details in relation to the trade receivables, please refer to "*Restated Financial Information*" on page 273. Any increase in the bad debts or increase in the debtor turnover ratio shall adversely affect our financial performance and our operating cash flows.

18. We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial conditions. Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.

As of March 31, 2025, our total sanctioned and outstanding indebtedness was ₹5,223.34 lakhs and ₹3,291.04 lakhs, respectively. The Debt-Equity ratio for the financial year ended March 31, 2025, 2024 and 2023 is 0.76 times, 1.06 times and 1.28 times respectively. Our Company has availed these loans for several purposes including expansion and purchase of capital assets, purchase of vehicles and to meet working capital requirements. For details on the purpose of the loans availed by our Company, see "*Financial Indebtedness*" on page 305. The level of our indebtedness could have several important consequences, including but not limited to the following:

(i) a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements;

(ii) defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets;

(iii) substantial portion of our long-term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and

(iv) our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited.

Additionally, our financing agreements contain certain conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incurring additional debt, declaring dividends, amending our constitutional documents and changing the ownership or control and management of our business. While our Company has received necessary approval from its lenders to undertake this Offer, we cannot assure you that we will be able to obtain approvals to undertake any other aforementioned activities as and when required or comply with such covenants or other covenants in the future.

In addition, our Promoters have also extended personal guarantees for some of the debt facilities availed by our Company. Any inability to continue to provide such guarantee or their inability to honour such guarantee could result in an acceleration of such facilities and, or, adversely impact our ability to raise debt which could impact our cash flows, result in cash flow mismatch and adversely affect our financial condition. For further details regarding our indebtedness, see "*Restated Financial Information*" and "*Financial Indebtedness*" beginning on pages 273 and 305, respectively.

19. Any under-utilization of our manufacturing capacities may affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.

Our business operations require significant fixed costs, including investment in manufacturing infrastructure, machinery, and operational expenses for weaving, digital printing, jacquard, dyeing, finishing, and ready-to-stitch garment production. The efficient utilization of our production capacities is essential for absorbing fixed costs and maintaining profitability. However, there is a risk that we may experience under-utilization of our manufacturing facilities due to fluctuations in customer demand, seasonal variations, market slowdowns, or operational disruptions, which could impact our ability to fully absorb fixed costs such as depreciation, maintenance, utilities, and labour expenses. Any under-utilization of our production capacities may result in idle machinery and workforce, leading to higher cost per unit of production. This would adversely impact our margins and reduce profitability, particularly in periods of lower order volumes. Additionally, if we fail to generate sufficient sales to maintain optimal capacity utilization, it may impact our cash flows and working capital cycle, as we would still incur fixed operating costs irrespective of production levels.

Set out in the table below are the installed capacity, actual production and capacity utilisation details of our Amritsar facilities for the periods indicated below:

Installed capacity:

Particulars	**As on**		
	Fiscal 2025 (MPA)	**Fiscal 2024 (MPA)**	**Fiscal 2023 (MPA)**
Digital printing	92,16,318	43,53,169	14,24,541
Jacquards	44,02,944	44,02,944	36,16,704
Others such as dobby and corduroy	22,57,920	22,57,920	30,48,192
Total	**1,58,77,182**	**1,10,14,033**	**80,89,437**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.
Notes:
1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

Actual production and capacity utilisation at our units:

Particulars	Actual production					
	Fiscal 2025 (MPA)	**Capacity utilization (%)**	**Fiscal 2024 (MPA)**	**Capacity utilization (%)**	**Fiscal 2023 (MPA)**	**Capacity utilization (%)**
Digital printing	54,28,505	58.90%	33,16,502	76.19%	7,93,906	55.73%
Jacquards	34,83,749	79.12%	34,32,578	77.96%	18,92,240	52.32%
Others such as dobby and corduroy	20,18,997	89.42%	20,16,201	89.29%	16,41,264	53.84%
Total	**1,09,31,251**	**68.85%**	**87,65,281**	**79.58%**	**43,27,410**	**53.49%**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.
Notes:
1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

The industry is subject to rapid changes in fashion trends, consumer preferences, and competitive pressures, which may cause volatility in order volumes. If we are unable to maintain consistent demand or attract sufficient orders to achieve optimal capacity utilization, it may hinder our ability to recover our fixed costs, resulting in lower profitability. Furthermore, any delays in securing new customer orders or reduced production efficiency could lead to idle capacity, further impacting financial performance. While we continue to expand our product offerings and strengthen our customer relationships to achieve steady order flows, there is no assurance that our facilities will always operate at optimal capacity levels. Any extended periods of under-utilization could lead to negative financial outcomes, including higher production costs, reduced profitability, and adverse effects on our overall business performance. In summary, any under-utilization of our capacities may hinder our ability to fully absorb fixed costs, thereby adversely impacting our financial performance, cash flows, and results of operations.

20. We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.

The following table sets forth our contingent liabilities as of March 31, 2025, as derived from our Restated Financial Information as per AS 29:

Claims against the Company (including unasserted claims) not acknowledged as debt:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Related to Direct Tax Matters	25.97	25.33	23.46
Related to Indirect Tax Matters	-	-	-
Related to Bank Guarantees	-	-	-
Other Matters	0.35	0.35	-

For further information, please see "*Restated Financial Information*" and "*Outstanding Litigation and Other Material Developments*" on page 273 and 309, respectively. We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition and results of operations may be adversely affected.

21. We are exposed to foreign currency fluctuation risks, particularly in relation to export of our products, which may adversely affect our results of operations, financial condition and cash flows.

We present our financial statements in Indian Rupees. Our revenue from operations from outside India, as per AS 17, was ₹664.82 lakhs for the Fiscal 2025, and Nil for the Fiscals 2024 and 2023. Although, we generally seek to pass exchange rate fluctuations to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows. Further, while we seek to hedge our foreign currency risk, any steps undertaken to hedge the risks due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. The following table sets forth details of our foreign currency exposure as at indicated dates:

(₹ in Lakhs)

Name of Country	For Fiscal		
	March 31, 2025	March 31, 2024	March 31, 2023
United Arab Emirates	615.00	-	-
Saudi Arabia	49.81		
Total	**664.82**	**-**	**-**

As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated July 15, 2025.

Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- demand for our products by our customers located outside India;

- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from delivery of our services to our customers;

- compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, may impose onerous and expensive obligations. If we are unable to comply with such laws, our business, results of operations, financial condition and cash flows could be adversely affected;

- changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;

- fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables, the relative prices at which we and our competitors sell products in the same markets and the cost of certain non-inventory items required for our operations. For instance, fluctuation of the Pound Sterling, Euro and U.S. Dollar would have an impact on the export revenues and profits of our operations;

- anti-competitive behaviour, money laundering, bribery and corruption by third parties as well as crime and fraud; and

- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations.

In addition, we may not perform as expected in our international markets, because our competitors and the established players in these markets may have a more established presence and have more experience in operating in such market, which could allow them to have better relationships with customers, gain early access to information regarding attractive sales opportunities and, in general, be better placed with other advantages of being a first mover. Any of these risks could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Legal and Regulatory Risks

22. There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal proceedings which are pending at different levels of adjudication before various tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

A summary of the proceedings involving our Company, Promoters and Directors are provided below:

Nature of Cases	Number of Cases	Amount Involved (in ₹)
Issuer Company – Kaytex Fabrics Limited		
Direct Tax		
E-Proceedings	6	21,16,842/-*
Outstanding Demand	1	1,16,272/-

Nature of Cases	Number of Cases	Amount Involved (in ₹)
TDS Default	6	2,43,520.00/-
Criminal Proceedings	2	14,28,965/-
Promoters		
Direct Tax		
E-Proceedings	1	12,424/-
Outstanding Demand	2	3,762/-
TDS Default	1	34,050.00/-
Directors (Other than Promoters)		
Direct Tax		
E-Proceedings	Nil	Nil
Outstanding Demand	Nil	Nil
TDS Default	Nil	Nil
Key Managerial Personnel & Senior Management Personnel		
Direct Tax		
E-Proceedings	Nil	Nil
Outstanding Demand	Nil	Nil
TDS Default	Nil	Nil
Group Companies		
Direct Tax		
E-Proceedings	4	Nil*
Outstanding Demand	Nil	Nil
TDS Default	1	5,436.50/-
Other Matters based on Materiality Policy	Nil	Nil

For further details of legal proceedings involving our Company, our Promoters, our directors, see "*Outstanding Litigation and Material Developments*" on page 309.

23. There has been delay in filing of forms with the Registrar of Companies as per the stipulated timelines prescribed under the Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for delay in such compliances could impact the reputation and financial position of the Company to that extent.

Our Company in the past have made delay in filings of some RoC forms as per the stipulated timelines prescribed under the Companies Act, 2013. The details of ROC late filings are as follows:

The details of ROC late filings are as follows:

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
Form 20B-SCH V	30/09/2003	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2002-2003	60 Days from the date of event	27/02/2004	151 days
Form 20B-SCH V	30/09/2004	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2003-2004	60 Days from the date of event	28/01/2005	121 days
Form 20B-SCH V	30/09/2006	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2005-2006	30 Days from the date of event	03/05/2007	154 days
23AC/23ACA	30/09/2006	Form for filing financial statements and other documents with the Registrar for the financial year 2005-2006	60 Days from the date of event	03/05/2007	184 days
Form 20B-SCH V	29/09/2007	Form for filing annual return by a company having a share capital with	30 Days from the date of event	06/12/2007	7 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
		the Registrar for the financial year 2006-2007			
23AC/23ACA	29/09/2007	Form for filing financial statements and other documents with the Registrar for the financial year 2006-2007	60 Days from the date of event	06/12/2007	38 days
Form 8	04/03/2008	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	04/08/2008	124 days
Form 8	09/08/2008	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	06/10/2008	29 days
Form 20B-SCH V	30/09/2008	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2007-2008	30 Days from the date of event	03/12/2008	3 days
23AC/23ACA	30/09/2008	Form for filing financial statements and other documents with the Registrar for the financial year 2007-2008	60 Days from the date of event	03/12/2008	34 days
Form 8	22/12/2008	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	17/02/2009	28 days
Form 8	04/06/2009	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	04/07/2009	1 day
Form 8	17/07/2009	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial	30 Days from the date of event	05/09/2009	21 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
		Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)			
Form 20B-SCH V	28/09/2009	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2008-2009	30 Days from the date of event	01/12/2009	3 days
23AC/23ACA	28/09/2009	Form for filing financial statements and other documents with the Registrar for the financial year 2008-2009	60 Days from the date of event	01/12/2009	33 days
Form 8	27/01/2010	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	05/03/2010	8 days
Form 8	30/08/2010	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	28/10/2010	30 days
23AC/23ACA	30/09/2010	Form for filing financial statements and other documents with the Registrar for the financial year 2009-2010	60 Days from the date of event	30/09/2010	2 days
Form 8	19/10/2010	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	01/12/2010	14 days
Form 8	15/02/2011	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	01/04/2011	16 days
23AC/23ACA	30/09/2011	Form for filing financial statements and other documents with the Registrar for the financial year 2010-2011	60 Days from the date of event	30/10/2011	1 day
Form 23B	30/09/2011	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	10/07/2012	59 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
Form 20B-SCH V	29/09/2012	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2011-2012	30 Days from the date of event	07/12/2012	8 days
23AC/23ACA	29/09/2012	Form for filing financial statements and other documents with the Registrar for the financial year 2011-2012	60 Days from the date of event	20/11/2012	22 days
Form 23B	29/09/2012	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	14/12/2012	59 days
Form 8	06/11/2012	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	22/12/2012	17 days
23AC/23ACA/	30/09/2013	Form for filing financial statements and other documents with the Registrar for the financial year 2012-2013	60 Days from the date of event	30/10/2013	1 day
Form 23B	30/09/2013	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	07/11/2013	23 days
MGT-7	30/09/2014	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2013-2014	30 Days from the date of event	27/01/2015	58 days
AOC-4/AOC-4 XBRL	30/09/2014	Form for filing financial statements and other documents with the Registrar for the financial year 2013-2014	60 Days from the date of event	29/12/2014	31 days
ADT-1	30/09/2014	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	04/11/2014	20 days
MGT-7	30/09/2015	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2014-2015	30 Days from the date of event	28/08/2017	More than 365 Days
AOC-4/AOC-4 XBRL	30/09/2015	Form for filing financial statements and other documents with the Registrar for the financial year 2014-2015	60 Days from the date of event	03/08/2016	276 days
MGT-7	30/09/2016	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2015-2016	30 Days from the date of event	04/01/2017	35 days
AOC-4/AOC-4 XBRL	30/09/2016	Form for filing financial statements and other documents with the Registrar for the financial year 2015-2016	60 Days from the date of event	12/09/2017	316 days
CHG-1	30/05/2017	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification	30 Days from the date of event	20/07/2017	22 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
		of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)			
CHG-1	30/05/2017	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	20/07/2017	22 Days
MGT-7	29/09/2017	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2016-2017	30 Days from the date of event	19/06/2018	202 days
AOC-4/AOC-4 XBRL	29/09/2017	Form for filing financial statements and other documents with the Registrar for the financial year 2016-2017	60 Days from the date of event	20/06/2018	234 days
CHG-1	31/01/2018	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	23/05/2018	83 Days
CHG-1	31/01/2018	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	10/08/2018	162 days
CHG-1	31/01/2018	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	09/08/2018	161 Days
CHG-1	15/04/2019	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	23/05/2019	09 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
MGT 14	30/09/2019	Filing of Resolutions and agreements to the Registrar	30 Days from the date of event	29/11/2019	29 days
MGT 14	30/09/2019	Filing of Resolutions and agreements to the Registrar	30 Days from the date of event	22/11/2019	22 days
CHG-1	16/10/2020	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	22/11/2020	8 days
MGT-7	31/12/2020	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2019-2020	30 Days from the date of event	04/03/2021	4 days
MGT-7	31/12/2020	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2020-2021	30 Days from the date of event	03/04/2022	4 days
CHG-1	01/11/2021	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	24/12/2022	More than 365 days
CHG-1	08/07/2022	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	12/08/2022	06 days
CHG-1	13/07/2022	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	02/09/2022	22 days
CHG-1	21/10/2022	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	22/11/2022	2 days

ROC Form	Event Date	Particulars of Event	Due Date of Compliance	Actual Date of Compliance	Delay in days
MGT-7	30/12/2023	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2022-2023	30 Days from the date of event	05/03/2024	4 days
AOC-4/AOC-4 XBRL	30/12/2023	Form for filing financial statements and other documents with the Registrar for the financial year 2022-2023	60 Days from the date of event	01/02/2024	2 days
CHG-1	08/04/2024	Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	30 Days from the date of event	18/05/2024	10 days
AOC-4/AOC-4 XBRL	30/09/2024	Form for filing financial statements and other documents with the Registrar for the financial year 2023-2024	60 Days from the date of event	25/11/2024	46 days
ADT-1	30/09/2024	Notice to the Registrar by company for appointment of auditor	15 days from the date of Appointment	14/11/2024	30 days

Although, our Company has paid requisite late fees for such filings, no show cause notice in respect of the same has been received by our Company till date. Further, if any such action is initiated by the regulatory authority, then our Company will have to abide by the order of such regulatory authority or pay any penalty that may be imposed by any regulatory authorities in future for non-compliance with provisions of corporate and other law which could impact the financial position of the Company to that extent.

24. There have been instances where certain statutory forms are missing or corrupted on the records of the Ministry of Corporate Affairs (MCA) due to the technical issues of the V3 portal which poses potential risks, including penalties, legal challenges, and regulatory actions, which could impact the Company's reputation and financial stability.

Our Company has identified instances where certain statutory forms are missing from the records of the Ministry of Corporate Affairs (MCA) portal as per the requirements under the Companies Act, 2013. The absence of these forms poses potential risks, including penalties, legal challenges, and regulatory actions, which could impact the Company's reputation and financial stability. List of forms are missing or corrupted on the records of the Ministry of Corporate Affairs (MCA) portal:

ROC Form	Event Date	Particulars of Event
23AC/23ACA	30/09/2003	Form for filing financial statements and other documents with the Registrar for the financial year 2002-2003
23AC/23ACA	30/09/2004	Form for filing financial statements and other documents with the Registrar for the financial year 2003-2004
Form 8	09/12/2004	Form for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)
23AC/23ACA	NA	Form for filing financial statements and other documents with the Registrar for the financial year 2004-2005
Form 20B-SCH V	NA	Form for filing annual return by a company having a share capital with the Registrar for the financial year 2004-2005
Form 17	12/12/2012	Form for satisfaction of charges
CHG-1	10/01/2023	Form for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by

ROC Form	Event Date	Particulars of Event
		Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)
CHG-1	08/04/2024	Form for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)
Form 17	12/11/2024	Form for satisfaction of charges

25. ***Certain corporate records, regulatory filings of our Company and certain other documentation are not traceable.***

Certain corporate records and regulatory filings such as the return of allotment in relation to issue and allotment of Equity Shares by our Company in 1996 and 1997 and share transfer forms in relation to the transfer of equity shares in 1998, 2002, 2004 and 2007 are not traceable. While we believe that these filings were duly made, we have not been able to trace copies of the same. Whilst we have made efforts to trace the copies of these filings, including by undertaking a search at the office of the RoC for the return of allotment in relation to issue and allotment of Equity Shares by our Company, we have not been able to trace copies of the same. We have placed reliance on other documents, including our annual returns and minutes of the meetings of our Board and Shareholders for corroborating the share capital history of our Company and promoters' shareholding for such period. Further, such allotments and share transfers have been certified by our Statutory Auditor, M/s S G U R & Co., Chartered Accounts vide their certificate dated January 31, 2025.

We cannot assure you that the corporate records and regulatory filings described above will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

26. ***Our inability to protect or use our intellectual property rights may adversely affect our business.***

As of the date of this Red Herring Prospectus, our Company has four registered trademarks. For details, see "*Our Business – Intellectual Property*" and "*Government and Other Approvals*" on pages 231 and 318.

Our ability to attract and retain customers is dependent upon public perception and recognition of the quality associated with our brands. Our success depends on our ability to maintain the brand image of our existing products and effectively build our brand image for new products and brand extensions. Any damage to our brand could adversely impact the trust placed in the brand and our reputation and cause existing customers or intermediaries to withdraw their business and reconsider doing business with us. While there has been no past instance during the last 3 financial years and the current financial year of negative publicity / false propaganda / allegation/ reputation damage, any negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business by requiring us to make provisions or consider claims under such litigations as contingent liabilities and adversely affect our profitability.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. Although there have not been such incidents during the last 3 financial years and the current financial year, any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties.

Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. Currently, we do not have any form of intellectual property protection in relation to the designs of our products and consequently do not enjoy the statutory protections accorded to such designs in India and cannot prohibit the use of such designs by anybody by means of statutory protection. Any unauthorized usage by a third party of logo that is being used by us may create confusion in the market as to our identity and/or may have a material adverse effect on our reputation, goodwill, business prospects and results of operation too. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease. Currently, there is no dispute with respect to the trademarks / intellectual property owned / maintained by our Company, nor does our Company maintain any policy in relation to its intellectual property.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights. Any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. While there has not been any instance of any third-party alleging infringement of their intellectual property by our Company in the past last 3 financial years and the current financial year, the risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. As a result of such infringement claims, we could be required to pay third party infringement claims. The occurrence of any of the foregoing could result in unexpected expenses.

27. ***Non-compliance with any of the applicable laws, rules or regulations may adversely affect our business, results of operations and financial condition and cash flows.***

Our Company's business and operations are subject to laws and regulations relating to health, safety and the environment. These laws and regulations concern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations, and the investigation and remediation of contamination or other environmental restoration. The risks of substantial costs and liabilities related to these laws and regulations are an inherent part of our Company's business, and future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs. Other developments, such as increased requirements of environmental, health and safety laws and regulations, increasingly strict enforcement thereof by governmental authorities, and claims for damages to property or injury to persons resulting from the environmental, health or safety impacts our Company's operations or past contamination, could prevent or restrict some of our Company's operations, require the expenditure of significant funds to bring our Company into compliance, involve the imposition of clean up requirements and give rise to civil or criminal liability.

While our Company has taken the necessary approvals under the applicable laws there can be no assurance that any regulatory enforcement or private claim will not be levied against our Company in the future which may have a material adverse effect on our Company's business, financial condition, or results of operations. If production at one of our Company's facilities is partially or wholly prevented due to this type of sanction, our Company's business could suffer significantly, and its results of operations and financial condition could be materially and adversely affected. For details in relation to the applicable laws and material approvals taken by our Company in relation to its business. For further information, see "*Key Regulations and Policies*" on page 237.

28. ***We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.***

In terms of applicable laws, we require various statutory and regulatory permits, licenses, registrations, certifications, consents and approvals to carry out our business and operations (cumulatively, the Approvals). A majority of these Approvals are granted for a limited duration and must be periodically renewed. We cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected. While there have been no such instances of failure to obtain or renew Approvals during the last 3 financial years or any action taken by any regulatory authority for breach of terms of any Approval, we cannot assure you that there will be no such instances of failure in the future which will adversely affect our business. For details of material approvals applied for, but not received by our Company, see "*Government and Other Approvals*" on page 318.

Moreover, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business, cash flows and financial condition. Our Company may also be liable to monetary penalties and concerned officers in default may be subject to imprisonment.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

29. ***India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

Risks Relating to the Offer and the Objects of the Offer

30. ***We will not receive any proceeds from the Offer for Sale portion.***

The Offer includes an offer for sale of up to 6,79,200 Equity Shares aggregating to ₹ [●] lakhs by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders and we will not receive any such proceeds. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by each of them in the Offer for Sale (after deducting applicable Offer-related expenses and taxes) and will not result in any creation of value for us or in respect of your investment in our Company.

31. ***The Objects of the Offer for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.***

The proceeds received from the Offer for Sale will not form part of the proceeds from the Fresh Issue. We propose to use the Net Proceeds towards funding capital expenditure for construction of additional warehouse facility in Amritsar; funding capital expenditure for construction of dedicated sales office in Amritsar; funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar; funding our incremental working capital requirements; and general corporate purposes. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We have appointed Informerics Valuation and Rating Limited as the monitoring agency to monitor the Net Proceeds. Further, pursuant to Section 27 of the Companies Act and Regulation 281A of the SEBI ICDR Regulations read with Schedule XX of the SEBI ICDR Regulations, any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, would require special resolution of the Shareholders and the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects of the Offer, at such price and in such manner in accordance with applicable law. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. The Offer expenses are estimated to be approximately ₹ [●] lakhs. For details, see "*Objects of the Offer*" on page 110.

Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business, including delaying the schedule of implementation of objects for which the Net Proceeds are intended for. Our actual deployment of funds may be higher than our management estimates, for which we may require additional funding that we may not be able to arrange on commercially acceptable terms, or at all. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

32. ***We intend to utilise a portion of our Net Proceeds for purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation.***

We propose to utilize ₹501.00 Lakhs of our Net Proceeds towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar. For further information, see "*Objects of the Offer*" on page 110.

Order worth ₹501.00 Lakhs, which constitutes 100% of the total estimated costs in relation to the purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar is yet to be placed. GST and additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable will be paid by the Company out of internal accruals. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotation received from the vendor for estimation of the cost. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotation or that there will not be cost escalations. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion and can also compel us to buy such machinery at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

33. ***The Objects of the Offer include funding incremental working capital requirements, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.***

The proposed deployment of Net Proceeds includes funding working incremental capital requirements, which is based on management estimates and certain assumptions. For details, see "*Objects of the Offer*" on page 110. Our business requires significant working capital, and the actual amount of our future working capital requirements may differ from estimates as a result of, among other factors, fluctuations in raw material prices, changes in production volumes, credit terms extended to customers, inventory holding periods, operational and logistical costs, market and economic conditions, regulatory changes, delays in customer payments, expansion into new markets and currency fluctuations in the textile and apparel manufacturing business. For further details of funding our working capital requirements, see "- *Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations*." on page 40. Any delay in the Offer may impact the funding of our working capital requirements, and adversely affect our business, operations, cash flows and financial condition.

<u>Operational Risks</u>

34. ***Our business depends on our production facilities in Amritsar. Any loss of or shutdown of operations of our production facilities on any grounds could adversely affect our business or results of operations.***

Our production facilities located in Amritsar, is subject to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, pandemic, social unrests, industrial accidents, our ability to respond to technological advances and emerging industry and safety standards and practices in the industries in which we operate and propose to operate on a cost-effective and timely basis and any other factors which may or may not be within our control and also we need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including due to any shutdown of our operations.

For instance, in the past, our operations were impacted on account of shutdown of our production facilities in Amritsar for nearly 2 months, during the lockdown period due to the COVID-19 restrictive guidelines issued by the respective state Governments. The loss that was occasioned to our Company, as a consequence of the aforementioned shut down on account of the COVID-19 restrictions is not quantifiable.

Set out in the table below are the installed capacity, actual production and capacity utilisation details of our Amritsar facilities for the periods indicated below:

<u>Installed capacity:</u>

Particulars	**As on**		
	Fiscal 2025 (MPA)	**Fiscal 2024 (MPA)**	**Fiscal 2023 (MPA)**
Digital printing	92,16,318	43,53,169	14,24,541
Jacquards	44,02,944	44,02,944	36,16,704
Others such as dobby and corduroy	22,57,920	22,57,920	30,48,192
Total	**1,58,77,182**	**1,10,14,033**	**80,89,437**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

Actual production and capacity utilisation at our units:

Particulars	**Actual production**					
	Fiscal 2025 (MPA)	**Capacity utilization (%)**	**Fiscal 2024 (MPA)**	**Capacity utilization (%)**	**Fiscal 2023 (MPA)**	**Capacity utilization (%)**
Digital printing	54,28,505	58.90%	33,16,502	76.19%	7,93,906	55.73%
Jacquards	34,83,749	79.12%	34,32,578	77.96%	18,92,240	52.32%
Others such as dobby and corduroy	20,18,997	89.42%	20,16,201	89.29%	16,41,264	53.84%
Total	**1,09,31,251**	**68.85%**	**87,65,281**	**79.58%**	**43,27,410**	**53.49%**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

Our revenue from operations during Fiscals 2025, 2024 and 2023 was ₹15,278.73 lakhs, ₹12,494.14 lakhs and ₹9,918.84 lakhs, respectively. Further, due to the geographic concentration of our manufacturing units in Amritsar, our operations are susceptible to local and regional factors, such as accidents, system failures, civil unrest as well as other adverse social, economic and political events in India, weather conditions, natural disasters, regional conflicts and demographic and population changes, and other unforeseen events and circumstances which may disrupt our production and significantly affect our business, financial condition and profitability.

35. ***We have a large work force, and our employee benefit expense and contract labour charges are one of the larger components of our fixed operating costs. An increase in employee benefit expenses and, or, contract labour charges could reduce our profitability. Further, our operations could be adversely affected by work stoppages or increased wage demands by our employees or any other kind of dispute with our employees.***

We believe our employees and personnel are one of our most important assets and critical to maintaining our competitive position in our industry. Our success depends on our ability to effectively source and staff people with the right mix of skills and experience. If we are unable to effectively utilise our personnel on a timely basis to fulfil the needs of our customers, our business could suffer. Our business model is human resource intensive, and our pool of employees consists of employees and workers as part of *inter alia* production, designing, procurement, packaging, plant maintenance, quality control, dispatch and supply chain department. Set out below are the details of our permanent employees and our employee benefit expense and labour charges for the period indicated below:

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Permanent employees and workers	633	518	473
Employee benefit expense and labour charges (in ₹ lakhs)	2,202.95	1,902.98	1,414.70

Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below:

Particulars	**Fiscal 2025**	**Fiscal 2024**	**Fiscal 2023**
Attrition Rates (1)	6.64%	6.76%	4.86%
No. of employees who resigned during the period	42	35	23
Total as of the end of the period (2)(3)	633	518	473

Note:

(1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100.
(2) Includes full-time employees of the company.
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Further, the attrition rate of our employees is in the ordinary course of business which has not had any financial impact on the Company. We cannot guarantee that we will be able to recruit and retain qualified and capable employees. In addition, our recruiting personnel, methodology, and approach may need to be altered to address a changing candidate pool and profile. We may incur significant costs to attract and recruit skilled personnel, and we may lose new personnel to our competitors before we realise the benefit of our investment in recruiting and training them. If we fail to attract new personnel or fail to retain and motivate our current personnel who are capable of meeting our growing technical, operational, and managerial requirements on a timely basis or at all, our business may be harmed.

36. ***We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate.***

During the Fiscals 2025, 2024, and 2023 we incurred capital expenditure of ₹1,043.93 lakhs, ₹852.50 lakhs and ₹845.00 lakhs, representing 7.95%, 7.76% and 9.27% of our total expenses, respectively. The capital expenditure was mainly incurred for increasing capacities in our manufacturing facilities located in Amritsar. We may incur further significant capital expenditure in the future. While the expected benefits while making acquisitions / investments in the past have been realized, we cannot assure that we will be able to get the benefits of the generally growing demand in the textile sector and accordingly the benefits accruing to us from the planned capacity expansion may be less than what is anticipated.

37. ***We are dependent on third party logistic and support service providers for the delivery of raw materials and finished products and any disruptions in their services including transportation services or a decrease in the quality of their services may adversely affect our business, financial condition and results of operations.***

We rely on third party logistic and support service providers including for transportation services at multiple stages of our business activities, including for procurement of raw materials from our suppliers and for transportation of our finished products from our manufacturing facility to our customers and warehousing facilities. We generally use water, road and rail transportation services to meet our transportation requirements. However, we do not enter into any long-term contracts with any logistics service provider. The aggregate freight costs incurred for Fiscals 2025, 2024 and 2023 was ₹140.45 lakhs, ₹153.52 lakhs and ₹87.25 lakhs, aggregating 1.07%, 1.40% and 0.96% of our total expenses, respectively. Our Company, Promoters, members of Promoter Group, Directors and Key Managerial Personnel do not have any direct or indirect conflict of interest with such third party logistic and support service providers.

We typically engage and hire service providers through the spot contracts based on factors including cost, availability and delivery schedules. Accordingly, our transportation costs may vary and are based on rates that are offered to us from time to time. Our business is also vulnerable to increased transportation costs or delivery delays due to various factors, including increase in fuel costs, freight rates, increase in port, road and toll taxes, shipping congestions, damage or losses of goods in transit, disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in waterways and road infrastructure, currency fluctuations, changes in tariff or import policies, political uncertainty or other similar events.

We may face transportation risks including damage or losses of goods in transit, delay in deliveries to our customers etc. due to loss or pilferage, which we may not be able to fully recover from our service provider or from our insurance coverage. Further, while we adjust freight costs in the cost of products sold to our customers, we bear transportation risk for the duration of transit. In addition, we may be required to replace a service provider if its services do not meet our safety, quality or performance standards or the partner's non-compliance with applicable laws or if it should unexpectedly discontinue operations due to reasons beyond its or our control. While freight costs have increased as a percentage to the total expenses in the last 3 financial years, these costs are passed on to our customers. Any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or inability to deliver our products to our customers, or may require us to look for alternative means of transportation which may not be cost or time efficient, thereby adversely affecting our operations, profitability, reputation and market position.

Our operations and profitability are dependent upon the availability of reliable logistic and support services in a timely and cost-efficient manner and any disruption in these services including transportation services or increase in their cost may affect our business, financial condition and results of operations.

38. ***We are heavily dependent on technology in carrying out our business activities and it forms an integral part of our business. If we face failure of our information technology systems, we may not be able to compete effectively which may result in lower revenue, higher costs and would adversely affect our business and results of operations.***

Our continued growth depends on the ability and performance of our existing technology that is utilized and will be utilized in the production of our products. Further, our Company also has an ERP system which integrates and collates data of purchase, sales, reporting, accounting, stocks, tracking vehicle etc. We have developed and installed in-house software system for *inter alia* material management, production and warehouse management. Our Company also employs the use of data driven decision making in the production process. While we have not faced any instances of failure of our information technology systems during the last 3 financial years and the current financial year, we may in the future experience disruptions, outages, and other performance problems with our infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, distributed denial-of-service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order. We may not be able to maintain the level of production if there in an interruption or outage in the technology that we currently employ. Frequent or persistent interruptions in the production process could cause customers to believe that our products are unreliable, leading them to switch to our competitors or to otherwise avoid our products. This could negatively impact market acceptance of our business and our financial condition, and results of operations could be adversely affected.

39. ***Our business, results of operations and financial condition may be adversely affected if operations at the facilities of our raw material suppliers are disrupted. Our business, results of operations and financial condition may also be affected if the operations of our customers are disrupted.***

The facilities of our raw material suppliers are subject to various operating risks, including some of which are beyond their control, such as the breakdown and failure of equipment, industrial accidents, employee unrest, severe weather conditions and natural disasters. Further, since a significant majority of the facilities of our raw materials suppliers are located in particular regions in India, any significant disruption, including due to social, political or economic factors or natural calamities or civil disruptions, impacting these regions may adversely affect operations at our raw materials suppliers' facilities. Further, if our suppliers fail to comply with applicable laws, including environmental laws, they risk having their facilities shut down, which may adversely affect our operations.

However, the occurrence of any such event in the future may adversely affect our business, results of operations and financial condition. We cannot assure you that we will always be able to arrange alternate sources of our raw materials, at prices acceptable to us, or at all, or that we will be able to pass on any increase in cost to our customers, although we endeavour to do so. Any inability on our part to arrange for alternate sources for raw materials, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition. Further, there have been no instances during the last 3 financial years and current financial year where the Company has been impacted by labour legislation, unionization, or disputes related to employee rights and benefits. Additionally, there have been no occurrences of work stoppages, disruptions, or increased operating costs due to higher-than-anticipated wages or benefits.

Further, our top 15 and top 20 customers contribute a significant portion of our revenue from operations. For details see "- *We do not have long-term agreements with a majority of our customers. Any changes or cancellations to our orders or our inability to forecast demand for our products may adversely affect our business, results of operations and financial condition.*" on page 48. Any disruption in the operations of our customers or any downturn in the industries in which our customers operate may impact the demand of our products by our customers which may adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to arrange alternate customers to supply our products. Any inability on our part to arrange for alternate customers, on commercially acceptable terms, may have an adverse effect on our business, results of operations and financial condition.

40. ***We have leased and, or availed on license, the use of certain properties from which we operate our business. There can be no assurance that the lease, and, or license agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

We have leased and, or availed on license, the use of certain properties from which we operate our business. For details see, "*Our Business – Properties*" on page 234. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition. There can be no assurance that we will be able to renew the lease/ license/ rent agreements in a timely manner or at all. Further, identification of a new location to house our operations and relocating our business to the new premises may place significant demands on our senior management and other resources and also involve us incurring significant expenditure. Any inability on our part to timely identify a suitable location for a relocated office could have an adverse impact on our business.

41. ***Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.***

Our inventory of raw materials includes yarns, chemicals, dyes, inks, greige fabrics, etc. Our raw materials, manufacturing processes and finished products are susceptible to pilferages, damages and manufacturing defects, if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such a contamination is detected at the facility during quality checks, we may be required to repair the machines and discard the batches resulting in a temporary suspension of manufacturing activities and lower capacity utilizations, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins. During the last 3 Fiscals and the current Fiscal, other than in the normal course of our business, there has not been any instance of (a) pilferage, damage and manufacturing defect, vis-à-vis the total production, (b) temporary suspension of manufacturing activities on account of repairing the machines, and (c) any batch being discarded on account of a temporary suspension of manufacturing activities. However, the occurrence of any such event in the future may adversely affect our business, results of operations and financial condition.

42. If our third-party service providers and key suppliers are not able to or do not fulfil their service obligations, our operations could be disrupted, and our operating results could be affected.

We depend on a number of third-party service providers such as service providers that provide road transport, contract labour, maintenance of our information technology systems, packaging material suppliers, etc. and key suppliers, who are critical to our operations. These third-party service providers and key suppliers are essential in our production process. Our operations could be disrupted if we do not successfully manage relationships with such third-party service providers and key suppliers, if they do not perform or are unable to perform agreed-upon services, or if they are unwilling to make their services available to us at reasonable prices. While there has not been any instance of any third-party service provider and / or key supplier not fulfilling their contractual obligations, however if any such third-party service providers and key suppliers do not perform their service obligations, it could adversely affect our reputation, business, financial condition and results of operations.

43. If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors or distributors, it could adversely affect our reputation, results of operations, financial condition and cash flows.

Our operations may be subject to incidents of theft. We may also encounter some inventory loss on account of employee/ contractor/ distributor/ vendor fraud, theft, or embezzlement. We have set up various security measures in our manufacturing facility such as deployment of security guards and operational processes such as periodic stock taking. While there has not been any instance of fraud, misconduct, misrepresentation or mis selling by our employees in the last 3 financial years and the current financial year, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

44. Our business is dependent on the adequate and uninterrupted supply of electrical power at a reasonable cost. Unavailability of such adequate and uninterrupted supply of electrical power may significantly impact our business and results of operation.

Failure on account of unavailability of electrical power may restrict us in utilizing our full capacity and, hence, may impact our business and results of operation. Adequate and cost-effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. Currently, we source of our power requirements from the State Electricity Board. Our total power requirement is contributed by rooftop solar power with a capacity of 450 KW installed on our weaving, jacquards, embroidery, and design unit and 35KW on our packing and despatch unit and certain power back-up facilities, such as 3 DG sets at the weaving, jacquards, embroidery, and design unit with capacities up to 500 KVA each and 1 DG set at the packing and despatch unit with capacities up to 82.50 KVA. There can be no assurance that electricity supplied by them will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. For Fiscals 2025, 2024 and 2023, our total electricity cost was ₹632.31 lakhs, ₹659.20 lakhs and ₹489.27 lakhs representing 4.82%, 6.00% and 5.37% respectively, of our total expenses. The solar energy is captively consumed and therefore there is no monthly billing. While there has not been any instance of any abrupt power failure in our production facilities in the last 3 Fiscals and the current Fiscal, any such event in the future may adversely affect our operations. Further, if the per unit cost of electricity is increased by the state electricity boards, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins.

45. We are highly dependent on our Key Managerial Personnel for our business. The loss of or our inability to attract or retain such persons could have a material adverse effect on our business performance.

Our business and the implementation of our strategy is dependent upon our Key Managerial Personnel, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our Key Managerial Personnel are unable or unwilling to continue in their present positions, such persons could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial Personnel or our inability to replace such Key Managerial Personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

During the Financial Year ended 2025, 2024 and 2023, we have experienced certain changes to our Key Managerial Personnel. For further details, see "*Our Management - Changes in the Key Managerial Personnel or the Senior Management in last three years*" on page 266.

Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Attrition Rates (1)	6.64%	6.76%	4.86%
No. of employees who resigned during the period	42	35	23
Total as of the end of the period (2)(3)	633	518	473

Note:
(1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100.
(2) Includes full-time employees of the company.
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

We cannot assure you that we will not lose our Key Managerial Personnel or member of Senior Management in the future, or we will be able to replace any Key Managerial Personnel or member of Senior Management in a timely manner or at all, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

Other Risks

46. *Our inability to expand into new geographic regions, international markets, or online channels could adversely affect our growth and financial performance.*

Our ability to achieve sustained growth depends significantly on our expansion into additional geographic regions, international markets, and online channels. While we have made progress in entering Tier 3/4 cities, rural markets in North India, and strengthening our distribution network, there is no assurance that we will be able to successfully expand into new regions or international markets or scale our online presence effectively. Our failure to achieve this growth could adversely impact our revenue, market share, and overall financial performance.

Expanding into new domestic regions or international markets involves several risks, including limited brand recognition, different consumer preferences, local regulatory requirements, and logistical challenges. For instance, international markets may have different fashion trends, fabric preferences, and price expectations, requiring us to adapt our product offerings and marketing strategies to local demand. Failure to understand and meet these unique regional or international demands could result in lower sales volumes and increased costs associated with unsuccessful market entry efforts.

Additionally, expanding into online channels presents specific challenges, such as managing digital infrastructure, ensuring a seamless customer experience, and competing with established e-commerce platforms. Consumer behaviour in online shopping can be vastly different from traditional retail, and our inability to effectively leverage digital marketing, social media, and e-commerce platforms could limit our ability to grow our online presence. Furthermore, logistics and fulfilment costs for online orders may increase, particularly for smaller, customized orders, impacting our profitability.

We may also face increased competition from local players in new regions or markets, particularly international competitors who have better-established distribution channels and brand recognition. Cultural and language barriers, currency fluctuations, and import/export regulations could further complicate our efforts to expand globally. In domestic Tier 3/4 cities and rural areas of North India, while we have successfully launched our own brands, there are logistical challenges, including transportation and infrastructure issues, which could impact our ability to meet demand efficiently. Consumer preferences in these regions may also vary widely, requiring tailored product offerings to maintain customer satisfaction.

In summary, our inability to successfully expand into new geographic regions, international markets, or online channels could result in missed growth opportunities, lower revenue potential, and reduced market share. This could adversely impact our business operations, cash flows, and financial condition, hindering our ability to achieve long-term growth and remain competitive in the evolving textile and garment industry.

47. An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

We have obtained a number of insurance policies in connection with our operations including fire, industrial all risk insurance policy with respect to our manufacturing facilities, insurance policies for fire and burglary and the stock in our unit and godowns, as well as car insurance policy. We do not maintain any insurance policy to mitigate any potential loss on account of claims. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. While in the last 3 financial years and the current financial year, there has not been any instance of any claim exceeding the insurance cover, our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

48. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions.

Notwithstanding that the auditors' report issued on the internal financial controls over financial reporting of our Company for the Fiscals 2025, 2024 and 2023 did not contain a qualified opinion or disclaimer of opinion, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

49. Information relating to historical installed capacity of our manufacturing facility included in this Red herring Prospectus is based on various assumptions and estimates and our future production and capacity utilization may vary.

Information relating to our historical installed capacity of our manufacturing facility included in this Red Herring Prospectus is based on various assumptions and estimates of our management and independent chartered engineer, namely, Er. Rohit Kapoor, Chartered Engineer, including proposed operations, assumptions relating to availability and quality of raw materials, potential utilization levels and operational efficiencies. For further information, see "*Our Business – Our Manufacturing capabilities*" on page 217. Actual and future manufacturing volumes and capacity utilization rates may differ significantly from the estimated production capacities of our manufacturing facility. Undue reliance should therefore not be placed on the information relating to our installed capacities or historical capacity utilization of our manufacturing facility included in this Red Herring Prospectus.

Further, there is no guarantee that our future production or capacity utilization levels will match or exceed our historical levels. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term could increase our cost of production and our operating costs and adversely impact our business, growth prospects and future financial performance. Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently.

50. We have commissioned an industry report from Dun & Bradstreet Information Services India Private Limited, which has been used for industry related data in this Red Herring Prospectus.

We have commissioned and paid for a report titled "*Report on Digital Textile Printing Industry in India*" dated January 30, 2025, which is exclusively prepared for the purposes of the Offer and issued by D&B and is commissioned and paid for by our Company, which has been used for industry related data that has been disclosed in this Red Herring Prospectus. Our Company, our Promoters and our Directors are not related to D&B. D&B uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. D&B has advised that while it has taken reasonable care to ensure the accuracy and completeness of the D&B Report, it believes that the D&B Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters/ conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Further, the D&B Report is not a recommendation to invest / disinvest in any company covered in the D&B Report. Accordingly, prospective investors should not base their investment decision solely on the information in the D&B Report.

The commissioned D&B Report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that D&B's assumptions are correct and will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Red Herring Prospectus.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from under-taking any investment in the Offer pursuant to reliance on the information in this Red Herring Prospectus based on, or derived from, the D&B Report. You should consult your own advisors and undertake an independent assessment of information in this Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Offer.

Risks Relating to the Promoters and Promoter Group

51. Our success depends largely upon the knowledge and experience of our Promoters, Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari.

Our Company has a strong management team with extensive industry experience. Our Promoters, Sanjeev Kandhari and Amit Kandhari have a combined experience of more than fifty years in the textile manufacturing industry. They have built and led a dedicated team, fostering a culture of excellence, innovation, and customer-centricity. Shelly Kandhari, having around fifteen years of experience in the textile manufacturing industry, has been involved in functions of the company such as designing, procurement, and administration. Priti Kandhari, having around fifteen years of experience in textile manufacturing industry, has been associated with the company since 2009 and has overseen functions including accounts, finance, procurement, and human resources. Operational excellence has been our priority with a focus on maximizing efficiency, profitability, and customer satisfaction. Our Company also depends on the management skills and guidance of our Promoters for marketing and growth of our business. Our Promoters, along with our management team, who form an integral part of our Company, have over the years-built relations with customers and vendors. Our future performance will depend largely on our ability to retail the continued service of our management team.

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

After the completion of the Offer, our Promoters and Promoter Group is expected to hold [●] % of our outstanding Equity Shares. Further, the involvement of our Promoters in our operations, including through strategy, direction and customer relationships have been integral to our development and business and the loss of any of our Promoters may have a material adverse effect on our business and prospects.

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

53. Our Directors and Promoters may enter into ventures which are in businesses similar to ours.

The interests of our directors or Promoters may not align with the interests of our other Shareholders due to their involvement in other ventures which are in businesses similar to ours or that may compete with our business or may benefit from preferential treatments when doing business with our Company. Our Directors, or Promoters, as applicable, may, for business considerations or otherwise, in transactions with other ventures where they have interest, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may materially adversely impact our business, financial condition, results of operations and cash flows.

As a result, conflicts of interest may arise when we sell our solutions to such Promoter Group at lower prices, or give it any other form of preferential treatment. There can be no assurance that our Promoters or any company controlled by our Promoters will not enter into businesses similar to ours or compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition. Further, there have been no instances during the last 3 financial years and current financial year where conflicts of interest arising from the involvement of our Directors or Promoters in other ventures have impacted the Company's business, financial condition, results of operations, or cash flows. Additionally, the Company has not faced any adverse effects due to preferential treatment in transactions with the Promoter Group or competition from businesses controlled by our Promoters.

54. We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Directors and Key Managerial Personnel may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.

We have in the past entered into certain related party transactions with our Key Managerial Personnel, Directors, relatives of Directors. Further, our Promoters, Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. For further details in relation to our related party transactions for the Fiscals 2025, 2024 and 2023, see "*Summary of the Offer Document – Summary of Related Party Transactions*" and "*Other Financial Information – Related Party Transactions*" on pages 33 and 276, respectively. For further details in relation to interest of our directors, and Key Managerial Personnel and Senior Management, see "*Our Management - Interest of Directors*" and "*Our Management - Interest of Key Managerial Personnel and Senior Management*" on pages 256 and 267 respectively.

While we believe that all such related party transactions for the Fiscals 2025, 2024 and 2023 have been conducted on an arm's length basis and were not prejudicial to our interests in accordance with the Companies Act, 2013 and applicable law, we may enter into related-party transactions in the future which will be subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI LODR Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such future related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Other Risks Relating to the Offer and the Objects of the Offer

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including those described under "*Basis for Offer Price*" on page 129, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

56. We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS.

This Red Herring Prospectus includes our Net Asset Value per Equity Share, EBITDA, EBITDA Margin, Capital Employed, Return on Capital Employed, Debt to Equity Ratio, Net Debt to Equity Ratio and Net Worth (collectively "**Non-GAAP Measures**") and certain other industry measures related to our operations and financial performance, which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, AS, IFRS or U.S. GAAP. For further details in relation to reconciliation of Non-GAAP Measures, see "*Other Financial Information*" on page 274.

Further, these Non-GAAP Measures and industry measures are not a measurement of our financial performance or liquidity under AS, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with AS, IFRS or U.S. GAAP. In addition, such Non-GAAP Measures and industry measures are not standardized terms, and may vary from any standard methodology that is applicable across the Indian financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies, and hence a direct comparison of these Non-GAAP Measures and industry measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and industry measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures and industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by AS and may not be comparable to similarly titled measures presented by other companies.

57. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Information are derived from our audited financial statements as at and for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, prepared in accordance with Indian GAAP, and all restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations, and the Guidance Note on "*Reports in Company Prospectuses (Revised 2019)*" issued by ICAI. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP, IFRS or any other system of accounting principles on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP, IFRS or any other accounting principles. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

58. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchange in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchange have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchange for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchange. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchange. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

External Risk Factors

<u>Risks Related to India</u>

59. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

60. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

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

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

- financial instability in financial markets; and

- other significant regulatory or economic developments in or affecting India or its manufacturing sector.

Further, the Russia-Ukraine conflict, the Hamas-Israel conflict and other volatility in the Middle East and elsewhere have heightened geopolitical tensions across the world and led to further market disruptions. Although the length, impact and outcome of these ongoing conflicts is highly unpredictable, these conflicts and responses from international communities could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

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

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

62. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. The Competition Act has been recently amended pursuant to Companies (Amendment) Act, 2023, which has, inter-alia increased the scope of agreements to be reviewed by the Competition Commission of India and reporting of transaction to Competition Commission of India will be based on deal value of acquisition, merger or amalgamation, instead on asset or turnover. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, changes in corporate tax rate may affect our business, prospects and results of operations.

Moreover, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**"). The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases in taxation or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the Finance Act, 2023 considers perquisites or benefits arising from business whether convertible into money or not or payable in cash or kind, as taxable income. Such changes may adversely affect our business, prospects, financial condition, cash flows and results of operations.

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

The Government of India has announced the Union Budget for Fiscal 2025, pursuant to which the Finance Bill, 2024, introduced various amendments to taxation laws in India. The Finance Bill received assent from the President of India on August 16, 2024, and has been enacted as the Finance (No. 2) Act, 2024. We cannot predict whether any amendments made pursuant to the Finance Act, 2024 would have an adverse effect on our business and operations or on the industry in which we operate.

64. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other exceptions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If a transfer of shares, which are sought to be transferred, is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 366.

65. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

66. A third party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.

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

Risks Related to the Offer

67. We cannot assure payment of dividends on the Equity Shares in the future.

Our Company adopted a formal dividend policy on January 03, 2025. Our Company has not declared dividends on the Equity Shares during the current Fiscal Year and the last three Fiscal Years.

Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profitable growth of our Company and specifically profits earned during the relevant fiscal, earning stability and outlook, past dividend pattern, cash flow position of our Company, capital expenditure to be incurred by our Company, accumulated reserves, statutory requirements like transfer to statutory reserve fund, liquidity position of our Company including its working capital requirements and debt servicing obligations. In addition, our ability to pay dividends may be impacted by a number of factors such as economic environment, changes in the Government policies, industry specific rulings and regulatory provisions, industry outlook for the future years, and inflation rate. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to our dividend policy, see "*Dividend Policy*" on page 272.

68. The Offer Price, market capitalization to revenue from operations multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.

Set forth below are details regarding our revenue from operations and restated profit / (loss) after tax in the corresponding year 2025:

Particulars	Amount (₹ in Lakhs)
Revenue from Operations	15,278.73
Restated profit / (loss) after tax	1,690.47

Our market capitalization to revenue from operations (Fiscal 2025) multiple is [●] times and our price to earnings ratio (based on Fiscal 2025 restated profit / (loss) after tax for the year) is [●] at the Offer Price. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through Book Building process, and certain quantitative and qualitative factors as set out in "*Basis for Offer Price*" on page 129, and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter. Investors are advised to make an informed decision while investing in our Company taking into consideration the price per share that will be published in price band advertisement, the revenue generated per share in the past and the market capitalization of our company vis-à-vis the revenue generated per share.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

69. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market for our Equity Share on the Stock Exchange may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Furthermore, the Offer Price of the Equity Shares will be determined through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 129 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts, the activities of competitors and suppliers, future sales of the Equity Shares by our Company or our shareholders, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

70. ***The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders could be lower than the Offer price determined in consultation with Book Running Lead Manager in accordance with the SEBI ICDR Regulations.***

The average cost of acquisition of Equity Shares for our Promoters and Selling Shareholders may be lower than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Red Herring Prospectus is set out below:

S. No.	Name of the Promoter	Type of Selling Shareholders	Equity shareholding as on the date of this Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Sanjeev Kandhari	Promoter Selling Shareholder	57,49,975	0.38
2.	Amit Kandhari	Promoter Selling Shareholder	57,49,975	0.38
3.	Shelly Kandhari	-	-	-
4.	Priti Kandhari	-	-	-

**As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated July 15, 2025.*

For details regarding weighted average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders in our Company, please refer chapter title "*Summary of the Offer Document*" on page 30.

71. ***Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the preceding one year from the date of this Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see "*Capital Structure*" on page 96.

72. ***Investors may be subject to Indian taxes arising out of income arising from distribution of dividend and sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. Investors may be subject to payment of long-term or short-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more or less than 12 months immediately preceding the date of transfer. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company.

In terms of the Finance Act (No.2), 2024, with effect from August 16, 2024, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 12.50%, where the long-term capital gains exceed ₹1.25 lakhs. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

73. ***QIBs, Non-Institutional Bidders and Individual Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs, Non-Institutional Bidders and Individual Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchange where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

74. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Company would be reduced.

75. ***Future issuances or sales of Equity Shares, or convertible securities or other equity-linked securities could adversely affect the trading price of the Equity Shares.***

Our future issuances of Equity Shares, convertible securities or securities linked to the Equity Shares by us (including under employee stock option plans) or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares and our ability to raise capital through an offer of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

76. ***Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Subject to requisite approvals, on listing, our Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to such investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

77. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

Subject to requisite approvals, the Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchange. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the bidders' demat account with depository participant could take approximately two Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within three Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods. For further details, see "*Offer Procedure*" on page 347.

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SECTION IV – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares (1)	Up to 38,78,400 Equity Shares aggregating ₹ [●] Lakhs
Of which:	
(i) Fresh Offer	*Up to 31,99,200 Equity Shares aggregating ₹ [●] Lakhs*
(ii) Offer for Sale (2)	*Up to 6,79,200 Equity Shares aggregating ₹ [●] Lakhs*
Market Maker Reservation Portion (3)	Up to 1,94,400 Equity Shares aggregating ₹ [●] Lakhs
Net Offer to Public	Up to 36,84,000 Equity Shares aggregating ₹ [●] Lakhs
The Net Offer comprises (4)**:**	
A) QIB Portion (5) (6)	Not more than 15,55,200 Equity Shares
Of which:	
i) Anchor Investor Portion	Up to 10,00,000 Equity Shares
ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	Up to 5,55,200 Equity Shares
Of which:	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	27,200 Equity Shares
b) Balance for all QIBs including Mutual Funds	5,28,000 Equity Shares
B) Non-Institutional Portion (6) (7) (8) (9)	Not less than 8,08,800 Equity Shares
Of which:	
i) One-third of the Non-Institutional Portion reserved for applicants with an application size of more than two lots and up to ₹10.00 lakhs	Up to 2,69,600 Equity Shares
ii) Two-third of the Non-Institutional Portion reserved for applicants with an application size of more than ₹10.00 lakhs	Up to 5,39,200 Equity Shares
C) Individual Bidder Portion (6) (7) (9)	Not less than 13,20,000 Equity Shares
Pre and Post Offer Equity Shares	
Equity shares outstanding prior to the Offer (as at the date of this Red Herring Prospectus)	1,15,00,000 Equity Shares
Equity shares outstanding after the Offer	Up to 1,46,99,200 Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 110 for information on the use of proceeds arising from the Offer

Notes:

(1) This Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations and accordance with Rule 19(2)(b) of the SCRR. The Offer has been authorized by a resolution of our Board dated December 23, 2024 and by special resolution passed under 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of our shareholders held on December 27, 2024.

(2) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 325. Further, each of the Selling Shareholders, severally and not jointly, confirms compliance with and that it shall comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

(3) Our company, in consultation with the BRLM, shall allocate at least 5% of the Offer to the Designated Market Maker under the Market Maker Reservation Portion as per Regulation 261(4) of the SEBI ICDR Regulations.

(4) The allocation in the Net Offer to the public shall be made as per Regulation 253(1) and 253(2) of the SEBI ICDR Regulations.

(5) Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 347.

(6) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

(7) Allocation to all categories, except Anchor Investors, if any, Non-Institutional Bidders and Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Individual Bidder shall not be less than two lots, subject to availability of Equity Shares in the Individual Bidder Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to each Non-Institutional Bidders shall be more than two lots, subject to the availability of Equity Shares in Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. For details, see "Offer Procedure" on page 347.

(8) Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which: (a) one third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10.00 lakhs; and (b) two third of the portion available to non-institutional bidders shall be reserved for applicants with application size of more than ₹10.00 lakhs. Provided that the unsubscribed portion in either of the sub-categories specified in sub-clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional bidders. For details, see "Offer Procedure" on page 343.

(9) SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual Bidders applying in initial public offerings opening on or after May 1, 2022, where the Bid amount is up to ₹5.00 Lakhs shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on pages 343 and 347, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 336.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Information. The restated financial information presented below may differ in certain significant respects from financial statements prepared in accordance with generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with "Restated Financial Information", including the notes and annexures thereto, on page 273 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 277.

Summary Derived from our Restated Financial Information

Summary Balance Sheet Data

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1,150.00	50.00	50.00
Reserves and surplus	3,857.20	3,304.73	2,063.65
Total shareholders' funds	**5,007.20**	**3,354.73**	**2,113.65**
Non-current liabilities			
Long-term borrowings	1,528.68	1,846.92	1,556.04
Long-term provisions	433.74	352.48	279.00
Total non-current liabilities	**1,962.42**	**2,199.40**	**1,835.04**
Current liabilities			
Short-term borrowings	2,286.14	1,703.92	1,145.07
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	278.92	312.98	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,978.11	1,229.15	1,555.76
Other current liabilities	379.57	340.79	276.07
Short-term provisions	634.28	450.61	372.36
Total current liabilities	**5,557.02**	**4,037.45**	**3,349.26**
TOTAL EQUITY AND LIABILITIES	**12,526.64**	**9,591.58**	**7,297.95**
ASSETS			
Non-current assets			
Property, plant and equipment	2,836.81	2,229.21	1,720.71
Intangible Assets	0.33	0.33	0.39
Non-Current Investments	72.38	37.20	237.22
Deferred tax assets (net)	133.62	50.52	31.36
Total non-current assets	**3,043.14**	**2,317.26**	**1,989.69**
Current Assets			
Inventories	4,020.45	3,120.88	1,551.91
Trade receivables	3,545.70	2,836.78	2,569.16
Cash and cash equivalents	82.46	21.33	116.07
Short term loans and Advances	68.03	110.18	206.75
Other current assets	1,766.86	1,185.15	864.38
Total current assets	**9,483.50**	**7,274.32**	**5,308.27**
TOTAL ASSETS	**12,526.64**	**9,591.58**	**7,297.95**

Summary of Profit and Loss Data

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Income			
Revenue from operations	15,278.73	12,494.14	9,918.84
Other income	42.77	9.18	15.56
Total Income	**15,321.50**	**12,503.323**	**9,934.40**
Expenses			
Cost of Material Consumed	11,184.75	10,693.21	7,756.74
Purchases of stock-in-trade	-	-	-
Changes in inventories of finished goods and work-in progress	(442.59)	(1,561.31)	24.10
Employee benefits expense	622.73	548.71	469.62
Finance costs	435.20	392.93	282.11
Depreciation and amortisation expense	422.55	338.68	192.08
Other expenses	907.62	570.93	389.55
Total expenses	**13,130.26**	**10,983.15**	**9,114.20**
Profit before tax and Exceptional Items	**2,191.24**	**1,520.17**	**820.20**
Exceptional Items	-	-	-
Profit /(Loss) before tax	**2,191.24**	**1,520.17**	**820.20**
Tax expenses			
Current tax	583.87	408.53	217.66
Tax relating to earlier periods	-	-	-
Deferred tax (credit)/charge	(83.10)	(19.15)	43.40
	500.77	**389.37**	**261.05**
Net profit for the period/ year after tax	**1,690.47**	**1,130.80**	**559.14**
Earnings per equity share:			
Basic and diluted earnings per share (In ₹)	14.70	9.83	4.86
(Nominal value of share ₹10 each)	14.70	9.83	4.86

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Summary of Cash Flow Data

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Exceptional Items	**2,191.24**	**1,520.17**	**820.20**
Adjustments:			
Depreciation and Amortization	422.55	338.68	192.08
Finance Charges	435.20	392.93	282.11
(Gain)/Loss on Sale of Investment/ Fixed Assets	4.33	0.09	(7.72)
Provision for Gratuity & Leave encashment	83.80	82.15	85.65
Interest & Dividend income	(4.78)	(5.50)	(3.72)
Prior Period Items/CSR Contribution	(20.00)	(11.00)	(0.18)
Operating Profit before Working Capital Changes	**3,112.34**	**2,317.52**	**1,368.42**
Movements in working capital:			
(Increase)/Decrease in Inventories	(899.57)	(1,568.97)	169.41
(Increase)/Decrease in Trade Receivables	(708.92)	(267.62)	(346.68)
(Increase) /Decrease in Loans and Advances	42.15	96.57	3.02
(Increase)/Decrease in Other Current Assets	(581.71)	(320.78)	(317.97)
Increase /(Decrease) in Trade Payables	714.90	(13.63)	(132.63)
Increase /(Decrease) in Other Current Liabilities	38.78	64.72	42.08
Increase /(Decrease) in Short Term Provisions	181.14	190.87	85.16
Cash Generated from Operations	**1,899.09**	**498.68**	**870.81**
Less: Direct taxes paid (Net of Refund)	(601.87)	(408.53)	(217.66)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**1,297.22**	**90.16**	**653.16**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,043.93)	(852.50)	(845.00)
Sale of property, plant and equipment	9.45	5.29	47.10
(Increase) / Decrease in Investments	(35.18)	200.02	(179.71)
(Increase) / Decrease in Long Term Provisions	-	-	
(Increase) / Decrease in Non-Current Assets	-	-	-
Interest & other income	4.78	5.50	3.72
NET CASH USED IN INVESTING ACTIVITIES	**(1,064.88)**	**(641.68)**	**(973.89)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds / (repayment) from long term borrowings (net)	(318.24)	290.88	374.54
Proceeds / (repayment) from short term borrowings (net)	582.22	558.85	168.42
Interest paid	(435.20)	(392.93)	(282.11)
Dividend paid	-	-	
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(171.22)**	**456.80**	**260.85**
Net Increase / (decrease) in cash and cash equivalents (A+B+C)	61.12	(94.74)	(59.92)
Cash and cash equivalents at beginning of the year/period	21.33	116.07	175.98
Cash and cash equivalents at the end of the year	**82.46**	**21.33**	**116.07**

GENERAL INFORMATION

Our company was incorporated as a private limited company under the name "*Kaytex Fabrics Private Limited*" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated June 29, 1996 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on December 05, 2024 and the name of our Company was changed to "*Kaytex Fabrics Limited*" with a fresh certificate of incorporation dated December 19, 2024, issued to our Company by the Assistant Registrar of Companies/Deputy Registrar of Companies/ Registrar of Companies, Central Registration Centre.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office is as follows:

Kaytex Fabrics Limited
Batala Road, Post Office Khanna Nagar,
Amritsar – 143 001, Punjab, India
Telephone: 0183 – 400 9025
Email: contact@kaytexfabrics.com
Investor Grievance E-mail: investor@kaytexfabrics.com
Website: https://kaytexfabrics.com/

For further details on the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 248.

Company Registration Number and Corporate Identification Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	017639
Corporate Identity Number	U18101PB1996PLC017639

Registrar of Companies

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

Registrar of Companies, Chandigarh
1st Floor, Corporate Bhawan,
Plot No.4-B, Sector 27-B,
Chandigarh – 160 019, India
Telephone: 0172 – 263 9415 / 263 9416
Email: roc.chandigarh@mca.gov.in
Website: www.mca.gov.in

Board of Directors

The following table sets out the brief details of our Board as on the date of this Red Herring Prospectus:

Name	Designation	DIN	Residential Address
Sanjeev Kandhari	Managing Director	01412837	H. No. 292A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India
Amit Kandhari	Wholetime Director	01412828	H. No. 293A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India
Shelly Kandhari	Non-Executive Director	10752302	H. No. 292A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India
Priti Kandhari	Non-Executive Director	10752385	H. No. 293A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India
Rahul Tandon	Independent Director	06372536	H. No. 24, Braham Nagar, Lawrence Road, Amritsar – 143 001, Punjab, India

Name	Designation	DIN	Residential Address
Rajiv Arora	Independent Director	01522045	321-A, Medical Enclave, Civil Line, Amritsar – 143 001, Amritsar, Punjab, India

For further details of our Board of Directors, please see "*Our Management – Brief Profile of our Directors*" on page 253.

Company Secretary and Compliance Officer

Rubina Mahajan is the Company Secretary and Compliance Officer of our company. Her contact details are as follows:

Rubina Mahajan
Batala Road, Post Office Khanna Nagar,
Amritsar – 143 001, Punjab, India
Telephone: 0183 – 400 9025
Email: contact@kaytexfabrics.com
Investor Grievance E-mail: investor@kaytexfabrics.com
Website: https://kaytexfabrics.com/

Registrar to the Offer

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093,
Maharashtra, India
Telephone: 022 – 6263 8200
Email: ipo@bigshareonline.com
Investor Grievance E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Rapheal C
SEBI Registration Number: INR000001385

Book Running Lead Manager

Socradamus Capital Private Limited
Gala No. 303, Cama Industrial Estate,
Sun Mill Compound, Delisle Road,
Lower Parel (West), Mumbai – 400 013,
Maharashtra, India
Telephone: 022 – 4961 4235
Email: info@socradamus.in
Website: https://socradamus.in/
Investor Grievance E-mail: investors@socradamus.in
Contact Person: Kritika Rupda
SEBI Registration Number: INM000013138

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre- Offer or post Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than IBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of IBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Inter-Se allocation of responsibilities of the Book Running Lead Manager

Socradamus Capital Private Limited is the sole Book Running Lead Manager to this Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Legal Advisor to the Offer

M. V. Kini Law Firm
Kini House, 6/39, Jangpura – B,
New Delhi – 110 014, India
Telephone: 011 - 2437 1038/39/40
Email: corporatedelhi@mvkini.com
Contact Person: Vidisha Krishnan

Statutory Auditors of our Company

M/s S G U R & Co
Chartered Accountants
50-51 2nd Floor, Nehru Complex,
Lawrence Road, Amritsar – 143 001,
Punjab, India
Telephone: 0183 – 221 2993 / 221 1352
Email: sudguptaca@gmail.com
Contact Person: CA Sanjeev Gupta
Membership No: 084210
Firm Registration No.: 005429N
Peer Review No.: 016471

There has been no change in our statutory auditors in the three years preceding the date of this Red Herring Prospectus:

Bankers to our Company

HDFC Bank Limited
Plot No. 1120, Mall Road
Amritsar, Punjab, India
Telephone: +91 98722 53430
Email: rahul.gupta3@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Rahul Gupta

Bankers to the Offer

Escrow Collection Bank, Refund Bank and Sponsor Bank

Kotak Mahindra Bank Limited
Intellion Square, 501, 5th Floor, A Wing, Infinity IT
Park, Gen. A.K. Vaidya Marg, Malad – East,
Mumbai – 400 097, Maharashtra, India
Telephone: 022 – 6941 0636
Email: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Siddhesh Shirodkar
SEBI Registration Number: INBI00000927

Public Offer Account Bank and Sponsor Bank

Kotak Mahindra Bank Limited
Intellion Square, 501, 5th Floor, A Wing, Infinity IT
Park, Gen. A.K. Vaidya Marg, Malad – East,
Mumbai – 400 097, Maharashtra, India
Telephone: 022 – 6941 0636
Email: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Siddhesh Shirodkar
SEBI Registration Number: INBI00000927

Syndicate Members

Gretex Share Broking Limited
Naman Midtown, 'A' Wing, Unit No. 401,
FP No. 616, Tulsi Pipe Road, Dr. Ambedkar Nagar,
Senapati Bapat Marg, Behind Kamgar Kala Kendra, Dadar West,
Mumbai – 400013, Maharashtra, India
Telephone: 022 – 6930 8500
Email: compliance@gretexbroking.com
Website: www.gretexbroking.com
Contact Person: Jignesh Lathigra
SEBI Registration Number: INZ000166934
NSE Clearing Number: 90287

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks Eligible as Offeror Banks for UPI

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than IBs), including details such as postal address, telephone number and e-mail address, is provided on the website of the NSE at https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than IBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of Stock Exchange at http://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than IBs) at the Designated CDP Locations, including details such as name and contact details, is provided on the website of NSE at http://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Credit Rating

As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer.

Grading of the Offer

Since this Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, there is no requirement of appointing any credit agency registered with SEBI for obtaining grading for the Offer.

Debenture Trustee

As this is an Offer consisting only of Equity Shares, the appointment of a debenture trustee in not required.

Monitoring Agency

Our Company has appointed Informerics Valuation and Rating Limited as the Monitoring Agency to monitor utilization of the Net Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band will be decided by our Company and Selling Shareholders, in consultation with the Book Running Lead Manager and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchange for the purposes of uploading on their website. The Offer Price shall be determined by our Company and Selling Shareholders, in consultation with the Book Running Lead Manager, after the Bid / Offer Closing Date. For details, see "*Offer Procedure*" on page 347.

All Bidders, other than Anchor Investors, shall only participate in this Offer through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. UPI Bidders shall participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Non-Institutional Bidders with an application size of up to ₹5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs, Non-Institutional Bidders and Individual Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Further, Anchor Investors in the Anchor Investor Portion cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non – Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For an illustration of the Book Building Process and further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 336 and 347, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgement about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining final listing and trading approvals from the Stock Exchange, which our Company shall apply for after Allotment within two Working Days of the Bid / Offer Closing Date or such other time period as may be prescribed under applicable law.

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 347.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditors namely, M/s. S G U R & Co, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Information dated June 24, 2025 and the Statement of Special Tax Benefits July 15, 2025 issued by them and included in this Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as "Expert" as defined under section 2 (38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated January 20, 2025 and July 17, 2025 from Er. Rohit Kapoor, Chartered Engineer, to include their name as required under Section 26 (5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an "expert", as defined under Section 2 (38) of the Companies Act, 2013 to the extent and in their capacity as an Independent Chartered Engineer, in relation to the certificate certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities, proposed capacity expansion for digital printing, plant and machineries installed at our manufacturing facilities and verification of the quotations for the objects of the offer.

Filing of the Offer Document

A copy of the Draft Red Herring Prospectus has been filed through the NSE NEAPS portal at https://neaps.nseindia.com/NEWLISTINGCORP/ and filed with NSE at the following address:

National Stock Exchange of India Ltd
NSE Emerge
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051,
Maharashtra, India

In accordance with the Regulation 246 of the SEBI ICDR Regulations and in accordance with the SEBI ICDR Master Circular, a copy of the Red Herring Prospectus and Prospectus shall be filed through the SEBI Intermediary Portal at https://siportal.sebi.gov.in. However, SEBI will not issue any observation on the Offer Document.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC at its office at Chandigarh and through the electronic portal of the MCA at least three working days prior from the date of opening of the Bid / Offer period.

Underwriting

This Offer is 100% underwritten by Socradamus Capital Private Limited in the capacity of Underwriter to the Offer. Pursuant to the terms of the Underwriting Agreement dated July 18, 2025, the obligations of the Underwriter are several and are subject to certain conditions specified therein.

The Underwriter has indicated its intention to underwrite the following number of specified securities being issued through this Offer:

Details of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten (₹ in Lakhs)	% of the Offer size underwritten
Socradamus Capital Private Limited Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Telephone:** 022 – 4961 4235 **Email:** info@socradamus.in **Website:** https://socradamus.in/ **Investor Grievance E-mail:** investors@socradamus.in **Contact Person:** Kritika Rupda **SEBI Registration Number:** INM000013138	Up to 38,78,400	[●]	100.00%
Total	**Up to 38,78,400**	**[●]**	**100.00%**

**Includes up to 1,94,400 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In accordance with Regulation 260 (2) of the SEBI ICDR Regulations, this Offer has been 100% underwritten and shall not restrict to the minimum subscription level. Our Company and Selling Shareholders shall ensure that the BRLM have underwritten at least 15% of the total Offer Size.

In the opinion of the Board of our Directors of our company, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act as merchant bankers or stock brokers.

The Book Running Lead Manager shall file an undertaking to the SEBI that the Offer has been 100% underwritten along with the list of underwriters indicating the extent of underwriting or subscription commitment made by each of them, one day before the opening of Offer. If any of the underwriters fail to fulfil their underwriting obligations, the Book Running Lead Manager shall fulfil the underwriting obligations. Further, the underwriters, other than the Book Running Lead Manager, who have entered into an agreement for subscribing to the Offer in case of under-subscription, shall not subscribe to this Offer in any manner except for fulfilling their obligations under the Underwriting Agreement with the Book Running Lead Manager in this regard.

Market Making

Gretex Share Broking Limited, registered with NSE will act as the Market Maker in accordance with Regulation 261 of the SEBI ICDR Regulations. Our company has entered into an agreement dated July 19, 2025, with the Book Running Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of our equity shares on NSE Emerge or for a period as may be notified by any amendment in the SEBI ICDR Regulations.

Our company, in consultation with the Book Running Lead Manager, shall allot at least 5% of the Offer to the Market Maker under the Market Maker Reservation Portion as per the Regulation 261 (4) of the SEBI ICDR Regulations:

Details of the Market Maker	No. of Equity Shares	Amount (₹ in Lakhs)	% of the Offer
Gretex Share Broking Limited Naman Midtown, 'A' Wing, Unit No. 401, FP No. 616, Tulsi Pipe Road, Dr. Ambedkar Nagar, Senapati Bapat Marg, Behind Kamgar	Up to 1,94,400	[●]	5.01%

Details of the Market Maker	No. of Equity Shares	Amount (₹ in Lakhs)	% of the Offer
Kala Kendra, Dadar West, Mumbai – 400013, Maharashtra, India **Telephone:** 022 – 6930 8500 **Email:** compliance@gretexbroking.com **Website:** www.gretexbroking.com **Contact Person:** Jignesh Lathigra **SEBI Registration Number:** INZ000166934 **NSE Clearing Number:** 90287			
Total	**Up to 1,94,400**	**[●]**	**5.01%**

Pursuant to NSE Circular no. 54/2023 dated August 31, 2023, the Market Maker has confirmed that it has sufficient net worth to enable them to discharge their respective market making obligations in full.

The Market Maker shall at all times adhere to the byelaws, rules and regulations of NSE and shall comply with such operational parameters, rulings, notices, guidelines and instructions of NSE as may be applicable from time to time. The Market Maker shall also comply with the SEBI ICDR Regulations, circulars issued by SEBI from time to time and such other rules, regulations and or guidelines issued by SEBI from time to time.

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

1. The Market Maker shall provide eligible 2-way quotes for 75% of the market time for each trading session of the normal market from the date of listing of the equity shares. The same shall be monitored by the NSE. Further, the Market Maker shall inform NSE in advance for each and every black out period when the quotes are not being issued by the Market Maker.

2. The minimum depth of the quote shall be ₹1,00,000. However, the Bidders 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 they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per equity share, the minimum lot size is [●] Equity Shares, thus minimum depth of the quote shall be ₹ [●] until the same would be revised by NSE.

3. After first three (3) months of the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of the Market Maker in our company reaches to 15% of the Offer size (including [●] Equity Shares ought to be allotted under this Offer). Any Equity Shares allotted to Market Maker under this Offer over and above [●] Equity Shares would not be taken into consideration of computing the threshold of 15% of the Offer size. As soon as the Equity Shares of the Market Maker in our Company reduces to 14%, the Market Maker will resume providing 2-way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, NSE may intimate the same to SEBI after due verification.

5. On the first day of the listing, there will be a pre-opening session (call auction) for a duration of 60 minutes i.e. from 9:00 a.m. to 10:00 a.m., out of which 45 minutes shall be allowed for order entry, order modification and order cancellation, 10 minutes for order matching and trade confirmation and the remaining 5 minutes shall be the buffer period to facilitate the transition from pre-open session to the normal trading session. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The equity shares of the company would remain in Trade for Trade segment for 10 days from the date of listing of Equity shares on NSE.

6. The price band shall be 20% and the market making spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the NSE from time to time.

7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.

8. During the compulsory market making period, the Market Maker shall not buy equity shares from the promoters or any persons belonging to the promoter group or any person who has acquired equity shares from such promoters or promoter group.

9. There would not be more than five (5) Market Makers for the company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the Bidders. At this stage, [●] is acting as the sole Market Maker.

10. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

11. 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 NSE, while no prior approval for non-controllable reasons. The decision of the NSE for deciding controllable and non-controllable reasons would be final.

12. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a new Market Maker.

    In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager 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 Book Running Lead Manager 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 five (5) or as specified by the relevant laws and regulations applicable at that particular point of time.

13. NSE Emerge will have all the margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

14. NSE 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 NSE on the Market Maker, in case they are not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines are set by the NSE from time to time. NSE will impose a penalty on the Market Maker in case they are not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the NSE would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.

15. 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 NSE from time to time.

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CAPITAL STRUCTURE

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

₹ in lakhs except share data

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price
A.	**Authorized Share Capital**		
	1,80,00,000 Equity Shares of face value of ₹10/- each	1,800.00	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Offer**		
	1,15,00,000 Equity Shares of face value of ₹10/- each	1,150.00	-
C.	**Present Offer in terms of this Red Herring Prospectus**		
	Offer of up to 38,78,400 Equity Shares of face value of ₹10/- each (1)	[●]	[●]
	Which includes:		
	Fresh Offer of up to 31,99,200 Equity Shares of face value ₹10/- each	[●]	[●]
	Offer for Sale of up to 6,79,200 Equity Shares of face value ₹10/- each by the Selling Shareholders (2)	[●]	[●]
	The Offer includes:		
	Market Maker Reservation Portion of up to [●] Equity Shares of face value of ₹10/- each (3)	[●]	[●]
	Net Offer to Public of up to [●] Equity Shares of face value of ₹10/- each (4)	[●]	[●]
D.	**Issued, Subscribed and Paid-up Share Capital after the Offer***		
	Up to 1,46,99,200 Equity Shares of face value of ₹10/- each	[●]	-
E.	**Securities Premium Account**		
	Before the Offer (5)	-	
	After the Offer	[●]	

** Assuming full subscription of the Offer.*

(1) The Offer has been authorized pursuant to a resolution of our Board dated December 23, 2024 and by Special Resolution passed under 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of our shareholders held on December 27, 2024.

(2) Each of the Selling Shareholders, severally and not jointly, confirm that their respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations. Further, each of the Selling Shareholders, severally and not jointly, confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. Each of the Selling Shareholders has, severally and not jointly, confirmed and consented for the sale of its respective portion of the Offered Shares in the Offer for Sale. For details on the authorization of the Selling Shareholders in relation to their respective portion of the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page325.

(3) Our company, in consultation with the Book Running Lead Manager, shall allocate at least 5% of the Offer to the Designated Market Maker under the Market Maker Reservation Portion as per the Regulation 261(4) of the SEBI ICDR Regulations.

(4) The allocation in the Net Offer to the public shall be made as per the Regulation 253(1) and 253(2) of the SEBI ICDR Regulations.

(5) Securities Premium before the Offer as on date of this Red Herring Prospectus.

Class of Shares

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

Notes to the Capital Structure

1. Share Capital History

i) Changes in Authorized Share Capital

For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 248.

ii) Equity Share Capital History of our Company

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Offer Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Name of Allottees
Upon Incorporation (January 29, 1996)	300	10/-	10/-	Cash	Incorporation	300	Subscribers to Memorandum of Association (i)
November 20, 1996	50,000	10/-	10/-	Cash	Further Issue	50,300	Allotment of Equity Shares to persons other than Promoters and Promoter Group (ii)
March 18, 1997	3,20,000	10/-	10/-	Cash	Further Issue	3,70,300	Promoters and Promoter Group and persons other than Promoters and Promoter Group (iii)
February 01, 1999	1,29,700	10/-	10/-	Cash	Further Issue	5,00,000	Allotment of Equity Shares to Promoters and Promoter Group (iv)
September 04, 2024	1,10,00,000	10/-	-	Nil	Bonus Issue	1,15,00,000	Issue of bonus shares to the Promotors in the ratio of 22:1 (i.e. 22 new Equity Shares for every 1 Equity Share held) (v)

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

Sr No	Name	No of Equity Shares
1.	Sanjeev Kandhari	100
2.	Amit Kandhari	100
3.	Krishan Kumar Kandhari	100
	Total	**300**

(ii) Further Issue of 50,000 Equity Shares on November 20, 1996:

Sr No	Name	No of Equity Shares
1.	Goldstar Leasing Co. India Ltd	20,000
2.	Satish Kumar	10,000
3.	Raj Kumar	10,000
4.	Ramesh Kumar	10,000
	Total	**50,000**

(iii) Further Issue of 3,20,000 Equity Shares on March 18, 1997:

Sr No	Name	No of Equity Shares
1.	Pradeep Singh	20,000
2.	Gagandeep Singh	10,000
3.	Mohan Lal	10,000
4.	Kewal Krishan Gupta	10,000
5.	Banarsi Lal	20,000
6.	Satish Kumar	20,000
7.	Gurmeet Singh	20,000
8.	Ramesh Kumar	20,000
9.	Kamal Kishore	20,000

Sr No	Name	No of Equity Shares
10.	Ramesh Kumar	20,000
11.	Sunil Kumar	10,000
12.	Amrik Singh	20,000
13.	Mohan Singh	20,000
14.	Anil Kumar	20,000
15.	Raj Kumar HUF	20,000
16.	Harrpreet Singh	20,000
17.	Jasbir Singh	20,000
18.	Amit Kandhari	10,000
19.	Sanjeev Kandhari	10,000
	Total	**3,20,000**

(iv) Further Issue of 1,29,700 Equity Shares on February 01, 1999:

Sr No	Name	No of Equity Shares
1.	Sanjeev Kandhari	34,850
2.	Amit Kandhari	34,850
3.	Janak Kandhari	60,000
	Total	**1,29,700**

(v) Bonus Issue of Equity Shares on September 04, 2024:

Sr No	Name	No of Equity Shares
1.	Sanjeev Kandhari	55,00,000
2.	Amit Kandhari	55,00,000
	Total	**1,10,00,000**

The bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on August 24, 2024 and August 31, 2024, respectively and was undertaken by capitalizing the reserves and surplus amount of ₹1,100.00 lakhs in the reserves and surplus account. The bonus issuance was not undertaken out of the revaluation reserves of the Company and hence eligible for Minimum Promoters' Contribution.

iii) Preference Share Capital History of our Company

Our Company has not issued any preference shares since incorporation.

2. Shares issued for consideration other than cash or out of revaluation reserves or by way of a bonus issue

Our Company has not issued any Equity Shares out of its revaluation reserves. Further, except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or as a bonus issue:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
September 04, 2024	1,10,00,000	10/-	-	Issue of bonus shares in the ratio of 22:1 (i.e. 22 new Equity Shares for every 1 Equity Share held)	Nil, except for expansion of capital base of our Company

3. Equity Shares allotted in terms of any schemes of arrangement

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013.

4. ESOP Schemes

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme for our employees.

5. Shares allotted at a price lower than the Offer Price in the last year

The Offer Price shall be determined by our Company and Selling Shareholders, in consultation with the BRLM, after the Bid / Offer Closing Date.

Except as disclosed below, we have not issued any Equity Shares at price which may be lower than the Offer Price within last one year from the date of this Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
September 04, 2024	1,10,00,000	10/-	-	Issue of bonus shares in the ratio of 1:2 (i.e. 1 new Equity Share for every 2 Equity Shares held)	Nil, except for expansion of capital base of our Company

6. **Details of Shareholding of our Promoters and members of the Promoter Group in the Company**

(i) Equity Shareholding of the Promoters

As on the date of this Red Herring Prospectus, our Promoters hold, in the aggregate, 1,14,99,950 Equity Shares, equivalent to 99.98% of the issued, subscribed and paid-up Equity Share capital of our Company.

(ii) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Red Herring Prospectus.

(iii) Build-up of the Promoters shareholding in our Company

Build-up of the equity shareholding of our Promoters in our Company since incorporation is set forth below:

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
Sanjeev Kandhari (A)							
On Incorporation	Subscriber to Memorandum of Association	Cash	100	10/-	10/-	Negligible	[●]%
March 18, 1997	Further Issue	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Goldstar Leasing Co. India Ltd	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Raj Kumar	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Rakesh Kumar	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Gagandeep Singh	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Kewal Kishan Gupta	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Gurmeet Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Ramesh Kumar	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Amrik Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Anil Kumar	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Harpreet Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Satish Kumar	Cash	5,000	10/-	10/-	0.04%	[●]%
February 01, 1999	Further Issue	Cash	34,850	10/-	10/-	0.30%	[●]%

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
March 31, 2002	Transfer to Badri Narayan Banarsi Lal	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Ram Niwas / Sarita Arora / Sharda Devi	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Ritu Kohli / Savita Kohli / Sunil Kohli	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Sant Ram Kohli / Rajan Kohli	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Manohar Lal HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Rita Grover / Neeraj Grover / Ahuja Enterprises	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Sahil Arora Vipan Kumar Arora / Harish Chander	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Bimla Wati Arora / Vipan Kumar Arora HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Vee Kay Textiles / Vijay Kumar Suneja HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Sudesh Arora / Rajinder Arora / Dev Raj Arora	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Satish Kumar Suneja / Phool Chand Aggarwal HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Neelam Arora / Mohan Lal / Amit Kumar	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2002	Transfer to Kamal Arora / Kanchan Devi / Madan Lal Arora HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
October 01, 2007	Transfer to Vir Pursnaney / N B Textiles	Cash	(10)	10/-	10/-	Negligible	[●]%
March 09, 2014	Gift from Janak Kandhari	Nil	30,050	10/-	-	0.26%	[●]%
March 31, 2017	Transfer from Badri Narayan	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Ram Niwasan / Sarita Kohli / Sharda Kohli	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Ritu Kohli / Savita Kohli / Sunil Kohli	Cash	10	10/-	10/-	Negligible	[●]%

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
March 31, 2017	Transfer from Sant Ram Kohli / Rajan Kohli	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Manohar Lal HUF	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Rita Grover / Neeraj Grover / Ahuja Enterprises	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Sahil Arora / Vipan Kumar Arora / Harish Arora	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Bimla Wati Arora / Vipan Kumar Arora HUF / ESS AAY Fabrics	Cash	5	10/-	10/-	Negligible	[●]%
September 04, 2024	Bonus Issue in the ratio of 1:2	Nil	55,00,000	10/-	-	47.83%	[●]%
November 18, 2024	Gift to Sagar Kandhari	Nil	(10)	10/-	-	Negligible	[●]%
November 18, 2024	Gift to Devika Arora	Nil	(10)	10/-	-	Negligible	[●]%
November 18, 2024	Gift to Sweety Ahuja	Nil	(5)	10/-	-	Negligible	[●]%
Sub-Total (A)			**57,49,975**			**49.99%**	**[●]%**
Amit Kandhari (B)							
On Incorporation	Subscriber to Memorandum of Association	Cash	100	10/-	10/-	Negligible	[●]%
March 18, 1997	Further Issue	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Satish Kumar	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Ramesh Kumar	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Pradeep Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Mohan Lal	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Banarsi Lal	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Kamal Kishore	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Sunil Kumar	Cash	10,000	10/-	10/-	0.09%	[●]%
March 31, 1998	Transfer from Mohan Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Raj Kumar	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Jasbir Singh	Cash	20,000	10/-	10/-	0.17%	[●]%
March 31, 1998	Transfer from Satish Kumar	Cash	5,000	10/-	10/-	0.04%	[●]%

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
February 01, 1999	Further Issue	Cash	34,850	10/-	10/-	0.30%	[●]%
March 31, 2004	Transfer to Badri Narayan Banarsi Lal	Cash	(5)	10/-	10/-		[●]%
March 31, 2004	Transfer to Ram Niwas / Sarita Arora / Sharda Devi	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Ritu Kohli / Savita Kohli / Sunil Kohli	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Sant Ram Kohli / Rajan Kohli	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Manohar Lal HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Rita Grover / Neeraj Grover / Ahuja Enterprises	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Sahil Arora / Vipan Kumar Arora / Harish Chander	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Bimla Wati Arora / Vipan Kumar Arora HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Vee Kay Textiles / Vijay Kumar Suneja HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Sudesh Arora / Rajinder Arora / Dev Raj Arora	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Satish Kumar Suneja / Phool Chand Aggarwal HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Neelam Arora / Mohan Lal / Amit Kumar	Cash	(5)	10/-	10/-	Negligible	[●]%
March 31, 2004	Transfer to Kamal Arora / Kanchan Devi / Madan Lal Arora HUF	Cash	(5)	10/-	10/-	Negligible	[●]%
October 01, 2007	Transfer to Naval Textile Mills / Rajni Mehra	Cash	(10)	10/-	10/-	Negligible	[●]%
March 09, 2014	Gift from Janak Kandhari	Nil	30,050	10/-	-	0.26%	[●]%
March 31, 2017	Transfer from Bimla Wati Arora / Vipan Kumar Arora HUF / ESS AAY Fabrics	Cash	5	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Veekay Textiles /	Cash	10	10/-	10/-	Negligible	[●]%

Date of Allotment / Transfer	Nature of Transaction	Nature of Consideration	No. of Equity Shares	Face Value (₹)	Issue Price / Transfer Price (₹)	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
	Vijay Kumar Suneja HUF / Harish Chander						
March 31, 2017	Transfer from Sudesh Arora / Rajinder Kumar / Devraj Arora	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Satish Kumar Suneja HUF / Phool Chand Aggarwal HUF	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Neelam Arora / Mohan Lal / Amit Kumar	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Kamal Arora / Kanchan Devi / Madan Lal Arora	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from Nawal Textiles Mills / Rajni Mehra	Cash	10	10/-	10/-	Negligible	[●]%
March 31, 2017	Transfer from VIR Pursnaney / N. B. Textiles	Cash	10	10/-	10/-	Negligible	[●]%
September 04, 2024	Bonus Issue in the ratio of 1:2	Nil	55,00,000	10/-	-	47.83%	[●]%
November 18, 2024	Gift to Sahil Kandhari	Nil	(10)	10/-	-	Negligible	[●]%
November 18, 2024	Gift to Chahat Kandhari	Nil	(10)	10/-	-	Negligible	[●]%
November 18, 2024	Gift to Sweety Ahuja	Nil	(5)	10/-	-	Negligible	[●]%
Sub-Total (B)			**57,49,975**			**49.99%**	**[●]%**
Shelly Kandhari (C)							
-		-	-	-	-	-	-
Priti Kandhari (D)							
-		-	-	-	-	-	-
Total (A+B+C+D)			**1,14,99,950**			**99.98%**	**[●]%**

(iv) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or acquisition, as applicable, of such Equity Shares.

(v) As on the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(vi) Aggregate shareholding of the Promoter Group

Name	Pre- Offer		Post- Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares	% of Post-Offer Capital
Sagar Kandhari	10	Negligible	10	[●]%
Sahil Kandhari	10	Negligible	10	[●]%
Chahat Kandhari	10	Negligible	10	[●]%

Name	Pre- Offer		Post- Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares	% of Post-Offer Capital
Devika Arora	10	Negligible	10	[●]%
Sweety Ahuja	10	Negligible	10	[●]%
Total	**50**	**0.02%**	**50**	**[●]%**

(vii) Equity Shares purchased/sold by the Promoter Group, Directors of our Company, Selling Shareholders and their relatives in the preceding six months from the date of this Red Herring Prospectus

Except as disclosed below, there were no equity shares purchased/sold by the Promoter Group, Directors of our Company, Selling Shareholders and their relatives in the preceding six months from the date of this Red Herring Prospectus:

Name of Shareholder	Date of Transaction	Promoter / Promoter Group / Director	Number of Equity Shares Subscribed to / Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
Sanjeev Kandhari	September 04, 2024	Promoter & Managing Director#	55,00,000	-	Acquired by way of Bonus Issue
Amit Kandhari	September 04, 2024	Promoter & Wholetime Director#	55,00,000	-	
Sagar Kandhari	November 18, 2024	Promoter Group	10	-	Acquired by way of Gift from Sanjeev Kandhari
Devika Arora	November 18, 2024	Promoter Group	10	-	
Sweety Ahuja	November 18, 2024	Promoter Group	5	-	
Sahil Kandhari	November 18, 2024	Promoter Group	10	-	Acquired by way of Gift from Amit Kandhari
Chahat Kandhari	November 18, 2024	Promoter Group	10	-	
Sweety Ahuja	November 18, 2024	Promoter Group	5	-	
Sanjeev Kandhari	November 18, 2024	Promoter & Managing Director#	-	25	Transfer by way of Gift to Sagar Kandhari, Devika Arora, and Sweety Ahuja
Amit Kandhari	November 18, 2024	Promoter & Wholetime Director#	-	25	Transfer by way of Gift to Sahil Kandhari, Chahat Kandhari, and Sweety Ahuja

 # Also, the Promoter Selling Shareholders.

(viii) Financing arrangements by the Promoter group, the Directors of the company, Selling Shareholders and their relatives in the preceding six months from the date of this Red Herring Prospectus

None of the members of the Promoter Group, Directors of our company, Selling Shareholders and their relatives have entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person other than in the normal course of the business of the financing entity in the last six months immediately preceding the date of filing of the Red Herring Prospectus.

7. Promoters' Contribution and Lock-in

(i) Details of minimum Promoters' contribution locked in for three years or any other period as may be prescribed under applicable law

Pursuant to the Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of at least 20.00% of the post Offer equity share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of allotment in this Offer.

Our Promoters' shareholding in excess of 20.00% shall be locked in for a period of one year from the date of allotment in this Offer. As on date of this Red Herring Prospectus, our Promoters hold 1,14,99,950 equity shares constituting 99.98% of the issued, subscribed and paid-up equity share capital of our Company.

Our Promoters have given consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20.00% of the post Offer Equity Share capital of our Company as Promoters' Contribution.

Further, since the post Offer shareholding of our promoters is more than 20.00%, alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Offer capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s), do not require to contribute to meet the shortfall in minimum Promoters' contribution as specified in the SEBI ICDR Regulations.

Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Equity Shares which will be locked-in for minimum Promoters' Contribution from the date of this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoters' Contribution for a period of three years, from the date of Allotment as Promoters' Contribution are as provided below:

Name of Promoter	Date of Allotment/Acquisition	Nature of Allotment	No of Equity shares	Face Value (in ₹)	Offer Price (in ₹)	No of Equity shares locked in	% Of Post-Offer Paid-up Capital	Lock-in Period
Sanjeev Kandhari	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Amit Kandhari	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

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

- Equity Shares acquired three years preceding the date of this Red Herring Prospectus for (a) consideration other than cash and out of revaluation of assets or capitalization of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

- Equity Shares acquired by our promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Offer equity share capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s) during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer. However, if any such Equity Shares are acquired during the one year preceding the date of this Red Herring Prospectus, then the difference between the price at which they were acquired and the price at which the Equity Shares are being offered to the public in the Offer, will be paid;

- Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Further, our promoters have not acquired equity shares in terms of the scheme under sections 230 to 234 of the Companies Act, 2013, as approved by a High Court or a tribunal, as applicable, in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval.

We are not a government company, statutory authority or corporation or any special purpose vehicle set up by any of them, which is engaged in the infrastructure sector.

As on date of this Red Herring prospectus, our company has not allotted equity shares arising from the conversion or exchange of fully paid-up compulsorily convertible securities, including depository receipts, that have been held by our promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least 5.00% of the post Offer equity share capital or any entity (individual or non-individual) forming part of our promoter group other than the promoter(s), as applicable, for a period of at least one year prior to the filing of this Red Herring Prospectus.

Further, our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm.

(ii) Details of share capital locked-in for one year or any other period as may be prescribed under applicable law

In terms of Regulation 239 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of one year from the date of allotment in this Offer except for:

(a) The Promoters' Contribution which shall be locked-in for a period of three years as detailed above;

(b) Equity Shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme or a stock appreciation right scheme of our company prior to the initial public offer;

(c) Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme or a stock appreciation right scheme;

Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) Any equity shares held by a VCF or Category I AIF or Category II AIF or FVCI (as defined under the SEBI FVCI Regulations), as applicable, provided that such Equity Shares shall be locked in for a period of at least one year prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders, and such VCF or Category I AIF or Category II AIF or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company.

(iii) Lock-in of Equity Shares Allotted to Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(iv) Other details with respect to lock-in, pledge and transferability

As on the date of this Red Herring Prospectus, none of our Equity Shares are held by any VCF or Category I AIF or Category II AIF or FVCI. As required under Regulation 241 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked in, may be transferred to Promoters or members of the Promoter Group or to any new Promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the SEBI SAST Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer, may be transferred to any other person holding Equity Shares which are locked -in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the SEBI SAST Regulations.

In terms of Regulation 242 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 238 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entity, provided that if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the our company for the purpose of financing one or more of the Objects of the Offer and pledge of specified securities is one of the terms of sanction of the loan; or if the equity shares are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

8. Shareholding Pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Red Herring Prospectus

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			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	Promoter & Promoter Group	7	1,15,00,000	-	-	1,15,00,000	100.00	-	-	1,15,00,000	100.00	-	-	-	-	-	-	1,15,00,000
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non - Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7**	**1,15,00,000**	**-**	**-**	**1,15,00,000**	**100.00**	**-**	**-**	**1,15,00,000**	**100.00**	**-**	**-**	**-**	**-**	**-**	**-**	**1,15,00,000**

9. Details of equity shareholding of the major shareholders of our Company

(i) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Offer Equity Share Capital
1.	Sanjeev Kandhari	57,49,975	49.99%
2.	Amit Kandhari	57,49,975	49.99%
3.	**Total**	**1,14,99,950**	**99.98%**

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

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Offer Equity Share Capital
1.	Sanjeev Kandhari	57,49,975	49.99%
2.	Amit Kandhari	57,49,975	49.99%
	Total	**1,14,99,950**	**99.98%**

(iii) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Offer Equity Share Capital	Number of Equity shares	% of the Equity Share Capital*
1.	Sanjeev Kandhari	2,50,000	2.17%	2,50,000	50.00%
2.	Amit Kandhari	2,50,000	2.17%	2,50,000	50.00%
	Total	**5,00,000**	**4.35%**	**5,00,000**	**100.00%**

** The share capital of our Company two years prior to the date of this Red Herring Prospectus.*

(iv) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity shares	% of the pre- Offer Equity Share Capital	Number of Equity shares	% of the Equity Share Capital*
1.	Sanjeev Kandhari	2,50,000	2.17%	2,50,000	50.00%
2.	Amit Kandhari	2,50,000	2.17%	2,50,000	50.00%
	Total	**5,00,000**	**4.35%**	**5,00,000**	**100.00%**

** The share capital of our Company one year prior to the date of this Red Herring Prospectus.*

(v) Our Company has not made any public offer since its incorporation.

10. Proposal or intention, negotiations and consideration of the company to alter the capital structure

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

11. Number of members/shareholders of our company

As on the date of this Red Herring Prospectus, our Company has 7 Equity Shareholders.

12. Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company

Except as stated below, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares.

Sr. No.	Name	Number of Equity shares	% of the pre- Offer Equity Share Capital
1.	Sanjeev Kandhari	57,49,975	49.99%
2.	Amit Kandhari	57,49,975	49.99%
3.	Sahil Kandhari	10	Negligible
4.	Devika Arora	10	Negligible
	Total	**1,14,99,970**	**99.98%**

13. Our company, the Selling Shareholders, the Promoters, the Directors and the Book Running Lead Manager have not entered into any buyback and/or any similar arrangements for purchase of Equity Shares of the Company from any person.

14. All Equity Shares issued or transferred pursuant to the Offer 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 Red Herring Prospectus.

15. As on the date of this Red Herring Prospectus, the Book Running Lead Manager and their associates (determined as per the definition of 'associate company' under the Companies Act, 2013 and as per definition of the term 'associate' under the SEBI MB Regulations) do not hold any Equity Shares of our Company. The Book Running 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.

16. As on date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

17. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law.

18. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

19. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, our Promoters, the members of our Promoter Group 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 Offer.

20. The BRLM and persons related to the BRLM or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associates of the BRLM, or insurance companies promoted by entities which are associates of the BRLM or AIF sponsored by entities which are associates of the BRLM, a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLM.

21. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of filing this Red Herring Prospectus and the Bid / Offer Closing Date shall be reported to NSE within 24 hours of such transactions.

22. Except for our Promoter Selling Shareholders, who are offering Equity Shares in the Offer for Sale, none of our Promoters or members of our Promoter Group will participate in the Offer.

23. The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation as Selling Shareholders in the Offer for Sale.

SECTION V – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of up to 31,99,200 Equity Shares aggregating up to ₹ [●] Lakhs by our company and an Offer for sale of 6,79,200 Equity Shares aggregating to ₹ [●] Lakhs, subject to finalization of Basis of Allotment. For details, see "*Summary of the Offer Document*" and "*The Offer*" on pages 30 and 82, respectively.

Offer for Sale

Each of the Selling Shareholders will be entitled to its respective portion of the proceeds of the Offer for Sale after deducting agreed proportion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. The proceeds of the Offer for Sale will be received by the Selling Shareholders and will not form part of the Net Proceeds. For further details, see "- *Offer Related Expenses*" on page 126.

Object of the Fresh Issue

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

1. Funding capital expenditure for construction of additional warehouse facility in Amritsar;

2. Funding capital expenditure for construction of dedicated sales office in Amritsar;

3. Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar;

4. Funding our incremental working capital requirements; and

5. General corporate purposes.

(Collectively, referred to herein as the "***Objects***")

In addition, we expect to achieve the benefits of listing of Equity Shares on the NSE Emerge, enhancement of our company's visibility and brand name amongst our existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company: (i) to undertake our existing business activities; and (ii) to undertake the proposed activities to be funded from the Net Proceeds for which the funds are being raised by us in the Fresh Issue.

Net Proceeds

After deducting the Offer related expenses from the Gross Proceeds, we estimate the net proceeds of the Fresh Issue to be ₹ [●] Lakhs ("**Net Proceeds**"). The details of the Net Proceeds of the Offer are summarized in the table below:

(₹ in Lakhs)

Particulars	Estimated Amount
Gross Proceeds of the Fresh Issue	[●]
Less: Offer related Expenses in relation to the Fresh Issue	[●]
Net Proceeds	**[●]**

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC.
(2) Offer related expenses are estimated expenses and subject to change. For details, see "- Offer Related Expenses" on page 126.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below:

S. No	Particulars	Estimated Amount (₹ in Lakhs)
1.	Funding capital expenditure for construction of additional warehouse facility in Amritsar;	255.55
2.	Funding capital expenditure for construction of dedicated sales office in Amritsar;	373.20

S. No	Particulars	Estimated Amount (₹ in Lakhs)
3.	Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar;	501.00
4.	Funding our incremental working capital requirements; and	3,000.00
5.	General corporate purposes#	[●]
	Total	**[●]**

 # To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

Proposed Schedule of Implementation and Deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

(₹ in lakhs)

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds in Fiscal 2026
1.	Funding capital expenditure for construction of additional warehouse facility in Amritsar;	255.55	255.55
2.	Funding capital expenditure for construction of dedicated sales office in Amritsar;	373.20	373.20
3.	Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar;	501.00	501.00
4.	Funding our incremental working capital requirements; and	3,000.00	3,000.00
5.	General Corporate Purposes#	**[●]**	**[●]**
	Total	**[●]**	**[●]**

 # To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with RoC. The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Offer.

The above stated fund requirements, deployment of the funds and the intended use of the Net Proceeds as described herein are based on our current business plan and circumstances, management estimates, prevailing market conditions and other external commercial and technical factors including interest rates and other charges, which are subject to change from time to time. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution, or any other independent agency. For further details, see "*Risk Factors –Risks Relating to the Offer and the Objects of the Offer - The Objects of the Offer for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders' approval.*" on page 64. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and growth strategies, our ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals, additional equity and/or debt arrangements, as required. In case the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for funding other existing Objects, if necessary and/or towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Further, our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. However, in the event that estimated utilization out of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Further, in case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of Finance

The fund requirements for the aforesaid Objects above are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230 (1) (e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing internal accruals.

Details of the Objects

1. **Funding capital expenditure for construction of additional warehouse facility in Amritsar**

Currently, our company operates two godowns near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, dedicated to raw material storage, including yarns, chemicals, dyes, inks, and greige fabrics. These facilities are equipped with inventory management systems to ensure materials are organized, easily accessible, and maintained in pristine condition for weaving, processing, and digital printing. Their strategic location near production units streamlines operations, reduces transit times, and enhances efficiency, ensuring timely production and order fulfilment. Additionally, a godown at Gali Murgi Khana, Batala Road, Amritsar, Punjab, serves as a multi-functional facility for fabric storage, corduroy fabric production, and hand embroidery on ready-to-stitch garments. This facility includes shelving for organized fabric storage, specialized machinery for manufacturing durable and aesthetic corduroy fabrics, and a dedicated area for skilled artisans to create intricate hand embroidery on garments.

Our Company proposes to utilize ₹255.55 Lakhs from the Net Proceeds in Fiscal 2026 for capital expenditure towards construction of additional warehouse facility for approx. 19,000 square feet at Khasra No. 10//25/2 (0-18), 16//1/2 (3-16), 16/20 (8-0), 16/21/1 (1-2), 16//10/2 (5-0), 16//11/1 (5-2), 17//5 (8-0), 16//10/1 (3-0), 16//11/2 (2-18), 16//1/1 (3-8) 16//21/2 (1-3), 16//21/3 (5-6), at Village Balkalan, Majitha, Amritsar, Punjab, India and said land is purchased from Manjit Singh and Madhav Group of Companies *vide* sale deed dated April 15, 2024 registered under Sub Registrar/Joint Sub Registrar, SRO-Amritsar-2 to further enhance our company's storage and logistics capabilities.

Our Board by way of its resolution dated January 15, 2025 has approved the said proposal. This new facility, located in the same area as our two existing warehouses near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, will be specifically designed to accommodate the growing storage needs for raw materials such as yarn and greige fabrics, and finished fabrics supporting our company's expanding production and distribution requirements. As of March 31, 2025, our manufacturing facilities has a production capacity of158.77 lakhs MPA. We have invested in additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have ordered for HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is a solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. The machinery, once fully operational, is expected to increase our digital printing capacity to 140.00 lakhs MPA. With the increasing scale of operations, our existing warehouses are nearing capacity. The new warehouse will complement the existing facilities by providing additional storage space to accommodate the growth in production and inventory levels. This investment is essential to ensure uninterrupted operations, improve efficiency, and support our long-term growth objectives.

The new warehouse facility is aimed at:

Expanding Storage Capacity: Providing additional storage space for raw materials such as yarn and greige fabrics to support increased production volumes.

Enhancing Operational Efficiency: Allowing better organization and segregation of raw materials and semi-finished goods to streamline inventory management and ensure smooth workflows.

Improving Logistics Coordination: Reducing the strain on existing warehouses and enabling faster and more efficient movement of materials between production units and distribution networks.

Supporting Business Growth: Addressing the anticipated increase in production and inventory needs driven by our expanding footprint in domestic and international markets.

Key features and benefits of the additional warehouse facility:

Increased Storage Capacity: The new facility will provide dedicated zones for the storage of yarn and greige fabrics, ensuring proper organization and accessibility. It will alleviate capacity constraints at the existing warehouses, ensuring smoother operations and scalability.

Operational Integration: The additional warehouse will work in tandem with the existing facilities in the area, creating a cohesive and well-integrated storage network. This integration will optimize inventory management across all warehouses, improving tracking, allocation, and utilization of materials.

Technology-Driven Management: The warehouse will be equipped with advanced inventory management systems to enable real-time tracking of materials and seamless coordination with production and dispatch units. These systems will help reduce errors, improve forecasting, and enhance overall operational efficiency.

Improved Logistics and Workflow: By providing additional space for materials, the warehouse will ensure faster handling and movement of raw materials and greige fabrics to production units, reducing bottlenecks. The proximity of the new facility to existing warehouses will facilitate easy transfer and distribution of materials, reducing transportation time and costs.

Support for Future Growth: The additional warehouse is designed with scalability in mind, ensuring sufficient capacity to support future increases in production and inventory levels as the company grows.

Cost Optimization: By adding capacity within the same area as existing facilities, we want to minimize the need for reliance on third-party warehouses, leading to long-term cost savings.

The total estimated cost of the construction of the additional warehouse facility is ₹255.55 Lakhs as per the quotation dated January 15, 2025 provided by M/s Nav Bharat Construction (India), Amritsar and verified by Er. Rohit Kapoor, Chartered Engineer. The proposed construction of warehouse feasibility and viability has also been conducted on January 18, 2025 vide their report dated January 20, 2025 along with site comparisons and the construction has been certified as economically and technically feasible and viable.

(a) Estimated cost of construction of additional warehouse facility

A detailed break-down of the capital expenditure is as follows:

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
1.	Hard Cost – Civil Works	Site Preparation & Leveling	11.40	M/s Nav Bharat Construction (India)	January 15, 2025	6 months
		Excavation	17.10			
		Foundation (footings, piles)	28.50			
		Flooring (PCC, RCC, etc.)	23.75			
		Structural Steel Framework	71.25			
		Roofing (sheets, insulation)	38.00			
		Walls (brick/blocks, plaster)	23.75			
		Doors, Windows, Shutters	11.40			
		Electrical Fittings	9.50			
		Plumbing & Drainage	9.50			
		Miscellaneous (paint, finish)	11.40			
Total			**255.55**			

**Excluding GST*

(b) Other confirmations

Our estimated costs for construction of additional warehouse facility are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the construction work at the same costs. If there is any increase in the costs of construction, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of additional warehouse facility or in the entity from whom we have obtained quotations in relation to such proposed construction.

As on date of this Red Herring Prospectus, we are yet to deploy any funds towards the construction of additional warehouse facility.

(c) Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration under the shops and establishments legislation, wherever applicable and trade licenses from respective municipal authorities of Amritsar. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 237 and 318, respectively.

(d) Estimated Schedule of Implementation

Please find schedule of implementation:

Particulars	**Estimated date of**	
	Commencement	**Completion**
Site Preparation & Levelling	September 2025	September 2025
Excavation	September 2025	September 2025
Foundation (footings, piles)	September 2025	October 2025
Flooring (PCC, RCC, etc.)	October 2025	November 2025
Structural Steel Framework	November 2025	December 2025
Roofing (sheets, insulation)	December 2025	December 2025
Walls (brick/blocks, plaster)	December 2025	January 2026
Doors, Windows, Shutters	January 2026	February 2026
Electrical Fittings	February 2026	February 2026
Plumbing & Drainage	February 2026	February 2026
Miscellaneous (paint, finish)	February 2026	February 2026
Total days		**180**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

2. Funding capital expenditure for construction of dedicated sales office in Amritsar

As of the date of Red Herring Prospectus, we have established a dedicated sales and design office in Mumbai in June 2024, a key hub for India's textile and fashion industries. Mumbai's strategic location and role as a commercial capital make it the ideal choice for enhancing our market presence in West and South India and building stronger connections with both domestic and international clients. The sales office is located at 454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India. The Mumbai sales office serves as a central point for engaging with leading apparel brands, wholesalers, and institutional buyers. It enables us to explore opportunities in Mumbai's thriving textile markets, leveraging the city's dynamic ecosystem of fashion designers, exporters, and retailers. This office not only allows us to streamline client interactions, provide on-ground support, and respond quickly to customer needs but also acts as a bridge for expanding our export operations. Its proximity to key ports and logistics networks facilitates smoother international trade, helping us capitalize on the growing global demand for Indian fabrics and apparel. Additionally, through the Mumbai office, we are expanding our digital printing product offerings by entering the menswear segment. This strategic move allows us to cater to a broader customer base, including men's fashion brands and retailers seeking high-quality digital printed fabrics tailored to the latest trends. By diversifying into menswear, we aim to strengthen our position in the textile and fashion industries, tapping into a new and growing market.

Additionally, we plan to establish a sales office in Amritsar, adjacent to our registered and corporate office situated at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab to strengthen our presence in northern India and enhance customer engagement. Amritsar, again a key textile hub, is strategically positioned to serve local buyers, wholesalers, and retailers, particularly in Tier 2 and Tier 3 markets of Northern India. This office will act as a central hub for managing sales, facilitating client interactions, and showcasing our range of fabrics and ready-to-stitch garments. With its proximity to our production and warehouse facilities, the sales office will enable faster response times, better operational coordination, and improved customer service. Equipped with modern infrastructure, dedicated meeting spaces, etc. the facility will streamline sales operations and support our long-term business growth. By investing in this dedicated facility, we aim to expand our market reach, build stronger client relationships, and drive sustained growth in the region.

This sales office will allow us to:

Strengthen Market Presence: Enhance accessibility to local buyers, wholesalers, and retailers in Amritsar and neighbouring regions.

Facilitate Client Engagement: Provide a dedicated space for client interactions, order placements, and product demonstrations.

Streamline Sales Operations: Act as a central point for managing sales and distribution in northern India, ensuring faster response times and improved customer service.

Support Business Growth: Enable us to explore new market opportunities while fostering long-term relationships with existing clients.

Key Features of the proposed Amritsar Sales Office:

Prime Location: The office will be located adjacent to our current Registered Office and corporate office at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India, ensuring convenience for clients, distributors, and sales teams.

Client Engagement Facilities: The office will feature dedicated meeting spaces and product display areas for showcasing our range of fabrics, ready-to-stitch garments, and other offerings.

Integrated Operations: The sales office will work closely with the company's production and warehouse facilities in Amritsar, ensuring seamless coordination between manufacturing, inventory, and sales.

Technology Integration: Equipped with modern communication systems, the office will streamline sales tracking, client management, and reporting.

Our Company proposes to utilize ₹373.20 Lakhs from the Net Proceeds in Fiscal 2026 for capital expenditure towards the said construction of dedicated sales office in Amritsar for approx. 20,400 square feet. The area is combination of two piece of land situated at Khasra No. 960, 961, Khata Khatoni 151/249 at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India purchased from Gulshan Kumar and Khasra No. 926, Khata Khatoni 66/74 Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India purchased from Ravinder Kumar, Lavkesh Kaushal and Poonam Kalia *vide* sale deed dated April 23, 2024 and May 24, 2024 respectively registered under Sub Registrar/Joint Sub Registrar, SRO-Amritsar-2. Our Board by way of its resolution dated January 15, 2025 has approved the said proposal.

The total estimated cost of the construction of the dedicated sales office is ₹373.20 Lakhs as per the quotation dated January 15, 2025 provided by M/s Nav Bharat Construction (India), Amritsar and verified by Er. Rohit Kapoor, Chartered Engineer. The proposed construction of warehouse feasibility and viability has also been conducted on January 18, 2025 vide their report dated January 20, 2025 along with site comparisons and the construction has been certified as economically and technically feasible and viable.

(a) Estimated cost of construction of dedicated sales office in Amritsar

A detailed break-down of the capital expenditure is as follows:

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
1.	Ground Floor (Furnished)	Foundation, Columns, Beams	16.80	M/s Nav Bharat Construction (India)	January 15, 2025	6 months
		Walls & Plastering	16.80			
		Flooring (Marble)	42.00			
		False Ceiling	16.80			
		Paint & Wall Finishes	16.80			

S. No.	Particulars	Components include	Total cost (₹ in Lakhs) *	Vendor / Supplier	Date of quotation	Validity of quotation
		Doors & Windows	8.40			
		Electricals (Wiring, Fixtures)	16.80			
		Furniture & Fixtures	25.20			
		HVAC (AC Units, Ventilation)	16.80			
		Plumbing (Restroom Fixtures)	8.40			
2.	Basement	Excavation & Site Preparation	13.50			
		RCC (Foundation, Slabs)	45.00			
		Waterproofing	9.00			
		Staircases & Ramps	22.50			
3.	First and Second Floors	RCC Framework	57.60			
		Walls & Plastering	23.04			
		Basic Flooring (Vitrified Tiles)	17.28			
		Electricals (Basic Wiring)	11.52			
		Plumbing	5.76			
Total			**373.20**			

**Excluding GST*

(b) Other confirmations

Our estimated costs for construction of dedicated sales office in Amritsar are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the construction work at the same costs. If there is any increase in the costs of construction, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed construction of dedicated sales office in Amritsar or in the entity from whom we have obtained quotations in relation to such proposed construction.

As on date of this Red Herring Prospectus, we are yet to deploy any funds towards the construction of dedicated sales office in Amritsar.

(c) Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration under the shops and establishments legislation, wherever applicable and trade licenses from respective municipal authorities of Amritsar. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" on pages 237 and 318, respectively.

(d) Estimated Schedule of Implementation

Further, please find schedule of implementation for the same:

Particulars	Components	Start Date	Completion Date
Basement	Excavation & Site Preparation	June 2025	July 2025
	RCC (Foundation, Slabs)	July 2025	September 2025
	Waterproofing	September 2025	September 2025
	Staircases & Ramps	September 2025	October 2025
Ground Floor	Foundation, Columns, Beams	October 2025	November 2025

Particulars	Components	Start Date	Completion Date
	Walls & Plastering	November 2025	December 2025
	Flooring (Marble)	December 2025	January 2026
	False Ceiling	December 2025	January 2026
	Paint & Wall Finishes	December 2025	January 2026
	Doors & Windows	December 2025	January 2026
	Electricals (Wiring, Fixtures)	January 2026	January 2026
	Furniture & Fixtures	January 2026	February 2026
	HVAC (AC Units, Ventilation)	February 2026	March 2026
	Plumbing (Restroom Fixtures)	March 2026	March 2026
First Floor	RCC Framework	November 2025	December 2025
	Walls & Plastering	December 2025	December 2025
	Basic Flooring (Vitrified Tiles)	December 2025	January 2026
	Electricals (Basic Wiring)	January 2026	January 2026
	Plumbing	January 2026	January 2026
Second Floor	RCC Framework	December 2025	January 2026
	Walls & Plastering	January 2026	January 2026
	Basic Flooring (Vitrified Tiles)	January 2026	February 2026
	Electricals (Basic Wiring)	February 2026	February 2026
	Plumbing	February 2026	March 2026
Total days			**270**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

3. Funding capital expenditure towards purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar

Our company intends to utilise ₹501.00 lakhs from the Net Proceeds for purchase of advanced fabric processing system for our existing printing, dyeing and processing unit in Amritsar in Fiscal 2026. Our Board by way of its resolution dated January 15, 2025 has approved the said proposal. We plan to acquire **"MENZEL" Open-Width Continuous Scouring and Bleaching Range with Microprocessor Attachments and Automatic Chemical Dosing System** of ₹501.00 lakhs from the Net Proceeds.

As part of our commitment to enhancing production efficiency and maintaining the quality standards, we plan to invest in the said machinery with advanced microprocessor attachments and an automatic chemical dosing system. This state-of-the-art machine will be integrated into our manufacturing facilities at our **printing, dyeing and processing unit** situated at Village Balkalan, Majitha, Amritsar, significantly upgrading our fabric processing capabilities. The installation of this advanced machine at our processing facility reflects our commitment to continuous improvement and innovation in textile manufacturing. It not only enhances our ability to deliver superior products to our customers but also positions us as a forward-thinking company with sustainable and efficient production practices. This strategic investment ensures we remain competitive in the fast-evolving global textile market while maintaining our focus on quality, efficiency, and environmental responsibility.

Key features and benefits of the advanced fabric processing system:

Open-Width Processing: The open-width technology ensures that fabrics are processed without folding or creasing, preserving their structural integrity and original texture. This feature is particularly beneficial for delicate and high-value fabrics, where maintaining quality during processing is critical.

Continuous Scouring and Bleaching: The machine operates continuously, allowing fabrics to undergo scouring (removal of natural impurities) and bleaching (achieving a uniform whiteness) in a seamless process. This ensures uniform and consistent cleaning across large batches, making the fabrics ready for further stages like dyeing, printing, or finishing. Further, continuous processing significantly reduces downtime, increasing overall production capacity and efficiency.

Microprocessor Attachments: The machine is equipped with advanced microprocessors that enable precise control over critical parameters such as temperature, pressure, and chemical concentration. Moreover, automated monitoring ensures that each batch is processed under optimal conditions, leading to consistent quality in output. Further, real-time adjustments by the system minimize the risk of human error, improving reliability and repeatability in operations.

Automatic Chemical Dosing System: The integrated chemical dosing system accurately measures and dispenses chemicals required for scouring and bleaching processes. This automation reduces the manual handling of chemicals, optimizing their usage and preventing overuse or wastage. The system promotes eco-friendly practices by minimizing excess chemical discharge, aligning with sustainable manufacturing principles.

Impact on Manufacturing Facilities:

Enhanced Quality Control: The advanced features of the "MENZEL" machine ensure uniform scouring and bleaching, improving the quality and appearance of fabrics. This is particularly vital for premium textiles where precision is a key differentiator.

Increased Production Efficiency: The continuous processing capability significantly reduces cycle times compared to traditional methods, enabling the facility to handle larger volumes efficiently. This ensures that production schedules are met, even as demand grows, enhancing our ability to scale operations.

Improved Operational Efficiency: Automation of key processes, such as chemical dosing and parameter control, minimizes the dependency on manual labour, reducing operational costs and improving workflow consistency. The machine's ability to process large batches seamlessly reduces the risk of bottlenecks in production.

Sustainability and Cost Optimization: By optimizing chemical usage and reducing wastage, the machine supports eco-friendly production practices, helping the company reduce its environmental footprint. Precise chemical dosing and reduced energy consumption result in significant cost savings over time, enhancing overall profitability.

Strategic Significance:

The acquisition of this advanced scouring and bleaching range reflects our focus on modernizing our facilities to stay competitive in the textile industry. By integrating this technology into our Amritsar manufacturing units, we aim to improve product quality, increase production capacity, and enhance overall operational efficiency, ensuring we meet the evolving demands of our customers.

(a) Estimated cost of purchasing said fabric processing system

The following is a brief description of the said fabric processing system:

Machinery specifications and descriptions	Date of the quotation	Validity of the quotation	Name of the vendor	Qty	Cost per unit (₹ in Lakhs) *	Condition (new/ upgraded)	Age of the machine (in years)	Balance estimated life after upgrade (in years)
"MENZEL" Open-Width Continuous Scouring and Bleaching Range with Microprocessor Attachments and Automatic Chemical Dosing System	November 28, 2024	June 30, 2025	Menzel Engg India Private Limited	1 set	501.00	New	20 years	-
Total					**501.00**			

** Excluding GST. GST payable on such machineries will be paid from our internal accruals. Certain quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals.*

Components of the entire system:

Sr. No.	Description	Qty.	Make / Supplier
1.	Entry J Scray	1	Menzel India
2.	High Fabric Entrance	2	Menzel India
3.	Desize Washing compartment Optiwash-ST with Stripper Rollers & Intermediate Squeezer (cloth content: 24 mtrs)	1	Menzel India
4.	Desize Roller Bed Steamer: Model TEC-6 'S'	1	Menzel India
5.	Desize Steamer Exit	1	Menzel India
6.	Temperature regulator for Wash Box & Steamer	2	Menzel India

Sr. No.	Description	Qty.	Make / Supplier
7.	Washing compartment Optiwash-ST with Stripper Rollers & Intermediate Squeezer (cloth content: 24 mtrs)	1	Menzel India
8.	Washing compartment Optiwash-ST with Stripper Rollers & Heavy-Duty Squeezer (cloth content: 24 mtrs)	1	Menzel India
9.	Temperature Regulator for wash boxes	2	Menzel India
10.	MENZEL Ecomax Impregnator	1	Menzel India
11.	Chemical dosing station (bleaching) for Ecomax	1	Menzel India
12.	Bleach-steamer combination: Model	1	Menzel Germany
13.	Open Bleach Steamer Exit	1	Menzel India
14.	Temperature regulator for Bleach Steamer	1	Menzel India
15.	Washing compartment Optiwash-ST with Stripper Rollers & Intermediate Squeezer (cloth content: 24 mtrs)	3	Menzel India
16.	Washing compartment Optiwash- ST with stripper rollers & Heavy-Duty squeezer (cloth content: 24 m) for Neutralizing	1	Menzel India
17.	Temperature regulators for washing compartment	4	Menzel India
18.	pH-display with dosing pump	1	Menzel India
19.	20 Cylinders Vertical Drying Range with alternate drive (including hood & Exhaust, 4 Teflon coated+2 cooling Cylinders) 10 x 2 stacks	1	Menzel India
20.	Exit J Scray	1	Menzel India
21.	High Fabric Exit	1	Menzel India
22.	Batching Unit	2	Menzel India
23.	Plaiter Unit	2	Menzel India
24.	Switch cabinet for frequency controlled A.C. drive	1	Menzel India
25.	Water flow meter with control valve	3	Menzel India
26.	Heat Exchanger for Heat Recovery (Shell & Tube type) without piping	1	Menzel India
27.	Single Point Utility: Air, water, Steam, Condensate – material only	Lot	Menzel India
28.	Electric cable with cable tray	Lot	Menzel India
29.	One side catwalk for washing compartments	Lot	Menzel India
30.	6 nos. Dosing Tanks	1 set	Menzel India
31.	Steam Flow Meter	1	Menzel India

(b) Other confirmations

We are yet to place orders for 100.00% towards the purchase of the advanced fabric processing system for our existing printing, dyeing and processing unit proposed to be financed from the Net Proceeds, aggregating to ₹501.00 lakhs.

Our estimated costs towards purchasing machinery are based on valid and existing quotations received from the above-mentioned vendor. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates and there can be no assurance that the same vendors would be engaged to eventually supply the machinery at the same costs. If there is any increase in the costs of the said machinery, the additional costs shall be paid by us from our internal accruals. All quotations received from the aforementioned vendors are valid as on the date of this Red Herring Prospectus.

Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed purchasing of the said machinery or in the entity from whom we have obtained quotations in relation to such proposed purchasing the said machinery.

As on date of this Red Herring Prospectus, we are yet to deploy any funds towards the purchasing the said machinery.

(c) Estimated Schedule of Implementation

Further, please find schedule of implementation for the same:

Particulars	Estimated Schedule
Date of Purchase Order	June 2025
Date of receipt of machine	November 2025
Installation complete	December 2025

Particulars	Estimated Schedule
Testing complete	January 2026
Operational	January 2026

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated March 20, 2025.

4. Funding our incremental working capital requirements

We are a fast-fashion fabric solutions and manufacturing company, combining modern technology, creative design, and traditional craftsmanship to deliver high-quality textile and fashion products. We manage the entire process—from yarn to finished fabric production—ensuring consistent quality, cost efficiency, and the ability to quickly adapt to changing market demands. We specialize in creating fabrics from a wide variety of fibres, including cotton, viscose, modal, acrylic, nylon, linen, and polyester. Our focus on digital printing—a cutting-edge technology—allows us to create customizable, quality designs quickly and efficiently, perfectly suited to the fast-paced nature of the fashion industry.

The Global Digital Textile Printing Market is on a strong growth trajectory, rising from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92% and is projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E, at a CAGR of 12.8%. The increasing demand for personalized and customized products is a major catalyst and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. The Indian digital textile printing revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85% and it is further projected to reach USD 1,212.3 million by CY 2030F at a CAGR of 11.0%. This growth can be attributed to several factors, including increasing demand for customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Fast fashion, e-commerce platforms, rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for digital textile printing (*Source: D&B Report*). We will seek to capitalize on the growth opportunities in the digital textile printing industry considering our current scale of operations, network of distributors, number of customers that we cater to and spearheaded by an experienced management team.

Currently, we manufacture our products at our facilities at Amritsar. We commenced our manufacturing journey in 1996 with an installed capacity for weaving of less than 5.00 lakhs MPA as a traditional textile manufacturing company. As the fashion industry evolved, we recognized the need to modernize and adapt. Over the years, we invested in advanced technologies like digital printing, computerized embroidery, and modern weaving techniques. These upgrades enabled us to respond quickly to changing consumer preferences and produce innovative fabrics for fast fashion. For details, please see "*History and Certain Corporate Matters - Major Events and Milestones of our Company*" on page 249. As of March 31, 2025, these manufacturing facilities have a production capacity of 92.16 lakhs MPA for digital printing segment, 44.03 lakhs MPA for Jacquards and 22.58 lakhs MPA for other fabrics such as corduroy and dobby, etc. Set out in the table below are the installed capacity, actual production and capacity utilisation details for the periods indicated below:

<u>*Installed capacity:*</u>

Particulars	As on		
	Fiscal 2025 (MPA)	Fiscal 2024 (MPA)	Fiscal 2023 (MPA)
Digital printing	92,16,318	43,53,169	14,24,541
Jacquards	44,02,944	44,02,944	36,16,704
Others such as dobby and corduroy	22,57,920	22,57,920	30,48,192
Total	**1,58,77,182**	**1,10,14,033**	**80,89,437**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

We have invested in additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have installed HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is a solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. Once fully operational, the machinery is expected to increase our digital printing capacity to 145.00 lakhs MPA.

Actual production and capacity utilisation at our units:

Particulars	Actual production					
	Fiscal 2025 (MPA)	Capacity utilization (%)	Fiscal 2024 (MPA)	Capacity utilization (%)	Fiscal 2023 (MPA)	Capacity utilization (%)
Digital printing	54,28,505	58.90%	33,16,502	76.19%	7,93,906	55.73%
Jacquards	34,83,749	79.12%	34,32,578	77.96%	18,92,240	52.32%
Others such as dobby and corduroy	20,18,997	89.42%	20,16,201	89.29%	16,41,264	53.84%
Total	**1,09,31,251**	**68.85%**	**87,65,281**	**79.58%**	**43,27,410**	**53.49%**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

Our business is working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, shareholders' capital and financing from banks. For details of facilities availed by us, see chapter titled "*Financial Indebtedness*" on page 305. We propose to utilize up to ₹3,000.00 Lakhs from the Net Proceeds to fund the incremental working capital requirements of our Company in Fiscal 2026.

Our working capital is influenced by several factors, given the nature of our business and our operational dynamics. Here are key factors affecting our current working capital requirements:

Inventory Levels: Managing inventory is one of the most significant factors impacting our working capital needs. As a fast fashion fabric solutions and manufacturing company, we are required to maintain sufficient stock at various stages of production:

- Raw Materials: We need to stock materials like yarns, chemicals, dyes, and greige fabrics in adequate quantities to ensure uninterrupted production. Seasonal fluctuations in raw material availability and price volatility often require us to purchase in bulk, tying up more working capital.

- Work-in-Process ("WIP"): Given the multi-stage nature of our production—covering weaving, scouring, dyeing, digital printing, and finishing—there is a constant need to maintain WIP inventory. Longer production cycles lead to higher working capital requirements.

- Finished Goods: To meet customer demand, particularly for large orders or peak-season sales, we are required to keep a diverse stock of finished fabrics, ready-to-stitch garments, and accessories like shawls and stoles. Unsold inventory during off-peak periods also adds to working capital pressure.

Production Cycle: The length of our production cycle has a direct impact on working capital. Our manufacturing process involves several intricate processes, including weaving, dyeing, digital printing, and finishing, which collectively contribute to longer cash conversion cycles. Delays in production—whether due to machinery downtime, raw material shortages, or labour issues—further extends the cycle, requiring additional working capital to bridge the gap between input costs and revenue generation.

Credit Terms to Customers: Offering credit to our customers, such as wholesalers, retailers, and apparel brands, is a common practice in our industry to build strong client relationships and encourage bulk orders. Longer credit periods, while beneficial for customer retention, increase accounts receivable, tying up significant working capital. Delayed payments from customers further exacerbate this challenge.

Payment Terms with Suppliers: The terms we negotiate with suppliers for raw materials, chemicals, and other inputs significantly affect working capital. Short payment cycles or immediate payments to suppliers require more working capital.

Seasonality and Demand Fluctuations: The textile industry is inherently seasonal, with demand peaking during festivals, weddings, and specific fashion cycles. To meet these seasonal spikes, we need to increase production and maintain higher inventory levels, leading to a temporary surge in working capital requirements. Off-peak periods result in unsold inventory and slower turnover, which further strain working capital.

Market Dynamics: Fluctuations in raw material prices, such as those of cotton, polyester, and viscose, directly impact procurement costs and, consequently, working capital requirements. Rising costs necessitate higher upfront payments, especially when buying in bulk. Additionally, energy costs, transportation expenses, and inflationary pressures affects production costs and cash flow, increasing the need for working capital.

Export Operations: Our export operations contribute to longer cash conversion cycles as export sales typically involve extended payment terms. Higher logistics costs for shipping, customs duties, and compliance with export regulations also require significant working capital. Currency fluctuations in international markets also adds further unpredictability to receivables, impacting working capital needs.

Growth and Expansion: Investments in new infrastructure, such as warehouses, production units, and sales offices, result in higher working capital requirements during the setup phase to manage inventory, staffing, and operations. Expanding into new markets or launching new product lines increases the need for raw materials, marketing, and distribution, all of which tie up additional working capital.

Technology and Automation: Adopting advanced technologies like digital printing and modern processing equipment initially increases working capital requirements due to the costs associated with setup and integration.

(a) Basis of estimation of working capital requirements

The details of working capital of our Company as at March 31, 2025, March 31, 2024 and March 31, 2023, and the source of funding, on the basis of Restated Financial Information of our Company, as certified by M/s S G U R & Co, Chartered Accountants, by way of their certificate dated July 15, 2025 are provided in the table below:

(₹ In Lakhs)

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
A.	**Current Assets**			
	Inventories	4,020.45	3,120.88	1,551.91
	Trade receivables	3,545.70	2,836.78	2,569.16
	Short Term Loans and Advances	68.03	110.18	206.75
	Other Current Assets	1,766.86	1,185.15	864.38
	Total Current Assets (A)	**9,401.04**	**7,252.99**	**5,192.20**
B.	**Current Liabilities**			
	Trade payables	2,257.03	1,542.13	1,555.76
	Other Current Liabilities	379.57	340.79	276.07
	Short Term Provisions	634.28	450.61	372.36
	Total Current Liabilities (B)	**3,270.88**	**2,333.53**	**2,204.19**
C.	**Total Working Capital requirements (C=A-B)**	**6,130.16**	**4,919.46**	**2,988.01**
D.	**Funding Pattern**			
	Borrowings from banks, financial institution and non-banking financial companies	2,067.88	1,413.58	799.36
	Unsecured loans from Related Parties	523.77	878.10	919.88
	Internal Accruals and Equity	3,538.51	2,627.78	1,268.77
	Total	**6,130.16**	**4,919.46**	**2,988.01**

Holding Period (Number of Days):

Particulars	Basis	Actual		
		March 31, 2025	March 31, 2024	March 31, 2023
A. Current Assets				
- Inventories days	Cost of Goods Sold	137	125	73
- Trade Receivables days	Revenue from Operations	85	83	95
B. Current Liabilities				
- Trade Payables days	Cost of Goods Sold	77	62	73

(b) Future working capital

We propose to utilize ₹3,000.00 Lakhs of the Net Proceeds in Fiscal 2026, towards our Company's incremental working capital requirements due to the increase in production capacity. The balance portion of our incremental working capital requirement shall be met through internal accruals.

On the basis of our existing working capital requirements, management estimates and the projected working capital requirements, our Board of Directors, pursuant to their resolution dated July 05, 2025 has approved the projected working capital requirements for Fiscal 2026 and Fiscal 2027. Our Statutory Auditors have certified the projected working capital *vide* their certificate dated July 15, 2025 and have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to the same. The proposed funding of such working capital requirements is stated below:

(₹ In Lakhs)

Sr. No.	Particulars	Fiscal 2026	Fiscal 2027
		Projected	Projected
A.	**Current Assets**		
	Inventories	5,574.00	7,456.00
	Trade receivables	5,530.00	6,725.00
	Short Term Loans and Advances	200.00	396.00
	Other Current Assets	2,742.00	3,718.00
	Total Current Assets (A)	**14,046.00**	**18,295.00**
B.	**Current Liabilities**		
	Trade payables	2,430.00	3,038.00
	Other Current Liabilities	500.00	712.00
	Short Term Provisions	650.00	500.00
	Total Current Liabilities (B)	**3,580.00**	**4,250.00**
C.	**Total Working Capital requirements (C=A-B)**	**10,466.00**	**14,045.00**
	Funding Pattern		
D.	Borrowings from banks, financial institution and non-banking financial companies (D)	3,155.00	2,929.00
E.	Unsecured loans from Related Parties (F)	-	-
F.	Internal Accruals and Equity (G)	4,311.00	11,116.00
G.	**Net Working Capital requirements (G=C-D-E-F)**	**3,000.00**	**-**
H.	**Amount proposed to be utilized from Net Proceeds**	**3,000.00**	**-**

(c) Assumptions for working capital requirements

Particulars	Basis	March 31, 2026	March 31, 2027
		Projected	Projected
A. Current Assets			
- Inventories days	Cost of goods sold	117	117
- Trade Receivables days	Revenue from Operations	84	76
B. Current Liabilities			
- Trade Payables days	Cost of goods sold	51	48

**As certified by M/s. S.G U R & Co., Chartered Accountants, by way of their certificate dated July 15, 2025.*

(d) Justifications for holding period levels

S. No.	Particulars
Current Assets	
Inventories	Inventories include raw materials and finished goods. The historical holding days of inventories (calculated as closing inventory on balance sheet date divided by cost of goods sold over 365 days) has been in range 95 to 125 days during the last three financial years. Our company estimates inventories holding days to be around 110-120 days in Fiscal 2026.
Trade Receivables	Our Company had a credit period in the range of 80 to 100 days (calculated as closing trade receivables on balance sheet date divided by revenue from operations over 365 days) during the last three financial years due to its long-term relationship with its customers. As per the current credit terms of our company & prevalent trend in business of our company, the holding level for debtors anticipated at around 85 days of total revenue from operations during Fiscal 2026.
Short Term Loans and Advances	Short Term Loans and Advances majorly comprise of advance to suppliers and staff/workers advances. Our company anticipates increase in short term loans and advances to lock in favourable raw material prices. This will strengthen relationships with suppliers, ensuring priority treatment during high-demand periods or supply shortages.
Other Current Assets	Other current assets majorly comprise of balance with direct/indirect tax revenue authorities, advance taxes paid and prepaid expenses. Our company expects the growth in other assets to be in line with the expected growth in business.
Current Liabilities	
Trade Payables	Past trend of trade payable holding days (calculated as closing trade payables as on balance sheet date divided by cost of goods sold over 365 days) has been in the range of 60 to 90 days during the last three financial years. However, our Company intends to maintain trade payables in the range of 50-60 days for Fiscal 2026.
Other Current Liabilities	Other Current liabilities primarily include employee related liabilities, other expenses payable, provision for expenses, advance received from customers, and statutory dues. Our company expects the growth in other current liabilities to be in line with the expected growth in business.

**As certified by M/s. S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.*

(e) Rationale for incremental working capital requirements

Our company has estimated the working capital requirements as follows:

Particulars	Actual FY 2022-23	Actual FY 2023-24	Actual FY 2024-25	Projected FY 2025-26	Projected FY 2026-27
Working Capital Requirements	2,988.01	4,919.46	6,130.16	10,466.00	14,045.00
Working Capital Increased	-	1,931.45	1,210.70	4,335.84	3,579.00
Change (%)	-	64.64%	24.61%	70.73%	34.20%

The WCR for Fiscal 2026, WCR will increase by 70.73% as compared to Fiscal 2025, which will be in line with the increase in sales of our Company.

Our company has estimated the working capital requirements for the financial year 2025-26 on basis of following main assumptions:

Expansion of Business:

As part of our long-term growth strategy, we are expanding our digital printing operations, recognizing its high-margin potential and increasing demand across multiple market segments. Digital printing has become a key differentiator in the textile industry, allowing us to offer customized, high-quality fabrics with superior design precision, vibrant colours, and faster turnaround times. The fast-fashion and apparel industry is rapidly shifting toward on-demand, high-speed production cycles, requiring quick adaptation to trends and customization. Our digitally printed fabrics provide fashion brands, designers, and retailers with the flexibility to produce unique, trend-based collections with reduced lead times, positioning us as a preferred supplier for premium and value-based apparel brands. Further, with increasing demand for ready-to-stitch digitally printed suits, kurtis, and ethnic wear, we are expanding our product offerings to cater to both premium and mid-tier consumer segments, particularly in Tier 2, Tier 3, and Tier 4 cities, where customers seek modern, high-quality designs at affordable prices. To capitalize on these high-margin market segments, we are expanding our production capacity, investing in advanced printing technology, and enhancing automation for high-precision, large-scale printing with reduced wastage and improved efficiency. Strengthening our distribution network, especially in Tier 2, Tier 3, and Tier 4 cities, remains a priority to penetrate growing demand for digitally printed fabrics and ready-to-stitch garments. We are also expanding our B2B partnerships with apparel brands, home furnishing companies, and institutional buyers to drive large-scale adoption of our digital textile solutions. By strategically expanding our digital printing segment, we aim to maximize profitability, optimize operational efficiency, and strengthen our market leadership in the textile industry. This expansion aligns with our vision to become a leading provider of digital textile solutions, catering to the fast-evolving demands of the global fashion and home furnishing industries while ensuring continuous product innovation and customer-centric offerings.

Changes in Inventories due to increase in production:

Particulars	Actual	Actual	Actual	Projected	Projected
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Inventories	1,551.91	3,120.88	4,020.45	5,574.00	7,456.00
Changes in Inventories	-	1,568.97	899.57	1,553.55	1,882.00
Change (%)	-	101.10%	28.82%	38.64%	33.77%

The WCR will increase by ₹4,335.84 Lakhs in Fiscal 2026 out of which ₹1,553.55 Lakhs, is increasing due to changes in inventories, as our company will utilize the IPO funding for working capital requirements. As we continue to scale up our production capacity across digital printing, jacquard fabrics, and ready-to-stitch garments, our inventory levels have increased, leading to higher working capital requirements. This increase in inventory is a direct result of rising production volumes aimed at meeting growing market demand, fulfilling bulk orders, and ensuring timely availability of finished goods to support our expanding distribution network. The increase in raw material inventory is driven by higher procurement of yarns, greige fabrics, dyes, chemicals, and printing materials to support our expanded production cycles. Additionally, our work-in-progress (WIP) inventory has grown as we scale up production, particularly in value-added processes such as digital printing, embroidery, and finishing. As we enhance our product offerings and cater to larger orders from B2B clients, distributors, and retailers, our finished goods inventory has also increased to ensure uninterrupted supply and shorter lead times. Given the seasonality and demand fluctuations in the textile industry, we maintain higher inventory levels to avoid stock shortages and meet market expectations, particularly during peak sales periods. However, this results in a longer inventory holding period, tying up substantial working capital until the products are sold and payments are realized. Additionally, as we expand into new geographic regions and customer segments, we require higher inventory reserves to efficiently service domestic and export markets. Overall, the increase in inventories due to higher production has contributed to higher working capital requirements, necessitating greater liquidity to manage procurement, storage, and distribution costs.

Changes in trade receivables:

Particulars	Actual	Actual	Actual	Projected	Projected
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Trade Receivables	2,569.16	2,836.78	3545.70	5,530.00	6,725.00
Changes in Trade Receivables	-	267.62	708.92	1,984.30	1,195.00
Change (%)	-	10.42%	24.99%	55.96%	21.61%

The WCR will increase by ₹4,335.84 Lakhs in Fiscal 2026, out of which ₹1,984.30 Lakhs is increasing due to trade receivables. As we continue to expand our production capacity to cater to growing demand for digital printing, jacquard fabrics, and ready-to-stitch garments, there has been a corresponding increase in trade receivables, leading to higher working capital requirements. With higher sales volumes resulting from increased production, we extend credit terms to our distributors, retailers, and institutional buyers, which delays the cash conversion cycle and increases our working capital needs. The expansion of our customer base across multiple segments, including apparel brands, wholesalers, exporters, and direct-to-consumer channels, has led to a higher outstanding receivables balance as larger orders are fulfilled on credit terms. Additionally, as we penetrate new markets and Tier 2, Tier 3, and Tier 4 cities, we often need to offer longer credit periods to attract and retain customers, further impacting our cash flows and liquidity. Moreover, seasonality in demand for textiles and fashion products affects our receivables cycle, as customers typically place larger orders during peak seasons, leading to a temporary buildup of outstanding receivables until collections are realized. Any delays in payment collections from customers, coupled with an increase in trade receivables, results in higher working capital requirements to sustain continuous production, raw material procurement, and operational expenses.

Changes in trade payables:

Particulars	Actual	Actual	Actual	Projected	Projected

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Trade Payables	1,555.76	1,542.13	2,257.03	2,430.00	3,038.00
Changes in Trade Payables	-	(13.63)	714.90	172.97	608.00
Change (%)	-	(0.88) %	46.36%	7.66%	25.02%

The WCR will increase by ₹4,335.84 Lakhs in Fiscal 2026, out of which ₹172.97 Lakhs is increasing due to trade payables. A moderate reduction in trade payable days has contributed to higher working capital requirement. Our business depends on the procurement of raw materials, including yarns, greige fabrics, dyes, chemicals, and other production inputs, and we have traditionally relied on supplier credit terms to manage liquidity efficiently. As we scale our production capacity in digital printing, jacquard, and ready-to-stitch garments, our raw material procurement volume has increased, necessitating higher upfront payments to vendors to maintain an uninterrupted supply chain. Not all our vendors are able to provide us larger credits given their own size. Also, at times we are able to get favourable pricing on shorter payment due (which helps our margins). This shift affects our working capital cycle, as we now need to fund a larger portion of procurement through internal resources. The impact is particularly significant in a high-growth phase, where increasing production volumes, rising trade receivables, and longer inventory holding periods already place pressure on our cash flows. Additionally, as per the Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006, payments to MSME creditors are required to be made within 45 days. A portion of our suppliers falls under the MSME category, which limits our ability to extend trade payables beyond this statutory period. This regulatory requirement reduces our trade payable days, forcing us to allocate additional working capital resources to meet timely payment obligations. Any delays or non-compliance with MSME payment timelines could lead to legal penalties, reputational risks, and disruption in the supply chain, making it imperative for us to prioritize prompt payments.

For risks in relation to use of the Net Proceeds for funding incremental working capital gap of our Company, see "*Risk Factors – Other Risks relating to our Financial Position - Our business requires significant amount of working capital. We may not be able to obtain future financing on favourable terms or at all. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.*" on page 40.

5. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds from the Offer, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, but are not restricted to, the following:

(i) meeting ongoing general corporate expenses, exigencies and contingencies; and
(ii) costs / expenses towards meeting certain business requirements.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Offer Related Expenses

Other than (i) the listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), which shall be solely borne by our Company; and (ii) fees and expenses for legal counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, all costs, fees and expenses with respect to the Offer (including all applicable taxes except securities transaction tax, which shall be solely borne by the respective Selling Shareholder), shall be shared by our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, in accordance with applicable law including section 28 (3) of Companies Act, 2013. All the expenses relating to the Offer shall be paid by our Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchange pursuant to the Offer, each Selling Shareholder agrees that it shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder and each Selling Shareholder authorises the Company to deduct from the proceeds of the Offer for Sale from the Offer, expenses of the Offer required to be borne by such Selling Shareholder in proportion to the Offered Shares, or as may be mutually agreed in accordance with Applicable Law. Further, our Company and the Selling Shareholders will be liable for their respective portions of the expenses of the Offer related expenses in the manner mentioned above, to the extent due and accrued, irrespective of whether the Offer is unsuccessful or abandoned or withdrawn or not completed for any other reason whatsoever.

The total expenses of the Offer are estimated to be approximately ₹ [●] Lakhs. The expenses of the Offer include, amongst others, listing fees, selling commission, fees payable to the Book Running Lead Manager, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

As on [●], we have already deployed ₹ [●] Lakhs through internal accruals towards Offer Expenses, as certified by our Statutory Auditors vide certificate dated [●].

The estimated Offer expenses are as follows:

Activity	Estimated expenses (₹ in Lakhs) *	As a % of total estimated Offer related expenses	As a % of Offer Size
Book Running Lead Manager fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrar to the Offer	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of Offer stationary	[●]	[●]	[●]
Others, if any (market making, depositories, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

**The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.*

Structure for commission and brokerage payment to the SCSBs, Syndicate Members, Sub-syndicate members, Registered Brokers, RTAs and CDPs:

(1) Selling commission payable to the SCSBs on the portion for IBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for IBs**	*0.01% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.01% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of NSE. No additional processing fees shall be payable to the SCSBs on the Bids directly procured by them.

(2) Selling commission payable to the Syndicate Members, Sub-syndicate members, Registered brokers, RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) on the portion for IBs and Non-Institutional Bidders which are directly procured by them, would be as follows:

*Portion for IBs**	*0.01% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.01% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

The selling commission payable to Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of NSE.

(3) Processing / uploading fees payable to the SCSBs on the portion for IBs and Non-Institutional Bidders which are procured by the members of the Syndicate, Sub-Syndicate, Registered Brokers, RTAs and CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for IBs**	*0.01% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.01% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

(4) Uploading Charges

Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Kotak Mahindra Bank Limited	*NIL charges up to 36,000 application forms (UPI mandates) and above 36,000 application forms (UPI mandates) ₹6.50/- per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws*

(5) The processing fees shall be released only after the SCSBs provide a written confirmation to the Book Running Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Offer in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Bridge Financing

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

Monitoring of utilization of funds

Our Company has appointed Infomerics Valuation and Rating Limited as the Monitoring Agency to monitor utilization of the Net Proceeds, in compliance with the SEBI ICDR Regulations.

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

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

Interim Use of Funds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchange by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, and Regulation 281A of the SEBI ICDR Regulations read with Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the Objects 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 (the "**Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal, to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of proving of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the proceeds of the Offer will be paid by our company to our Promoters, members of our Promoter Group, our Directors, Key Managerial Personnel or Senior Management Personnel.

Our Company has not entered into and is not planning to enter into any arrangement / agreements with any of our Directors, Key Managerial Personnel or Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the objects of the Offer except as set out above.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10/- each and the Offer Price is 17.1 times the face value at the lower end of the Price Band and 18 times the face value at the higher end of the Price Band.

Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Other Financial Information" on pages 203, 39, 273, 277 and 274, respectively, to get a more informed view before making an investment decision.

Qualitative Factors

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

- Single stop solution for customers enabled by an integrated unit with multiple capabilities across digital printing, weaving, jacquards, and embroidery;
- Adapter in digital printing technology in our operations;
- Cross segment coverage from Tier 1 cities to rural and branded to unbranded segments;
- Well established distribution network, low customer concentration and long-standing supplier relationships;
- Healthy financial performance; and
- Experienced management team with a proven track record.

For further details, see "*Our Business – Our Strengths*" on page 210.

Quantitative Factors

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

1. Basic and Diluted Earnings Per Share ("EPS")

As derived from the Restated Financial Information:

Fiscal Year / period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weights
March 31, 2025	14.70	14.70	3
March 31, 2024	9.83	9.83	2
March 31, 2023	4.86	4.86	1
Weighted Average	**11.44**	**11.44**	

Notes:

(1) Basic EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.

(2) Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit/(loss) for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year, if any.

(3) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 notified under the Companies (Accounting Standards) Rules, 2021 (as amended). The face value of each Equity Share is ₹10/-.

(4) Weighted average number of equity shares is the number of Equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.

(5) Basic and diluted earnings per equity share for the financial year ended on March 31, 2024 and March 31, 2023 presented above have been calculated after considering the bonus issue subsequent to March 31, 2024.

2. Price to Earnings ("P / E") ratio in relation to the Price Band of ₹171/- to ₹180/- per Equity Share

Particulars	P / E at the Floor Price (number of times)	P / E at the Cap Price (number of times)
Based on the Basic EPS, as restated for Fiscal 2025	11.63	12.24
Based on the Diluted EPS, as restated for Fiscal 2025	11.63	12.24

3. Industry Peer Group P / E ratio

Particulars	P/E Ratio
Highest	13.01
Lowest	6.13
Industry Composite	9.57

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.
(2) The industry P / E ratio mentioned above is for the financial year ended March 31, 2025.
(3) All the financial information for listed industry peers mentioned above is sourced from the audited financial results of the relevant companies for Fiscal 2025, as available on the website of the NSE and BSE at www.nseindia.com and www.bseindia.com, respectively.

4. Return on Net worth ("RoNW")

As derived from the Restated Financial Information:

Fiscal Year / period ended	RoNW (%)	Weights
March 31, 2025	33.76%	3
March 31, 2024	33.71%	2
March 31, 2023	26.45%	1
Weighted Average	**32.53%**	

Notes:
1. Return on net worth is calculated as restated profit/(loss) for the year divided by net worth.
2. For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation each as applicable for the Company on restated basis.

5. Net Asset Value per Equity Share ("NAV")

As derived from the Restated Financial Information:

As at	NAV per Equity Share (₹)
March 31, 2025	43.54
After the completion of the Offer:	
(i) At Floor Price	71.28
(ii) At Cap Price	73.24
Offer Price [(1)]	[●]

Notes: Net asset value per equity share means total equity divided by weighted average number of equity shares.
(1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

6. Comparison of accounting ratios with listed industry peers

Name of Company	CMP (₹)	Face Value (₹)	Basic EPS (₹)	P / E Ratio (times)	RoNW (%)	NAV (₹)
Kaytex Fabrics Limited	[●]	10.00	14.70	[●]	33.76%	43.54
Peer Group						
Veekayem Fashion and Apparels Limited	246.10	10.00	13.01	18.92	13.76%	95.44
Banswara Syntex Limited	145.01	5.00	6.25	23.20	3.83%	163.11
Donear Industries Limited	107.73	2.00	6.13	17.57	13.59%	45.14

Source: www.nseindia.com and www.bseindia.com
Notes:
(1) The figures for the listed industry peers are based on the Audited Standalone Financial Statements filed for the financial year ended March 31, 2025.
(2) P / E Ratio has been computed based on their respective closing market price on July 18, 2025 as divided by the Basic EPS as on March 31, 2025.
(3) CMP is the closing prices or the last traded price of respective scripts as on July 18, 2025.

7. Key Performance Indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. The key financial and operational metrics disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals segments in comparison to our peers. The Investors can refer to the below-mentioned key financial and operational indicators, being a combination of financial and operational key financial and operational indicators, to make an assessment of our Company's performance in various business verticals and make an informed decision.

The following table sets forth certain key financial and operational indicators for our Company as at/for the periods indicated:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations (₹ in Lakhs) [(1)]	15,278.73	12,494.14	9,918.84
- *Product Revenue (₹ in Lakhs)*	*13,943.07*	*10,615.86*	*8,253.19*
- *Service Revenue (₹ in Lakhs)*	*1,241.01*	*1,802.10*	*1,602.10*
- *Others (₹ in Lakhs)*	*94.65*	*76.18*	*63.55*
EBITDA (₹ in Lakhs) [(2)]	3,006.22	2,242.60	1,278.83
EBITDA Margin (%) [(3)]	19.68%	17.95%	12.89%
PAT (₹ in Lakhs) [(4)]	1,690.47	1,130.80	559.14
PAT Margin (%) [(5)]	11.06%	9.05%	5.64%
Return on equity (%) [(6)]	40.43%	41.36%	30.48%
Return on capital employed (%) [(7)]	33.25%	32.72%	25.81%
Debt-Equity Ratio (times) [(8)]	0.76	1.06	1.28
Trade Receivables (days) [(9)]	85	83	95
Trade Payables (days) [(10)]	77	62	73
Inventory (days) [(11)]	137	125	73
Working Capital Cycle (days) [(12)]	145	146	95

Notes:
(1) Revenue from operations is calculated as revenue from sale of manufactured products and services.
(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.
(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.
(4) PAT represents total profit after tax for the year/period.
(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.
(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by average total equity at the end of the year /period, whereas total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.
(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by average capital employed at the end of the year /period, whereas average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. capital employed is calculated as total equity minus DTA and intangible assets plus long term borrowings and short-term borrowings.
(8) Debt to Equity ratio is calculated as total borrowings divided by total equity.
(9) Trade Receivables (days) is calculated as trade receivables divided by revenue from operations multiplied by 365.
(10) Trade Payables (days) is calculated as trade payables divided by cost of goods sold multiplied by 365.
(11) Inventory (days) is calculated as inventories divided by cost of goods sold multiplied by 365.
(12) Working capital cycle (days) is calculated inventory days plus trade receivables days minus trade payables days.

b) Key operational indicators (Only for our product revenue segment)

Indicator	Units	March 31, 2025	March 31, 2024	March 31, 2023
Digital Printing (Volume)				
- Fabrics	Metres	27,95,182	13,84,239	7,28,365
- Garments (ready-to-stitch womenswear)	Pieces	3,51,243	1,88,795	99,561
- Products manufactured	Nos.	209	204	187
Jacquard (Volume)				
- Fabrics	Metres	5,09,913	4,43,791	4,14,483
- Garments (ready-to-stitch suits, shawls and stoles)	Pieces	9,85,195	7,51,672	5,44,480
- Products manufactured	Nos.	423	389	445
Other woven fabrics (Volume)				
- Fabrics	Metres	8,29,358	12,55,911	22,32,962
- Garments (ready-to-stitch womenswear)	Pieces	No garments are manufactured under this segment		
- Products manufactured	Nos.	726	565	502
Digital Printing (Average Selling Price)				
- Fabrics	Rs. per Meter	143.00	172.39	146.67
- Garments (ready-to-stitch womenswear)	Rs. per piece	1,011.35	1,151.32	1,195.14
Jacquard (Average Selling Price)				
- Fabrics	Rs. per Meter	193.66	169.63	178.48
- Garments (ready-to-stitch suits, shawls and stoles)	Rs. per piece	416.38	462.67	431.42
Other woven fabrics (Average Selling Price)				
- Fabrics	Rs. per Meter	159.24	145.34	130.15
- Garments (ready-to-stitch womenswear)	Rs. per piece	No garments are manufactured under this segment		
Distribution Network				
- No. of dealers/ distributors	Nos.	154	132	123
- No. of brokers/ agents	Nos.	71	60	56

Notes:
(1) Digital Printing (Volume) refers to the total amount of Digital Printing products produced using Digital Printing technology.
(2) Jacquard (Volume) refers to the total amount of Jacquard products produced using Jacquard technology.
(3) Others (Volume) refers to the total amount of other products produced using other techniques or technologies such as dobby, corduroy, etc.

(4) Digital Printing (Average Selling Price) refers to the average price at which Digital Printing products are sold. It is calculated by dividing the revenue earned from Digital Printing products by the volume of Digital Printing products produced.
(5) Jacquard (Average Selling Price) refers to the average price at which Jacquard products are sold. It is calculated by dividing the revenue earned from Jacquard products by the volume of Jacquard products produced.
(6) Others (Average Selling Price) refers to the average price at which other products are sold. It is calculated by dividing the revenue earned from other products by the total volume of other products produced.
(7) Distribution Network refers to the structured system of intermediaries/individuals that facilitate the movement of products or services from us to our customers. No. of dealers/ distributors refers to the total count of dealers or distributors responsible for distributing products from our company to our customers. No. of brokers/ agents refers to the total count of brokers or agents who connect our company with our customers.

The key financial and operational indicators, as disclosed in this section, are the only relevant and material key financial and operational metrics pertaining to our Company which may have a bearing on the Offer Price. The key financial and operational indicators set forth above, have been approved by the Audit Committee pursuant to its resolution dated July 05, 2025 and has been certified by (i) our Managing Director pursuant to the certificate dated July 05, 2025; and (ii) our Statutory & Peer Reviewed Auditors by their certificate dated July 15, 2025. This certificate has been disclosed as part of the "*Material Contracts and Documents for Inspection*" on page 396. Further, the Audit Committee has on July 05, 2025 confirmed that other than the key financial and operational indicators set out above, the Company has not disclosed any other key performance indicators during the three years preceding this Red Herring Prospectus with its investors.

All the key performance indicators have been defined, consistently and precisely in "*Definitions and Abbreviations – Business, Technical and Industry - Related Terms*" on page 13. For details of our other operating indicators, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 203 and 277, respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, certified by our Independent Chartered Accountant, at least once in a year (or for any lesser period as determined by the Board), for a duration of one year after the date of listing of the Equity Shares, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations. In case of any change in these KPIs, during the aforementioned period, our Company shall provide an explanation for the same.

a) Explanations for key financial and operational indicators

Indicators	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations includes revenue from the sale of fabrics, such as digitally printed, dyed, jacquard, dobby, and corduroy fabrics, as well as ready-to-stitch garments like suits, shawls, and stoles. Additionally, it encompasses income from job work services, including dyeing, digital printing, scouring, and finishing for third-party clients. This KPI provides valuable insights into business growth, operational efficiency, and market penetration, highlighting how effectively we manage production, inventory, and sales to meet customer needs. It also showcases the strength of our product diversification, reflecting contributions from various product categories and segments, such as domestic and export markets or Tier 1/2 cities and Tier 3/4 cities.
EBITDA (₹ in Lakhs)	EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods
EBITDA Margin (%)	EBITDA Margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement
PAT (₹ in Lakhs)	Profit after tax helps us in identifying information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity provides how efficiently our Company generates returns from equity financing
Return on capital employed (%)	Return on capital employed provides how efficiently our Company generates operating returns from total capital employed in the business
Debt-Equity Ratio (times)	Debt-Equity Ratio compares our company's total liabilities with our shareholder equity and is used to assess the extent of our reliance on debt
Trade Receivables (days)	Trade Receivables days is the average time it takes for our company to collect payment from our customers for outstanding invoices. Monitoring Trade Receivables Days helps us to evaluate the creditworthiness of wholesale and brand partners, identify delays in collections from institutional buyers and ensure a healthy cash flow to finance production cycles

Indicators	Explanations
Trade Payables (days)	Trade Payables days indicates how long it takes our company to pay our suppliers and vendors after receiving an invoice. It reflects how efficiently the company manages its payment obligations and working capital and indicates how well we manage payments for raw materials such as yarn, dyes, chemicals, and other inputs essential for production
Inventory (days)	Inventory days measures the average number of days a company takes to convert its inventory into sales. It reflects how efficiently the company manages its stock levels and how quickly it can turn raw materials, work-in-process, and finished goods into revenue. For a textile manufacturing business like ours, Inventory Days is critical, as it directly impacts cash flow, production planning, and profitability
Working Capital Cycle (days)	Working Capital Cycle Days measures the time taken to convert our company's net current assets (working capital) into cash. It reflects the efficiency of our company's operations and cash flow management by tracking the time required to manage the entire cash-to-cash conversion cycle, from purchasing raw materials to collecting payments from customers
Digital Printing (Volume)	
- Fabrics	It measures the total fabric printed through digital printing technology over a specific period. This is crucial in assessing the productivity, efficiency, and utilization of our digital printing machines and reflects our ability to meet customer demand for printed fabrics
- Garments (ready-to-stitch womenswear)	It measures the total number of ready-to-stitch womenswear printed through digital printing technology over a specific period. This provides insight into the efficiency and productivity of our digital printing unit and helps track how well we are meeting demand for customized, digitally printed garment pieces
- Products manufactured	It measures the total number of products produced using digital printing technology within a specific period.
Jacquard (Volume)	
- Fabrics	It tracks the total fabric produced using jacquard weaving technology over a specific period. This is essential in evaluating the productivity and capacity utilization of the jacquard weaving unit, which is used to manufacture intricate and fabrics
- Garments (ready-to-stitch womenswear)	It tracks the total number of ready-to-stitch womenswear produced using jacquard weaving technology over a specific period. This is crucial for assessing the output and efficiency of the jacquard weaving unit in creating garments such as jacquard suits, shawls, stoles, and scarves that cater to both traditional and modern markets
- Products manufactured	It that measures the total output of finished products created using jacquard weaving technology over a specific period.
Digital Printing (Average Selling Price)	
Fabrics	It tracks the average price at which digitally printed fabrics are sold per meter over a specific period. This is crucial for understanding the pricing trends, profitability, and market positioning of the company's digitally printed fabric products. It helps in assessing the effectiveness of the company's pricing strategy and its ability to generate revenue from value-added, customized fabric offerings
Garments (ready-to-stitch womenswear)	It tracks the average price at which digitally printed ready-to-stitch womenswear (such as suits, shawls, stoles, scarves, and co-ord sets) are sold per piece over a specific period. This helps evaluate the company's pricing strategy, profitability, and market positioning in the ready-to-stitch garment segment, where digital printing is a value-added feature that enhances product appeal and customization
Jacquard (Average Selling Price)	
Fabrics	It tracks the average price per meter at which jacquard fabrics are sold. This provides valuable insights into our company's pricing strategy, profitability, and market positioning for high-value, intricately woven fabrics made using jacquard weaving technology. These fabrics are typically used for shawls, stoles, scarves, upholstery, dress materials, etc, catering to both traditional and modern markets
Garments (ready-to-stitch womenswear)	It tracks the average price per piece at which jacquard-based garments are sold. This provides insights into the company's pricing strategy and profitability in the garment segment, where jacquard weaving technology is used to produce high-value items such as suits, shawls, stoles, scarves, and dress materials. Jacquard garments are known for their intricate patterns, rich textures, and traditional appeal, making them popular in both domestic and export markets
Other woven fabrics (Average Selling Price)	
Fabrics	The Average Selling Price (ASP) for other woven fabrics, such as dobby fabrics, corduroy, and specialty woven materials tracks the average price per meter at which these fabrics are sold. These woven fabrics are typically used in premium apparel, upholstery, and home

Indicators	Explanations
	furnishing products, offering unique textures and patterns that cater to both traditional and modern markets
Garments (ready-to-stitch womenswear)	Not Applicable as we do not produce any products under this segment
Distribution Network	
No. of dealers/ distributors	The Number of Dealers/Distributors tracks the total count of dealers and distributors who are our customers specifically purchasing branded products from the company. This includes dealers and distributors promoting and selling our company's own brands, such as *Rasiya*, *Kaytex*, and *Darbaar*-e-*Khaas*, in various markets, particularly in Tier 3/4 cities, semi-urban, and rural areas of Northern India
No. of brokers/ agents	It that tracks the total count of brokers, agents, or intermediaries who introduce new customers and facilitate business for our company. These brokers/agents act as valuable partners by helping us expand our customer base, particularly in semi-urban, rural, and unorganized markets, where traditional direct sales models may be less effective

b) Comparison of financial KPIs of our company and our listed peers

As on March 31, 2025:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) (1)	15,278.73	32,129.46	1,29,169.62	91,369.78
EBITDA (₹ in Lakhs) (2)	3,006.22	2,331.11	10,143.64	8,269.37
EBITDA Margin (%) (3)	19.68%	7.26%	7.85%	9.05%
PAT (₹ in Lakhs) (4)	1,690.47	764.35	2,139.11	3,188.82
PAT Margin (%) (5)	11.06%	2.38%	1.66%	3.49%
Return on equity (%) (6)	40.43%	15.71%	3.91%	14.52%
Return on capital employed (%) (7)	33.24%	13.65%	5.52%	12.02%
Debt-Equity Ratio (times) (8)	0.76	2.00	0.81	1.66
Trade Receivables (days) (9)	85	106	57	85
Trade Payables (days) (10)	77	44	57	66
Inventory (days) (11)	137	107	210	272
Working Capital Cycle (days) (12)	145	168	210	291

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Results filed for the financial year ended March 31, 2025.

As on March 31, 2024:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) (1)	12,494.14	24,382.14	126,420.93	79,914.31
EBITDA (₹ in Lakhs) (2)	2,242.60	1,602.34	10,266.06	8,090.92
EBITDA Margin (%) (3)	17.95%	6.57%	8.12%	10.12%
PAT (₹ in Lakhs) (4)	1,130.80	402.55	3,525.17	3,471.34
PAT Margin (%) (5)	9.05%	1.65%	2.79%	4.34%
Return on equity (%) (6)	41.36%	10.26%	6.75%	18.48%
Return on capital employed (%) (7)	32.72%	10.89%	6.58%	13.01%
Debt-Equity Ratio (times) (8)	1.06	2.32	0.66	1.65
Trade Receivables (days) (9)	83	92	60	79
Trade Payables (days) (10)	62	25	52	61
Inventory (days) (11)	125	123	178	289
Working Capital Cycle (days) (12)	146	191	186	307

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Statements filed for the financial year ended March 31, 2024.

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Indicators	Kaytex Fabrics Limited	Veekayem Fashion and Apparels Limited	Banswara Syntex Limited	Donear Industries Limited
Revenue from Operations (₹ in Lakhs) (1)	9,918.84	23,509.53	1,49,877.85	82,566.40
EBITDA (₹ in Lakhs) (2)	1,278.83	1,316.34	19,810.96	7,549.47
EBITDA Margin (%) (3)	12.89%	5.60%	13.22%	9.14%
PAT (₹ in Lakhs) (4)	559.14	180.99	11,141.26	3,624.00
PAT Margin (%) (5)	5.64%	0.77%	7.43%	4.39%
Return on equity (%) (6)	30.48%	5.31%	24.51%	23.61%
Return on capital employed (%) (7)	25.81%	9.70%	19.91%	13.75%
Debt-Equity Ratio (times) (8)	1.28	2.38	0.73	2.07
Trade Receivables (days) (9)	95	75	52	70
Trade Payables (days) (10)	73	26	51	56
Inventory (days) (11)	73	128	182	266
Working Capital Cycle (days) (12)	95	177	183	280

Source: All the information for listed industry peers mentioned above is on a standalone basis and is extracted and derived from their audited financial statements as available on the websites of BSE & NSE. The figures for the listed industry peers are based on the Standalone Audited Financial Statements filed for the financial year ended March 31, 2023.

Notes:

(1) Revenue from operations is calculated as revenue from sale of manufactured products and services.
(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.
(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.
(4) PAT represents total profit after tax for the year/period.
(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.
(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by average total equity at the end of the year /period, whereas total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.
(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by average capital employed at the end of the year /period, whereas average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. capital employed is calculated as total equity minus DTA and intangible assets plus DTL, long term borrowings and short-term borrowings.
(8) Debt to Equity ratio is calculated as total borrowings divided by total equity.
(9) Trade Receivables (days) is calculated as trade receivables divided by revenue from operations multiplied by 365.
(10) Trade Payables (days) is calculated as trade payables divided by cost of goods sold multiplied by 365.
(11) Inventory (days) is calculated as inventories divided by cost of goods sold multiplied by 365.
(12) Working capital cycle (days) is calculated inventory days plus trade receivables days minus trade payables days.

c) Comparison of operational KPIs of our company and our listed peers

Details of operational KPIs of our listed peers are not available and hence comparison of operational KPIs of our company with our listed peers is not disclosed in the Red Herring Prospectus.

8. Justification for Basis for Offer price

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

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

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoter, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there is no eligible transaction of our Company reported in (a) or (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on

the Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions

Primary transactions:

Except as disclosed below, there are no primary transactions in the last three years preceding where our Promoters, Promoter Group, Selling Shareholders, or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus irrespective of the size of the transaction:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company
September 04, 2024	1,10,00,000	10/-	-	Issue of bonus shares in the ratio of 22:1 (i.e. 22 new Equity Shares for each Equity Share held)	Nil, except for expansion of capital base of our Company

Secondary transactions:

Except as disclosed below, there have been no secondary transactions where our Promoters, Promoter Group, Selling Shareholders, or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus:

S. No.	Name of Acquirer	Date of Transaction	Nature of Transaction	Acquisition Price per Specified securities (in ₹)	Number of Specified securities acquired
1.	Sagar Kandhari	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	10
2.	Devika Arora	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	10
3.	Sweety Ahuja	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	5
4.	Sahil Kandhari	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	10
5.	Chahat Kandhari	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	10
6.	Sweety Ahuja	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	5

d) Weighted average cost of acquisition, Offer Price

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

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹171/-)	Cap price (i.e. ₹180/-)
Weighted average cost of acquisition of primary issuances	Nil	Nil	Nil
Weighted average cost of acquisition for secondary transactions	Nil	Nil	Nil

e) Explanation for Offer Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 8 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2025, 2024 and 2023

Our company has shown consistent improvement over the Fiscals 2023, 2024, and 2025. Revenue has grown steadily, with EBITDA margins increasing from 12.89% in FY 2023 to 19.68% in FY 2025, signalling improved cost efficiency, while PAT margins climbed from 5.64% in FY 2023 to 11.06% in FY 2025, reflecting profitability. Return on Equity (ROE) improved from 30.48% in FY 2023 to 40.43% in FY 2025, while Return on Capital Employed (ROCE) increased from 25.81% in FY 2023 to 33.25% in FY 2025, indicating efficient utilization of shareholder and overall capital to generate returns. Efficiency ratios further highlight operational improvements. Total debt to equity ratio has improved from 1.28 times in FY 2023 to 0.76 times in FY 2025.

f) Explanation for Offer Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 8 (d) above) in view of the external factors which may have influenced the pricing of the Offer

- The Indian textile industry market size projected to nearly double from USD 165 billion in CY 2023 to USD 350 billion by CY 2030F, reflecting a CAGR of 11.3%. Increasing disposable incomes and a growing middle class are driving demand for textile products. Government initiatives such as the Production Linked Incentive (PLI) scheme and Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA) are promoting modernization and enhancing global competitiveness. (*Source: D&B Report*)

- The total annual production of fabric (comprising of cotton woven fabrics and polyester/viscose blended fabric) in India is estimated to be nearly 508 million running metres in FY 2024. Between FY 2021-24, the production has increased at 16.7% CAGR, indicating a positive trend. (*Source: D&B Report*)

- The Indian textile printing market is a significant contributor to the country's economy, with revenues steadily increasing from USD 47.8 billion in 2020 to USD 56.9 billion in 2024, exhibiting a CAGR of 4.4%. The revenues are projected to reach USD 87.85 billion by CY 2030F, driven by a robust CAGR of 7.5% from CY 2024E to CY 2030F. This growth is attributed to factors such as rising domestic consumption, increasing exports, and a growing preference for branded and high-quality textiles. (*Source: D&B Report*)

- The Global Digital Textile Printing Market is on a strong growth trajectory, with revenues increasing from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92%. It is poised for a period of sustained growth, with revenues projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E at a CAGR of 12.8%. (*Source: D&B Report*)

- The Indian digital textile printing market has been steadily growing, with revenues projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85%. It is poised for significant growth in the coming years, with revenues projected to reach USD 1,212.3 million by CY 2030F, up from USD 648.4 million in CY 2024E at a CAGR of 11.0%. (*Source: D&B Report*)

- This growth can be attributed to several factors, including increasing demand for personalized and customized fabrics, rapid advancements in digital textile printing technology, growing preference for sustainable and eco-friendly printing methods, rising popularity of fast fashion and e-commerce platforms, government's initiatives such as subsidies and incentives to promote skill development programs, growing influence of global fashion trends and the increasing exposure of Indian consumers to international brands are driving the demand for high-quality and innovative printing technologies. (*Source: D&B Report*)

The Offer Price of ₹ [●] has been determined by our company in consultation with the Book Running Lead Manager and justified by our company in consultation with the Book Running Lead Manager on the basis of the above information. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Restated Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Other Financial Information*" on pages 203, 39, 273, 277 and 274, respectively, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
Kaytex Fabrics Limited
Batala Road Post Office Khanna Nagar,
Amritsar- 143 001, Punjab, India

Dear Sir/Madam,

Sub: Statement of Special Tax Benefits available to Kaytex Fabrics Limited (formerly known as Kaytex Fabrics Private Limited) and its shareholders under the Indian tax laws prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018

1. We hereby confirm that the annexures enclosed as Annexure 1 and 2, prepared by Kaytex Fabrics Limited (formerly known as Kaytex Fabrics Private Limited) (the "**Company**"), provides the special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the "**Act**") as amended by the Finance Act, 2025, i.e. applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27 and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("**GST Act**"), presently in force in India (together, the "**Tax Laws**"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated in the annexures is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer of equity shares of the Company ("**Offer**").

4. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these special tax benefits in future;
   ii) the conditions prescribed for availing the special tax have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

6. This statement is issued solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

For S G U R & Co.
Chartered Accountants
F.R. No.: 005429N

Sd/-
Sanjeev Gupta
Partner
M. No.: 084210
UDIN: 25084210BMJLWG5235
Place: Amritsar
Date: July 15, 2025

ANNEXURE 1

THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 (the "**Act**") as amended by Finance Act, 2025 i.e. applicable for the Financial Year 2025-26 relevant to Assessment Year 2026-27.

1. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company while computing its total taxable income, after fulfilling conditions, as per the applicable provisions of the Act:

1.1. Lower Corporate tax rate under Section 115BAA of the Act

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

2. DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

Notes:

1. The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer.

3. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law. The views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

6. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

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

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

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

Notes:

1. All the above benefits are as per the current Tax Laws and will be available only to the sole/ first name holder where the shares are held by joint holders.

2. The above statement covers only certain relevant Indirect Tax Law benefits and does not cover any Direct Tax Law benefits or benefit under any other law.

3. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For S G U R & Co.
Chartered Accountants
F.R. No.: 005429N

Sd/-
Sanjeev Gupta
Partner
M. No.: 084210
UDIN: 25084210BMJLWG5235
Place: Amritsar
Date: July 15, 2025

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from a report titled "Report on Digital Textile Printing Industry in India" dated January 30, 2025, which is exclusively prepared for the purposes of the Offer and issued by D&B and is commissioned and paid for by our Company ("**D&B Report**"). D&B was appointed on December 28, 2024. We commissioned and paid for the D&B Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the D&B Report. The D&B Report is available on the website of our Company at https://kaytexfabrics.com/ipo/. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the D&B Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in this Red Herring Prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 25. In this section, please note that numbers or multiples denoting (a) a 'lakh' is equal to 1,00,000 and 10 lakhs is equal to 1 million or one million; and (b) a 'crore' is equal to 1,00,00,000 and 100 lakhs or one crore is equal to 10 million.*

Overview of Fabrics in Digital Printing Market in India

Fabric Production Process

India is one of the world's largest producers of textiles and apparels. The country is world's largest producers of cotton and jute, second largest producer of silk, contributing to 95%[1] of the world's hand-woven fabric. The domestic apparel and textile industry in India contributes to approximately 2.3% of the country's GDP, 13% to industrial production, and 12% to exports. India has a 4% share of the global trade in textiles and apparel, where the textile exports are at USD 34.07 Billion in in FY2024, and is likely to reach USD 100 Billion by 2030.

India's fabric production process is a comprehensive and multi-step procedure that transforms raw fibres into finished textiles. This industry is vital to the country's economy, leveraging both natural and synthetic fibres.

Fabric production process has a sequence of steps starting from raw materials to garment manufacturing, as the output in one process becomes the input for the next process.

1. **Sourcing Raw Materials**

The initial step involves sourcing raw materials, which can be classified into two main categories:

- **Natural Fibres**

  These include cotton, wool, silk, and linen, primarily cultivated in various regions across India. Cotton is the most predominant fibre, accounting for approximately 90% of all-natural fibres used in the textile industry.

- **Synthetic Fibres**

  These are produced from petrochemical sources and include polyester, nylon, and rayon. These fibres are increasingly used due to their versatility and durability.

2. **Fibre Preparation**

[1] Invest India, an Initiative of Ministry of Commerce and Industries

When the raw material is sourced, it is processed to make it suitable as a raw material for the next steps of making a fabric. This processing is done in two steps:

- **Opening and Cleaning**

  For natural fibres, including cotton, bales are opened using machines to fluff the fibre and remove impurities like dirt and leaves. This is followed by a process called "ginning," where seeds are separated from the cotton lint.

- **Carding**

  The cleaned fibres are then carded to disentangle and align them into a continuous web or sliver.

3. Spinning

The carded fibres are spun into yarn through a spinning process, which involves twisting the fibre strands together to create yarn. Machines called spinning frames are used to draw out the slivers and twist them into yarn. The quality of yarn produced can significantly influence the final fabric. India is the second largest player next to China with a capacity to produce 100% man-made fabric and blended yarn. Ludhiana and Surat have emerged as major centre for Polyester and Acrylic Spinning, Silvassa, Vapi & Daman have emerged as texturising units. Coimbatore and adjacent area have become key centers for Viscose Rayon, and Bhiwandi has emerged as a hub for Polyester/Viscose blend.

4. Weaving or Knitting

Following spinning is the process of converting yarn into fabric through either weaving or knitting. India has the largest number of looms with 64%[2] global installed capacity. About 5.0 lakhs units are operating in the country by employing about 22.56 lakh power-looms in 50 clusters.

- **Weaving** – This is the most common method where two sets of yarn (warp and weft) are interlaced on a loom. The process includes several stages:
  - **Warp Preparation** – Yarn is wound onto beams and treated with sizing agents to enhance strength.
  - **Weaving Process** – The warp threads are set on a loom, where they undergo shedding, picking, beat-up, let-off, and take-up operations to form fabric.
- **Knitting** – In this method, yarns are interlooped to create fabrics that are typically more elastic than woven fabrics. Knitting can be done using circular or flat knitting machines.

5. Finishing

After weaving or knitting, the fabric undergoes finishing processes to enhance its properties:

- **Dyeing** – Fabrics are dyed using various methods to achieve desired colours. This can occur before (piece dyeing) or after (garment dyeing) the fabric is made into garments.
- **Finishing Treatments** – These include processes such as softening, water-proofing, or adding flame retardants to improve performance characteristics.

6. Quality Control

The finished fabric is now subjected to quality control to ensure that the fabric meets the requirements for turning it into a garment. In this process, fabrics are inspected for defects during weaving and after finishing. Any imperfections are corrected before moving on to garment manufacturing.

7. Converting Fabric into a Garment

The final stage involves converting fabric into finished products:

[2] Report by Textiles Committee, Ministry of Textiles, Government of India

- **Cutting and Sewing** – Fabric is cut according to patterns and sewn together to create garments. This step often requires skilled labour for precision.

- **Final Inspection** – Completed garments undergo thorough inspection before being packaged for distribution

The fabric production process in India is a complex interplay of sourcing raw materials, transforming them through various mechanical processes, and ensuring quality control throughout. This industry not only supports local economies but also plays a crucial role in global textile markets.

Types of Fabrics

Fabrics are of different types where broadly these are classified as natural and synthetic fabrics. Detailed list on the types of fabrics is given in the table below:

Type of Natural Fabric	Characteristics of the Fabric
Cotton	Soft, breathable, and versatile; commonly used in clothing, bed linens, and towels.
Linen	Made from the flax plant; strong and breathable, ideal for summer clothing and home textiles. Its property to become softer with each wash, more breathable and moisture-wicking makes it suitable for a wide range of textiles along with its usage for clothing. Linen is also amongst the strongest natural fibres, that can last for many years with proper care.
Wool	Warm and moisture-wicking; used in sweaters, blankets, and suits. Variants include cashmere, alpaca, and merino.
Silk	Luxurious and smooth; used for high-end garments like dresses and blouses.
Muslin	Lightweight cotton fabric; often used for baby clothes or as a base for patterns.
Bamboo	Soft, hypoallergenic, and antibacterial; used in clothing and eco-friendly products.
Denim	A sturdy cotton twill fabric; primarily used for jeans and casual wear.
Flannel	Soft fabric made from wool or cotton; commonly used in shirts and shorts.

Natural fabrics are durable and are more sustainable compared to synthetic alternatives, making them popular choices in eco-friendly fashion.

Type of Synthetic Fabric	Characteristics of the Fabric
Polyester	Durable and stain-resistant; widely used in clothing and home furnishings.
Nylon	Strong and elastic; commonly found in activewear, stockings, and outdoor gear.
Rayon	Semi-synthetic fabric made from wood pulp; soft and breathable, often used as a silk substitute.
Spandex (Lycra)	Known for its exceptional stretch; used in sportswear and fitted garments.
Satin	A weave rather than a fibre type; has a glossy surface, often used in evening gowns and lingerie.
Velvet	A soft pile fabric that can be made from various fibres; used in upholstery and formal wear.
Chiffon	Lightweight and sheer; commonly used in evening wear or layered garments.
Acrylic	A wool substitute that is lightweight and warm; often found in sweaters and blankets.

Synthetic fabrics such as polyester and nylon are highly durable, leading to longer product lifespans and potentially reducing the need for frequent replacements. Similarly, many synthetic fabrics can be recycled into new textiles, which helps reduce waste and conserve resources.

There is a constant debate on sustainability between natural and synthetic fabrics. Natural fabrics generally offer benefits like biodegradability and lower toxicity but face challenges regarding water use and pesticide dependency. In contrast, synthetic fabrics provide durability and water efficiency but pose significant risks related to microplastic pollution and fossil fuel reliance.

Emerging Trends/Developments in Fabrics

Emerging developments in fabrics are increasingly focused on sustainability and eco-friendliness, driven by innovations that address environmental concerns associated with traditional textile production. Innovations in the textile industry are increasingly focused on making synthetic fabrics more eco-friendly. These advancements aim to reduce environmental impact, enhance sustainability, and promote a circular economy. Emerging trends in the development of fabrics include:

1. **Plant-Based Innovations**

   Plant-based innovations represent a significant emerging trend in the fabric industry, driven by growing consumer demand for sustainable and eco-friendly materials. These innovations involve both reimagining traditional plant fibers like cotton and linen through new processing techniques and developing entirely new materials from diverse plant sources such as bamboo, pineapple leaves (piñatex), and agricultural waste. These new plant-based materials often offer unique properties like breathability and natural antimicrobial qualities. Beyond fibers, innovation is also occurring in plant-based dyes and finishes. This shift reflects a broader industry movement towards circularity and reduced reliance on synthetic fibers, addressing environmental concerns. These ongoing developments promise a more sustainable future for the fabric industry

2. **Fabrics of Recycled Materials**

   - **Recycled Polyester**
     - **Description** – This fabric is made from post-consumer plastic waste, such as bottles and discarded textiles.
     - **Benefits** – It reduces landfill waste, decreases the need for virgin polyester production, and conserves resources by repurposing existing materials.
   - **Econyl**
     - **Description** – A regenerated nylon made from discarded fishing nets, fabric scraps, and other nylon waste.
     - **Benefits** – Econyl not only prevents ocean pollution but also creates a closed-loop system that minimizes water usage and waste during production.

3. **Bio-Synthetic Fabrics**

   - **Kintra** – This bio-synthetic yarn performs like traditional polyester but is biodegradable and derived from renewable sources like corn or wheat sugar.
   - **Clarus** – A technology that transforms natural fibres into high-performance fabrics while remaining biodegradable.

4. **Advanced Fibre Technologies**

   - **Tencel (Lyocell)**
     - **Description** – Made from sustainably sourced wood pulp, Tencel is produced in a closed-loop process that recycles water and solvents.
     - **Benefits** – It is biodegradable, requires less energy and water than conventional fabrics, and has a low environmental impact overall.
   - **Algae-Based Textiles**
     - **Description** – Fabrics derived from algae biomass, which is renewable and can be rapidly regenerated.
     - **Benefits** – These textiles are carbon-negative, as algae absorb carbon dioxide (CO_2) during growth, contributing to reduced greenhouse gas emissions.
   - **Mycelium Leather**
     - **Description** – A leather alternative made from the root structure of mushrooms.
     - **Benefits** – It is biodegradable and reduces reliance on animal products while minimizing environmental pollutants typically associated with traditional leather tanning.

5. **Digital and Three-Dimensional (3D) Printing Technologies**

- **Digital Printing Technologies**
  - **Description** – This method significantly reduces water usage compared to traditional dyeing processes.
  - **Benefits** – Digital printing minimizes chemical runoff and allows for more precise designs without excess material waste.
- **3D Textile Printing**
  - **Description** – A production technique that eliminates raw material waste by using only what is necessary to create the fabric.
  - **Benefits** – This method not only speeds up production but also reduces labour costs and environmental impact.

6. **Smart Textiles**

Innovations in smart textiles are leading to developments such as fabrics that can monitor vital signs or change properties based on environmental conditions. These advancements not only enhance functionality but also promote sustainability through energy efficiency.

7. **Greater Transparency and Traceability**

The use of blockchain technology in the textile supply chain provides detailed information about the origins of materials and production processes, helping consumers make informed choices about sustainable practices.

The textile industry is witnessing a significant shift towards sustainability through these innovations in synthetic fabrics. By focusing on recycling, reducing resource consumption, and utilizing biodegradable materials, manufacturers are working to minimize their ecological footprint while meeting consumer demand for environmentally friendly products.

Transition in Printing Techniques in Textile Industry

Textile printing technology is based on traditional rotary screen textile printing, from which the market is transitioning towards digital textile printing. The transition from rotary screen textile printing to digital textile printing in India represents a significant evolution in the textile industry, driven by advancements in technology, changing consumer demands, and a growing emphasis on sustainability.

In the traditional rotary textile printing process, where the fabric passes under the rotating screens through which the printing paste is pumped. Nearly 65% of the textiles are printed globally using rotary machines, demonstrating competitive cost, high quality and consistency. This type of printing is fast paced, suitable for long runs of fabric which can produce hundred yards per minute.

Overview of Traditional Rotary Printing

Rotary printing has been a dominant method in the textile industry for decades. It involves the use of engraved cylindrical screens to apply designs onto fabric. While effective for mass production, rotary printing has few challenges such as:

- **High Setup Costs**

  This initial setup for rotary printing is expensive due to the need for multiple screens and extensive preparation.

- **Limited Flexibility**

  Changing designs requires new screens, making it less adaptable to quick changes in consumer preferences.

- **Resource Intensive**

  This method typically consumes large amounts of water and energy, contributing to environmental concerns.

Digital Textile Printing

Digital textile printing has emerged as a revolutionary alternative. Digital textile printing was introduced in the late 1980s as a possible replacement for analog (screen) printing[3] with the advent of inkjet technology and innovative ink that made it possible for printers to print directly on fabric. In early 1990, huge experimentation using inkjet technology combined with innovative and specially developed inks (dye-sublimation or disperse direct ink) were carried out to test different types of fabrics with different types of inks. Also, the development of a dye-sublimation printer in the early 1990s made it possible to use low energy sublimation inks and high energy disperse direct-inks to print directly onto textile media, as compared to using dye-sublimation inks on a transfer paper to print and, in a separate process using a heat press to transfer the print to the fabric. India had over 1,000[4] digital textile printing services in operation in 2023, which is consistently increasing year-on-year.

Digital textile printing *referred to as direct-to-garment or digital garment printing, is a process of reproducing variety of digital images/prints on textiles and garments using specialized or modified inkjet technology. Once the design is ready, digital textile printing allows to print anything from the computer directly on the fabric, the way it is printed on paper. Using digital printing technology, anything can be printed on fabric with ease, perfection and required precision. Digital printing on fabric works perfect for printing photos, detailed patterns, graphically complex designs and tonal transitions.*

Adoption in India

India is actively transitioning towards digital textile printing technologies, where the market is likely to witness a CAGR of 11% from CY2024E to CY2030F. Companies are increasingly investing in digital textile printing technologies to meet rising consumer demands, for customization and quick turnaround times. Innovations such as pigment printing and sublimation techniques have gained traction, allowing manufacturers to produce high-quality prints on various fabrics without extensive resource consumption.

Challenges in Transitioning

Despite the benefits, transitioning from rotary to digital textile printing poses challenges such as skill gap and initial investment. The transition requires a workforce skilled in digital textile printing technologies, which may differ significantly from traditional textile printing methods. Companies often need to invest in training or hiring new talent familiar with digital textile printing workflows. Similarly, this transition too has high initial investment, as digital textile printing machinery costs more than traditional rotary machines.

The future of textile printing in India appears promising as digital textile printing technologies continue to evolve:

- **Sustainable Practices** – As environmental concerns grow; digital textile printing's eco-friendly attributes will likely drive further adoption across the industry.

- **Customization Trends** – With consumers increasingly seeking unique products, digital textile printing's ability to facilitate customization will enhance its appeal.

- **Integration with Automation** – The integration of automation and artificial intelligence into digital textile printing processes could streamline production further, enhancing efficiency and reducing waste.

In conclusion, the transition from rotary textile printing to digital textile printing in India signifies a pivotal shift towards more sustainable, efficient, and flexible manufacturing practice. As the industry embraces these changes, it is poised to meet evolving consumer demands while addressing environmental challenges.

[3] Screen printing involves pressing the paint through a printing screen (made of either steel frame or a nylon mesh) and thus making a print on the fabric. In screen-printing the operation of squeezing the paint through screen is performed either manually or with through machine. In screen printing, one colour is printed at a time as each colour is a separate layer due to which digital textile printing works better and is recommended for multi colour print. Screen printing can be used for printing entire roll of fabric using (cylindrical) material beams in rotary screen-printing process and on ready-made clothing items (T-shirts, bags, accessories) using Flat screen-printing process. In rotatory screen printing, the initial cost is high as preparation of cylinders significantly raise the price and each colour requires the preparation of a separate screen which limit number of colours used but it is cost effective for bulk printing. Sample printing is difficult in rotary screen printing

[4] Article on Digital Textile Printing Market in India, Textile Insights Magazine, December 2023

Factors Facilitating Transition in Textile Printing Technologies

Textile market is witnessing a significant growth, driven by trends such as population growth, increasing disposable income, and changing fashion trends. The transition to digital textile printing in India is being driven by several key factors that align with current market trends and technological advancements.

- **Environmental Sustainability**

There is increasing pressure on the textile industry to adopt sustainable practices. Digital textile printing uses eco-friendly inks and significantly reduces water and energy consumption compared to traditional methods. This shift not only meets regulatory requirements but also aligns with consumer preferences for sustainable products. The industry's move towards greener technologies is becoming a critical driver for market growth.

- **Support from Government Initiatives**

The Indian government is actively promoting the textile sector through initiatives aimed at establishing textile hubs across the country. This governmental support enhances infrastructure and investment opportunities, encouraging more businesses to transition to digital textile printing technologies.

- **Growth of Fashion Industry**

The fashion industry in India is a significant contributor to the demand for digital textile printing. As the sector continues to grow, driven by trends like fast fashion, there is an increasing need for flexible production processes that digital textile printing can provide. The transition to digital textile printing in India is being propelled by a combination of economic efficiency, technological advancements, sustainability concerns, and changing consumer preferences. These factors collectively position digital textile printing as a crucial component of the future of India's textile industry.

Challenges of Traditional Rotary Textile Printing

Rotary printing, while widely used in the textile industry, faces several challenges that can impact its efficiency and effectiveness. The primary challenges associated with rotary textile printing are:

- **High Initial Setup Costs**

The initial investment required for rotary screen-printing equipment is substantial. This includes costs for screens, engraving, and machinery, which can be a barrier for small businesses and startups looking to enter the market.

- **Inefficiency for Small Runs**

Rotary screen printing is not cost-effective for short production runs. The setup time and costs associated with creating screens make it impractical for small orders or custom designs, leading to a preference for digital textile printing methods in such cases.

- **Limited Design Flexibility**

While rotary printing can handle various designs, it struggles with intricate patterns and fine details compared to digital textile printing. Complex designs may not be rendered accurately, and adjustments to designs can be cumbersome due to the need for new screens.

- **Colour Limitations**

Rotary screen printing typically works best with spot colours and may have limitations in achieving gradients or complex colour schemes. This restricts the creativity of designers who wish to use a broader palette or intricate colour transitions.

- **Registration Issues**

High-speed printing can lead to registration problems, where the alignment of colours does not match up correctly on the fabric. This can result in quality issues that affect the final products.

- **Environmental Concerns**

Rotary screen printing tends to consume more ink and water compared to digital methods, leading to higher environmental impacts. The traditional process often generates more waste and requires significant resources, raising sustainability concerns in an increasingly eco-conscious market.

- **Production Speed Vs Quality Trade-Off**

Although rotary printing is known for its speed, there is often a trade-off between speed and quality. To maintain high production rates, quality may suffer, particularly with complex designs that require careful attention.

- **Challenges with Difficult Designs**

Certain intricate designs pose challenges in rotary screen printing due to the interaction between the fabric, screen, and design raster structures. This can lead to moiré effects or other undesirable visual outcomes.

Despite these challenges, rotary screen printing remains a vital part of the textile industry due to its efficiency in large runs and cost-effectiveness for specific applications. These challenges necessitate careful consideration when choosing a printing method. Thus, digital textile printing in India provides a combination of cost savings, speed, quality, customization options, environmental sustainability, reduced waste, and versatility that collectively enhance its appeal in the modern textile landscape.

Digital Textile Printing – Process & Components

Digital Textile Printing Overview

Digital textile printing is a straightforward process, where a home-desktop type printer, converts a digital file into a design on a fabric by applying ink to fabric. Since fabric is less receptive to dyes than paper, the fabric is pretreated to make the dye permanent. Developing a printer that could print on a fabric is a technologically advanced and expensive option. So, the initial cost for digital textile printing is very high, as the machines are expensive, since digital textile printing is more sustainable and uses only a fraction of water and energy.

Process of Digital textile Printing

The overall process of digital textile printing involves several stages, from fabric batching to final finishing. Here's a comprehensive breakdown of these steps:

- **Order Reception**

The process begins with receiving an order from clients or buyers, which includes specific requirements for the design and fabric type.

- **Design Development**

This stage is when the design that needs to be printed on the fabric is developed. This is done in three steps.

  - Creation – A digital design is created using graphic design software like Adobe Illustrator, utilizing the Cyan, Magenta, Yellow and Key (CMYK) colour model for accurate colour representation.
  - Digitization – If necessary, existing designs can be scanned and digitized. The final design is saved in a format compatible with the printing system.
  - Colour Separation – The design is separated into individual colour channels to ensure precise colour application during printing.

Once design is finalized, next steps of fabric preparation start and the design is printed on the fabric.

- **Fabric Preparation**

Once design is finalized, the process moves to transfer the design to the fabric. For this to happen, fabric needs to be prepared. This is done by appropriate fabric selection to suit the design, and this selected fabric is treated with chemicals to adapt to the design.

- Selection – Choose the appropriate fabric based on the design requirements.
- Cleaning – Removing any impurities or finishes that may hinder ink adhesion.
- Chemical Padding – Fabrics are often treated with sizing agents or other chemicals (known as padding) to enhance rigidity and improve ink absorption. This helps eliminate wrinkles and ensures smooth feeding into the printer.

- **Ink Selection**

Choosing the right ink is crucial for achieving desired results:

- Type of Inks – Common inks used in digital textile printing include reactive dyes for natural fibres, pigment inks for various fabrics, and sublimation inks specifically for polyester-based materials.
- Compatibility – The selected ink must be compatible with both the fabric type and the printing method being used.

- **Printing**

This step involves transferring the digital design onto the fabric:

- Direct-to-Fabric Printing – The prepared fabric is placed flat on a sticky printer belt, where specialized inkjet printers spray tiny droplets of ink directly onto the fabric according to the digital design.
- Sublimation Printing – For polyester fabrics, a mirrored image of the design is printed on a heat transfer paper, which is then transferred to the fabric using heat and pressure in a heat transfer machine.

- **Dye Fixation**

After printing, it is crucial to fix the dyes to ensure durability. The printed fabric undergoes a fixation process, typically involving steaming or curing. This allows dye molecules to penetrate deeper into the fibres, enhancing colour fastness and ensuring that the print withstands washing and wear.

- **Drying and Fixation**

After printing, it is essential to dry and fix these inks:

- Drying Methods – The printed fabric is dried using heaters attached to the printer or through other drying methods.
- Fixation – This step involves applying heat and pressure (e.g., steaming) to ensure that the ink bonds effectively with the fabric fibres, enhancing durability and colourfastness.

- **Post-Treatment**

Once dye fixation is complete, the fabric goes through the finishing processes, which includes:

- Washing – The printed fabric is washed to remove any excess dye or chemicals that may remain on the surface.
- Drying – The fabric is dried using heaters attached to the printing machine or through other drying methods.
- Final Finishing – Additional treatments may include steaming or ironing to achieve a smooth finish and prepare the fabric for delivery.

- **Quality Control**

Throughout the process, quality checks are performed to ensure that the printed fabric meets specified standards in terms of colour accuracy, design fidelity, and overall quality.

In summary, digital textile printing encompasses a series of well-defined steps that transform a digital design into a finished textile product, emphasizing efficiency, customization, and high-quality output.

Distribution Model of Digital Textile Printing

The distribution model of digital textile printing in India incorporates both Business-to-Business (B2B) and Business-to-Consumer (B2C) approaches, reflecting the diverse needs of the textile market.

- **B2B Distribution Model**
    - **Textile Manufacturers and Print Bureaus** – Digital textile printing is primarily utilized by manufacturers and print service providers who cater to fashion brands, home décor companies, and other businesses needing custom printed fabrics. These entities often operate as print bureaus, offering services to various clients who require unique designs and high-quality printing.
    - **Collaborations and Partnerships** – Many companies engage in collaborations or joint ventures to enhance their market reach and operational capabilities. This includes partnerships between digital printer manufacturers and textile producers to streamline supply chains and improve service delivery.
    - **Direct Sales to Brands** – Manufacturers may sell directly to fashion brands and retailers, allowing them to produce exclusive collections with customized prints. This direct relationship helps brands maintain a competitive edge by offering unique products tailored to consumer preferences.
- **B2C Distribution Model**
    - **E-Commerce Platforms** – The rise of online marketplaces has enabled direct sales from digital textile printers to consumers. Customers can upload their designs or choose from existing patterns, facilitating a print-on-demand model that minimizes inventory costs.
    - **Custom Design Services** – Many digital textile printing companies offer platforms where consumers can create personalized designs for various products, such as apparel, home textiles, and accessories. This model caters to individual consumers looking for unique or custom items.
    - **Retail Outlets** – Some businesses operate physical retail locations where customers can see fabric samples, explore design options, and place orders for custom prints. This hybrid approach combines online convenience with in-person interaction.

Types of Digital textile Printing

There are two types of digital textile printing including:

- **Sublimation Digital Textile Printing**

Sublimation printing is a widely used digital textile printing method that involves transferring a printed design from a special type of paper onto the fabric. This process utilizes heat and pressure to transform the solid ink on the paper into a gas. This gaseous form of the ink then penetrates the fabric fibres, where it cools and solidifies, becoming permanently embedded within the fabric.

Sublimation printing is particularly well-suited for polyester fabrics and other synthetic materials. The process offers several advantages, including vibrant and long-lasting colours, high image resolution, and the ability to produce intricate and detailed designs. It is commonly used in applications such as sportswear, home décor, and promotional items.

- **Direct Digital Textile Printing**

Direct digital textile printing, as the name suggests, involves directly printing the design onto the fabric using inkjet technology. In this method, specialized inks are sprayed directly onto the fabric fibres, creating the desired image.

Direct digital textile printing offers several advantages over traditional methods, such as greater flexibility in design, faster turnaround times, and reduced waste. It can be used on a wider range of fabrics, including natural fibres like cotton, silk, and linen, as well as synthetic materials. This versatility makes it suitable for a wide range of applications, from high-fashion apparel to home furnishings and industrial textiles.

Direct digital textile printing is constantly evolving, with advancements in ink technology and printing machinery leading to improved print quality, faster production speeds, and increased sustainability.

Types of Inks Used in Digital textile Printing

Digital textile printing utilizes various types of inks, each specifically formulated for different fabric types and printing processes. Here's an overview of the main types of inks used in digital textile printing:

Ink Chemistry	Ink Type	Fibre	Market Application	Pre and Post-Treatment
Reactive	Aqueous	Mainly Cellulosic and Protein	Apparel/Fashion	Pre-treatment – steaming fixation – washing
Acid	Aqueous	Protein and Nylon	Apparel/Fashion	Pre-treatment – steaming fixation - washing
Disperse	Dispersion	Polyester and Synthetic Fibres	Apparel/Fashion/Automotive/Home Textile	Pre-treatment-steaming or heat fixation – washing
Dye Sublimation	Dispersion	Polyester	Signage/Sportswear	Fixation with heat transfer
Pigment	Dispersion	Cellulosic and Synthetic Fibres	Home Textile/Direct-To-Garment/Low Quality Apparel	Pre-treatment-fixation

- **Reactive Inks**
  - Application – Primarily used on natural fibres such as cotton, viscose, and sometimes silk.
  - Characteristics – Reactive inks form a chemical bond with the fibres, resulting in vibrant colours and excellent wash fastness. They are favoured in fashion applications due to their high-quality output.
  - Post-Processing – Requires steaming after printing to fix the dye, followed by washing to remove excess dye.
- **Acid Inks**
  - Application – Best suited for protein-based fibres like silk and wool, as well as synthetic fibres like nylon.
  - Characteristics – Acid inks provide bright colours and are resistant to chlorine and salt water, making them ideal for swimwear and activewear. They bond well with the fabric, ensuring good colour retention.
  - Post-Processing – Similar to reactive inks, they often require steaming and washing to fix the colours properly.
- **Disperse Inks**
  - Application – Primarily used for synthetic fibres, particularly polyester and polyamide.
  - Characteristics – Disperse inks are known for their ability to achieve high colour brilliance and wash fastness. They are commonly used in conventional printing but have also found applications in digital textile printing.
  - Process – The ink is applied to the fabric and then steamed to allow it to penetrate the fibres before being washed.
- **Dye Sublimation Inks**
  - Application – Specially designed for synthetic fabrics, particularly polyester.
  - Characteristics – Dye sublimation inks work by converting solid dye into gas without passing through a liquid state when heat is applied. This process allows the dye to bond at the molecular level with the fabric, resulting in vibrant colours that are embedded within the material.
  - Process – Typically involves printing on transfer paper first, which is then heat-pressed onto the fabric.
- **Pigment Inks**

- Application – Versatile and can be used on various fabric types, including cotton, polyester, and blends.
- Characteristics – Pigment inks consist of tiny colour particles suspended in a binder. They offer excellent colour fastness and are more environmentally friendly than some other ink types.
- Process – Unlike reactive or acid inks, pigment inks do not require steaming but may need heat setting after printing to ensure durability.

The choice of ink in digital textile printing is crucial as it directly affects the quality, colour vibrancy, and durability of the printed fabric. Each type of ink serves specific applications based on fibre composition and desired outcomes.

Types of Machinery Used in Digital Textile Printing

Digital textile printing involves various types of machinery designed to cater to different fabric types and printing techniques. Comprehensive overview of the type of machines are listed below:

- **Direct-to-Fabric (DTF) Printers**
    - These machines print directly onto fabrics, making them suitable for both natural and synthetic materials such as cotton, silk, and nylon.
    - They typically use piezoelectric inkjet technology to achieve high-quality prints with vibrant colours.
    - Machines from manufacturers like Epson and Mimaki are known for their efficiency and quality in direct-to-fabric printing.
- **Dye Sublimation Printers**
    - Ideal for printing on polyester fabrics, these printers use a heat transfer process where dye is sublimated onto the fabric.
    - The dye is first printed onto transfer paper and then applied to the fabric using heat, allowing the dye to penetrate the fibres.
    - Commonly used for sportswear, promotional items, and home textiles due to their ability to produce durable and vibrant prints.
- **Hybrid Printers**
    - These versatile machines combine the capabilities of direct-to-fabric and dye sublimation printers, enabling printing on a variety of materials.
    - Hybrid printers allow businesses to switch between different printing methods, accommodating a broader range of applications.
    - The Mimaki TX300P-1800MkII is a notable hybrid printer that can handle both fabric and paper for dye sublimation.
- **Reactive Ink Printers**
    - Specifically designed for printing on natural fibres like cotton, these printers use reactive inks that chemically bond with the fabric.
    - They provide excellent colour vibrancy and wash fastness, making them suitable for fashion applications.
    - Industrial-grade machines like the ColorJet Metro are equipped to handle various ink types, including reactive inks.
- **Pigment Ink Printers**

- These printers utilize pigment inks that are suitable for a wide range of fabrics, including cotton and polyester blends.
- Pigment inks offer good colour fastness without requiring extensive post-processing, making them efficient for quick production runs.

- **Multi-Pass Industrial Printers**
  - These printers use clusters of moving printheads that travel back and forth across the substrate to create high-quality prints.
  - They are ideal for large-scale production with high demands for quality and speed, often used by textile manufacturers looking to scale their operations.

The machinery used in digital textile printing includes a variety of specialized printers designed for different fabrics and applications. From direct-to-fabric and dye sublimation printers to hybrid models and industrial-grade machines, each type plays a crucial role in meeting the diverse demands of the textile industry.

End Use Application of Digital Printed Fabric

Digital printed fabric has a wide range of end-use applications across various industries due to its versatility, customization capabilities, and high-quality output. Here are the primary applications of digitally printed fabric:

- **Fashion and Apparel**
  - **Customized Clothing** – Digital textile printing allows for the creation of personalized garments, including t-shirts, dresses, activewear, and swimwear. Customers can choose their designs or have custom graphics printed directly onto the fabric.
  - **Haute Couture** – Designers in the high-fashion sector utilize digital textile printing to produce unique, intricate patterns that enhance the exclusivity of their collections.
  - **Quick Turnaround Fashion** – The ability to print on demand enables brands to respond quickly to fashion trends, reducing lead times and inventory costs.
- **Home Textiles**
  - **Curtains and Drapery** – Digital textile printing is used to create custom designs for curtains, drapes, and other window treatments, allowing homeowners to personalize their interiors.
  - **Upholstery Fabrics** – Custom printed upholstery fabrics for furniture provide unique design options that cater to individual tastes.
  - **Bedding** – Digital textile printing allows for vibrant designs on bed linens, comforters, and pillowcases, enhancing bedroom aesthetics.
- **Interior Design**
  - **Wall Coverings** – Digital textile printing is employed to create custom wall coverings and wallpapers with intricate designs that can transform spaces.
  - **Table Linens** – Unique designs for tablecloths, napkins, and placemats can be produced using digital textile printing technology.
- **Advertising and Promotional Materials**
  - **Banners and Flags** – Businesses use digitally printed fabrics for banners, flags, and promotional displays that require high-quality graphics and vibrant colours.
  - **Point-of-Sale Displays** – Custom printed textiles are utilized in retail environments for signage and displays that attract customer attention.

- **Sportswear and Activewear**
  - **Performance Apparel** – Digital textile printing is increasingly used in sportswear to create lightweight, breathable fabrics with customized designs that enhance brand identity.
  - **Team Uniforms** – Sports teams can have unique uniforms with personalized graphics printed directly onto moisture-wicking fabrics.
- **Accessories**
  - **Bags and Wallets** – Custom printed fabrics are used in the production of bags, purses, and backpacks, allowing for unique styles that reflect personal branding.
  - **Scarves and Ties** – Digital textile printing enables intricate designs on scarves and ties, offering consumers fashionable accessories.
- **Industrial Applications**
  - **Technical Textiles** – Digital textile printing is applied in creating technical textiles used in various industries such as automotive (e.g., seat covers) and medical (e.g., surgical gowns).
  - **Smart Textiles** – Integration of electronics into textiles (e.g., conductive threads) allows for innovative applications in wearables and smart clothing.
- **Home Décor**
  - **Artistic Fabrics** – Artists can create fabric art pieces using digital textile printing techniques, allowing for high-resolution reproduction of their artwork on textile surfaces.
  - **Custom Pillows** – Decorative pillows with personalized designs can be produced using digital textile printing technology.

Digital Textile Printing – Attributes

Comparative Advantage of Digital Textile Printing Over Conventional Printing

Digital textile printing is a recent technology which is disrupting the fabric printing market. Digital textile printing offers several advantages over conventional printing methods, making it increasingly popular in the textile industry. The numerous advantages offered by digital textile printing encourages its adoption across textile printing both in international and Indian market. Despite high initial investment cost, the advantages of digital textile printing outweigh the challenge of high initial investment. The key advantages of digital textile printing are:

- **High-Quality Printing**

Digital textile printing delivers exceptional print quality with sharp, vibrant colours and precise detailing. Unlike traditional methods, where colour bleeding and blurring can occur, digital textile printing ensures that intricate designs are reproduced with clarity and accuracy, maintaining the fabric's softness and flexibility.

- **Customization and Flexibility**

The key advantage of digital textile printing is its ability to customize designs easily. Designers can print any pattern or image on the fabric without the need for screens or plates, allowing for unique and personalized creations. This flexibility is particularly advantageous for small or independent designers who want to offer distinct products.

- **Time Efficiency**

Digital textile printing significantly reduces production time. The process eliminates many traditional steps, such as screen preparation and colour separation, allowing for quicker turnaround times. This speed is beneficial for responding to fast-changing trends and fulfilling urgent orders.

- **Cost-Effectiveness**

Digital textile printing is generally more cost-effective for small runs compared to conventional methods. There are no setup costs or screen fees associated with digital textile printing, making it accessible for smaller businesses and independent designers who may not have large budgets. Additionally, the reduced waste and lower ink consumption further contribute to cost savings.

- **Environmental Sustainability**

Digital textile printing has a lower environmental impact than traditional methods. It uses significantly less water, produces less waste, and emits fewer pollutants. This sustainability aspect aligns with growing consumer demand for eco-friendly practices in the fashion industry.

- **Versatility in Fabric Types**

Digital textile printing can be applied to a wide range of fabrics, including cotton, silk, polyester, and blends. This versatility allows designers to create unique textiles suitable for various applications, from fashion to home décor.

- **Consistent Quality**

Digital textile printing ensures consistent quality across multiple prints. The same design can be reproduced repeatedly with high fidelity, which is crucial for maintaining brand identity and product uniformity.

- **Access to Global Market**

With digital textile printing technology enabling small-batch production of custom-designed fabrics, designers can cater to niche markets and reach a global audience. This democratization fosters creativity and diversity in fabric design.

The digital textile printing provides significant advantages over conventional printing methods, including high-quality output, customization capabilities, time efficiency, cost-effectiveness, environmental sustainability, versatility in applications, consistent quality, and expanded market access. These benefits make it an attractive option for designers and manufacturers in the textile industry.

Key Challenges in Digital textile Printing

The key challenges in digital textile printing are influencing its adoption and efficiency in the textile industry.

- **High Ink Costs**

Digital inks can be significantly more expensive than traditional inks used in conventional printing methods. This high cost impacts the overall production expenses, particularly for large-scale operations where ink consumption is considerable.

- **Production Speed**

The speed of digital textile printing is often slower compared to conventional methods like rotary screen printing. This can lead to higher costs per metre of fabric printed, making it less competitive for large production runs where speed is critical.

- **Fabric Compatibility**

Not all fabrics are suitable for digital textile printing, which can limit the versatility of this technology. While advancements are being made to expand the range of compatible materials, challenges remain with certain textures and properties that may not yield high-quality prints.

- **Initial Investment and Maintenance Cost**

The installation of digital textile printing technology requires a substantial initial investment, which can be a barrier for small businesses. Additionally, ongoing maintenance costs and the need for specialized equipment can add to the financial burden.

- **Skill Shortages**

There is often lack of trained personnel who are proficient in operating digital textile printing machinery and understanding its complexities. This skills gap can hinder effective implementation and operation, leading to inefficiencies in production.

- **Quality Control and Consistency**

Achieving consistent print quality across different batches can be challenging. Variations in fabric quality, ink application, and printer settings may lead to discrepancies in colour accuracy and overall print fidelity.

- **Environmental Concerns**

While digital textile printing is generally more sustainable than traditional methods, it still faces scrutiny regarding environmental impacts, particularly concerning the disposal of inks and chemicals used in the process. Ensuring eco-friendly practices remains a challenge for many producers.

- **Market Acceptance**

Some established textile manufacturers may be reluctant to transition from traditional methods to digital textile printing due to concerns about quality, reliability, and the learning curve associated with new technologies. This resistance can slow down the adoption of digital solutions in the industry.

The digital textile printing offers innovative solutions and benefits. It also encounters significant challenges related to costs, speed, compatibility, investment requirements, skill shortages, quality control, environmental impacts, and market acceptance. Addressing these challenges is crucial for maximizing the potential of digital textile printing in the competitive textile landscape.

Key Technology Developments in Digital Textile Printing

Key technological developments in digital textile printing are shaping the future of the textile industry, enhancing efficiency, quality, and sustainability. The technological developments implemented in digital textile printing includes:

- **High-Speed and High-Precision in the Machinery**

Recent innovations have led to the development of high-speed digital printers capable of producing large volumes of printed fabric quickly. For example, printers like the HPRT DA186T Plus can achieve production speeds of up to 1080 square metres per hour. These advancements meet market demands for efficient production while maintaining high precision in print quality.

- **Intelligent and Automated Systems**

Modern digital textile printers are increasingly equipped with intelligent features that enhance operational efficiency. Innovations include smart printhead protection systems, constant temperature control for printheads, and automated cleaning systems that conserve water. These technologies improve product quality and reduce downtime in production processes.

- **Enhanced Colour Accuracy and Detail**

Technological improvements have significantly enhanced colour accuracy and detail in digital textile printing. The ability to reproduce intricate designs with vibrant colours and smooth gradients is now a standard expectation. This capability allows designers to create more complex patterns that were previously challenging to achieve with traditional methods.

- **Versatility in Fabric Compatibility**

Advancements in ink formulations have expanded the range of fabrics compatible with digital textile printing. New inks are being developed to work effectively on both natural fibres (like cotton and silk) and synthetic materials (like polyester), allowing for greater flexibility in product offerings.

- **Eco-friendly Innovations**

Digital textile printing technology has become more environmentally friendly, with reduced water usage, lower chemical consumption, and minimized waste compared to traditional textile printing methods. This shift aligns with growing sustainability concerns in the textile industry, making digital textile printing a more attractive option for eco-conscious brands.

- **Integration of 3D Printing Technologies**

Emerging technologies, such as 3D printing, are beginning to influence digital textile printing by introducing new textures and functionalities into fabrics. This integration opens up creative possibilities for designers, allowing them to experiment with interactive elements in textiles.

- **Direct-to-Garment (DTG) Innovations**

DTG printing technology has evolved to allow for direct application of designs onto garments using advanced inkjet technology. This method supports intricate patterns and vibrant colours while enabling quick turnarounds for custom orders.

- **Hybrid Printing Solutions**

Hybrid printers that combine direct-to-fabric and sublimation printing capabilities are gaining popularity. These versatile machines can handle a variety of fabric types and printing techniques, catering to diverse market needs while maximizing production efficiency.

The key technological developments in digital textile printing include advancements in speed and precision, intelligent automation, improved colour accuracy, expanded fabric compatibility, eco-friendly practices, integration with emerging technologies like 3D printing, innovations in DTG printing, and the rise of hybrid solutions. These developments collectively enhance the capabilities of digital textile printing, making it a vital component of modern textile manufacturing.

Key Trends in Digital textile Printing Domain

The digital textile printing domain is experiencing several key trends that reflect advancements in technology, changing consumer preferences, and market dynamics. Some of the key trends are listed below:

- **Advancements in Inkjet Technologies**

Continuous improvements in inkjet printing technologies are enabling high-quality, vibrant, and precise prints on various fabrics. This enhances the overall visual appeal of printed textiles, making them more attractive to consumers and designers alike. Thus, with this trend of digital textile printing consistent high-quality output is made possible.

- **Customization and Personalization**

Digital textile printing allows for quick adjustments to designs and smaller batch production, catering to the rising demand for personalized products in fashion and home décor. This trend enables brands to offer unique items tailored to individual consumer preferences offering on-demand production.

- **Sustainability Focus**

There is a growing emphasis on using sustainable practices in digital textile printing, including the adoption of eco-friendly inks that minimize environmental impact. This aligns with increasing consumer awareness regarding sustainability in the fashion industry.

- **Rise of E-Commerce and On-Demand Printing**

The growth of e-commerce platforms is driving demand for digital textile printing as businesses seek to offer personalized and varied product lines without holding large inventories. On-demand printing technologies allow for designs to be printed only when needed, significantly reducing inventory costs and waste. This trend is leading to direct-to-customer business model.

- **Faster Turnaround Times**

Digital textile printing eliminates many traditional setup steps, resulting in remarkably faster turnaround times. This capability is crucial for meeting the fast-paced demands of modern fashion cycles and consumer expectations.

- **Enhanced Detail and Resolution**

Digital textile printing sets new standards for detail and resolution, allowing for intricate designs to be reproduced with impeccable precision. This capability enhances the quality of textile products and appeals to discerning customers.

- **Increased Adoption of Hybrid Solutions**

Hybrid printers that integrate both direct-to-fabric (DTF) and dye sublimation capabilities are gaining popularity, providing versatility in handling different fabric types and printing techniques.

- **Global Market Expansion**

The digital textile printing market is expanding rapidly in both developed and emerging markets, driven by increasing investments in technology and rising popularity among manufacturers looking to innovate their product offerings.

- **Integration of Emerging Technologies**

Innovations such as 3D printing and nanotechnology are being explored to introduce novel textures, functionalities, and interactive elements into textiles, further enhancing creative possibilities for designers.

The key trends in the digital textile printing domain include advancements in a wide range of factors from technology to adoption of hybrid solutions. These trends collectively indicate a dynamic shift towards more innovative and consumer-centric approaches in the textile industry.

Overview of the Indian Textile Industry

India's textile industry is one of the oldest with evidence of clothing dating back to several centuries. So, the country is among the world's largest producers of textiles and apparels. Today, the industry has evolved and has adopted the technological upgradations effectively. This sector is broadly divided into several segments including fibre and yarn, processed fabrics, garments, and technical textiles. The garment sector is divided into ready-made garments and customized tailoring.

Indian textile industry is engaged in manufacturing of fabric from both natural fibres such as cotton, flex, jute, silk, wool and coir which are available naturally and man-made fibres which are made from polyester, viscose, acrylic, polypropylene and nylon. The Indian textile industry is a vital and complex sector that significantly contributes to the nation's economy. Spanning the entire spectrum from raw material production to the final product, this industry integrates several stages, including yarn production, weaving, and fabric manufacturing. Below is a detailed analysis of the key attributes of this value chain. The textile value chain in India can be segmented into the following primary activities:

- **Raw Material Production**

    - **Natural Fibres**: India is one of the world's largest producers of cotton and jute, which are fundamental to the textile industry. The cultivation practices of these fibres directly impact the quality and sustainability of the raw materials.

    - **Synthetic Fibres**: Man-made fibres, supplied by the petrochemical industry, have gained prominence since the mid-20th century. These fibres are crucial for producing a wide range of textile products, including easy-care clothing and furnishings.

- **Spinning**

The spinning stage involves converting raw fibres into yarn. This process is pivotal as it determines the quality and characteristics of the yarn, influencing the final textile product. India boasts a robust spinning sector that integrates both natural and synthetic fibres, catering to a wide array of market demands.

- **Weaving and Knitting**

    - **Weaving:** This process involves interlacing yarns to create fabric. India has a significant number of weaving units, although challenges related to quality and cost often result in the importation of woven fabrics.

- Knitting: **Knitting:** The knitting sector in India is more integrated, with many facilities capable of producing finished garments directly from yarn. This segment has experienced substantial growth, with local production meeting a significant portion of domestic demand.

- **Fabric Processing**

After fabric creation, it undergoes various treatments such as dyeing, printing, and finishing to enhance its properties. This stage is crucial for adding value to the fabric, making it suitable for the final product market. The processing sector plays an essential role in ensuring the fabric meets consumer expectations in terms of quality and aesthetics.

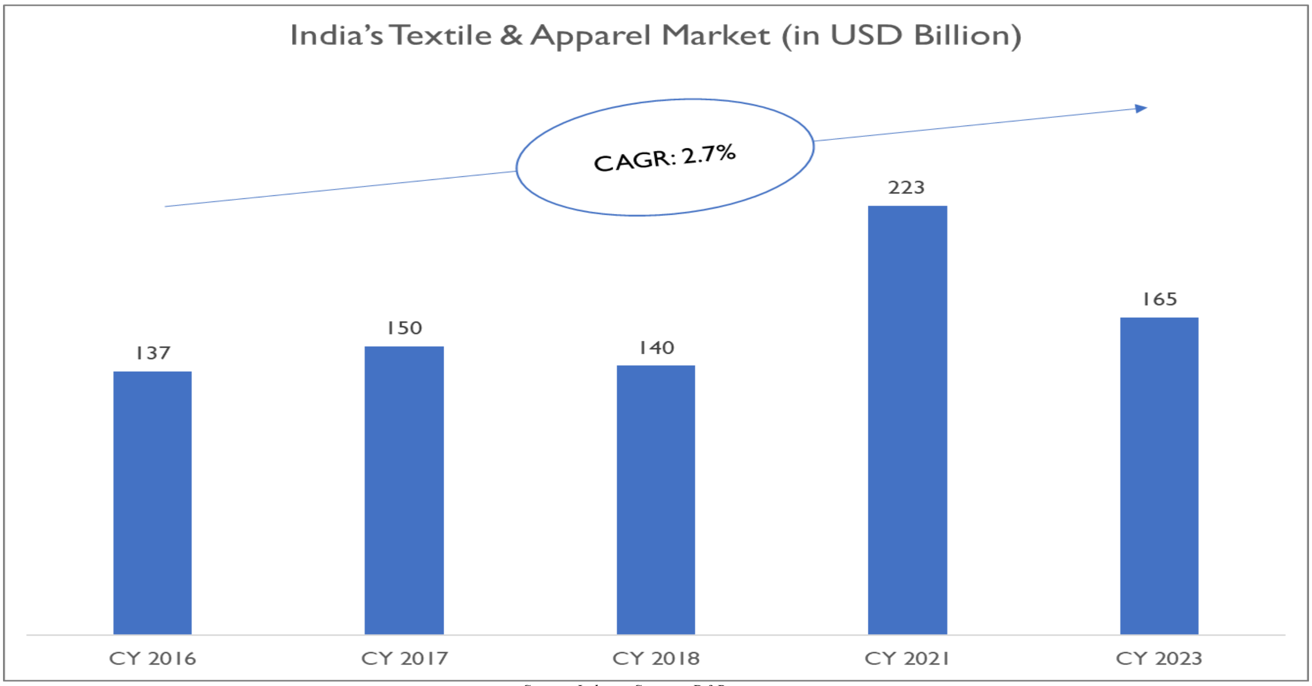
- **Apparel Manufacturing**

The final stage of the value chain involves converting fabric into finished garments. India's apparel manufacturing sector is diverse, ranging from traditional handloom products to modern, mass-produced clothing. This segment is labour-intensive, employing millions and serving as a vital component of the economy.

- **Marketing and Distribution**

Effective marketing and distribution are critical for the success of textile products. This includes branding, sales strategies, and logistics to ensure products reach consumers efficiently. The Indian textile industry is increasingly focused on enhancing its marketing capabilities to compete effectively in global markets.

The Indian textile industry is thus too diverse with hand-spun and hand-woven sectors on one end of the spectrum, while capital-intensive sophisticated mills sector at the other end. The country is the largest cotton producer globally, with 23%[5] of global share with highest area under cotton cultivation of 38% of world area, second largest consumer of cotton globally, and third largest exporter of textiles and apparels globally. Cotton is sustaining the livelihood of around 6.5 million cotton farmers, with 40-50 million people engaged in cotton processing and trade activities. Similarly, the country is the largest manufacturer[6] of personal protective equipment (PPE) and producer of polyester, silk and fibre in the world. The Indian textile sector currently contributes 2.3% to India's GDP and contributes to 7% of industry's output.



Source: Industry Sources, D&B estimates

The Indian textile and apparel market size was estimated to be approximately USD 165 billion in CY 2023, with the domestic market accounting for USD 125 billion and exports contributing USD 40 billion. The market witnessed a 7-year CAGR of 2.7% between CY 2016 and CY 2023. This growth is driven by increasing domestic demand, favourable government policies, and the rising preference for sustainable and ethically produced textiles, positioning India as a key player in the global textile industry.

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[5] Invest India, Ministry of Commerce and Industries

[6] Invest India, Ministry of Commerce and Industries

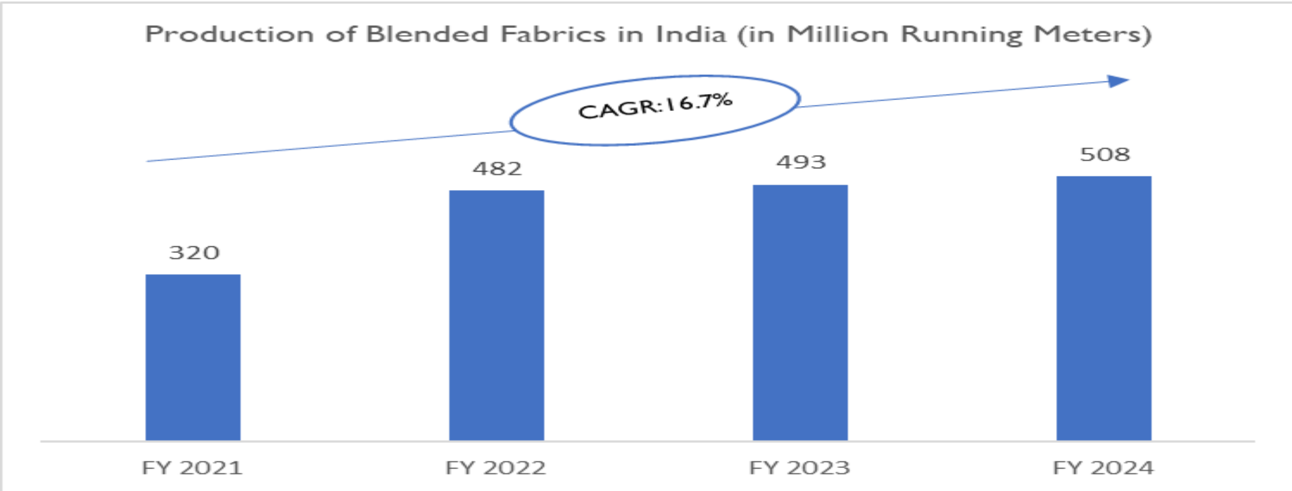
Growth Drivers Contributing to India's Textile Industry

The Indian textile industry has witnessed steady growth and has positioned itself as a global leader in textile production. With strong government initiatives, the industry propelled to massive growth in the past decade, making it an important country at the global scale. Key factors that contribute to the growth of Indian textile industry are:

- Presence of world class infrastructure.
- Increasing focus on industrial textile segment.
- Abundance of raw material both for natural and synthetic fibre categories.
- Availability of skilled and semi-skilled manpower.
- Well established set-up of complete value chain to support the growing domestic market.
- Availability of established facilities offering cost-effective manufacturing costs.
- Increasing demand from organized retail and e-commerce landscape.
- Urbanization, and increasing disposable income leading to the preference of brands.

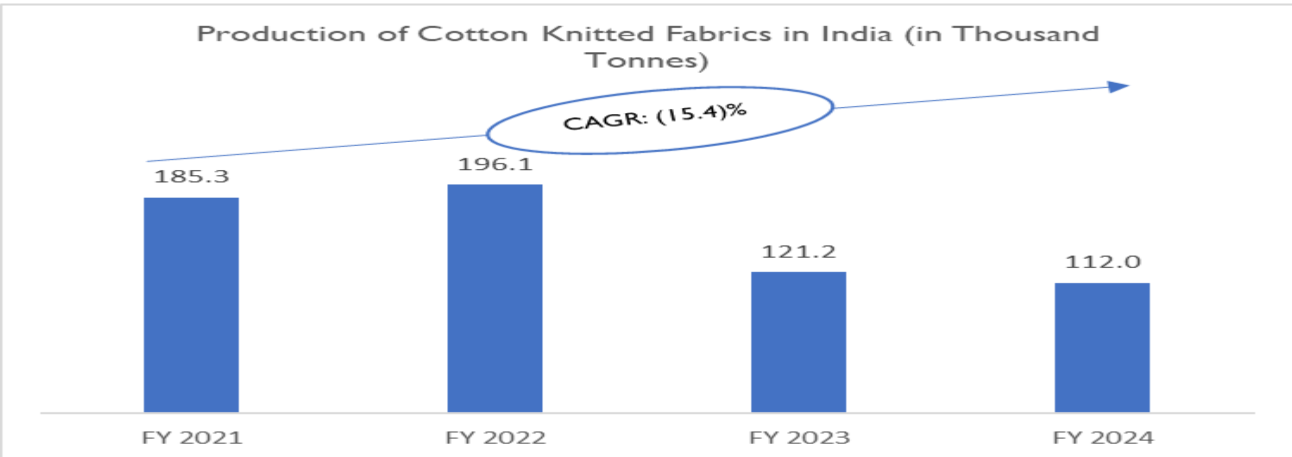
Fabric Production by Type of Fabric

The total annual production of fabric (comprising of cotton woven fabrics and polyester/viscose blended fabric) in India is estimated to be nearly 508 million running metres[7] in FY 2024. Between FY 2021-24, the production has increased at 16.7% CAGR, indicating a positive trend.



Source: CMIE Industry Outlook (sourced from Central Statistics Office Data)

Meanwhile the annual production of knitted cotton fabric is estimated to be nearly 112 thousand tonnes in FY 2024.



Source: CMIE Industry Outlook (sourced from Central Statistics Office Data)

[7] Specialized unit of measurement used in textile industry. It refers to the length of continuous material or fabric that is typically uncut or unaltered

Readymade Garment

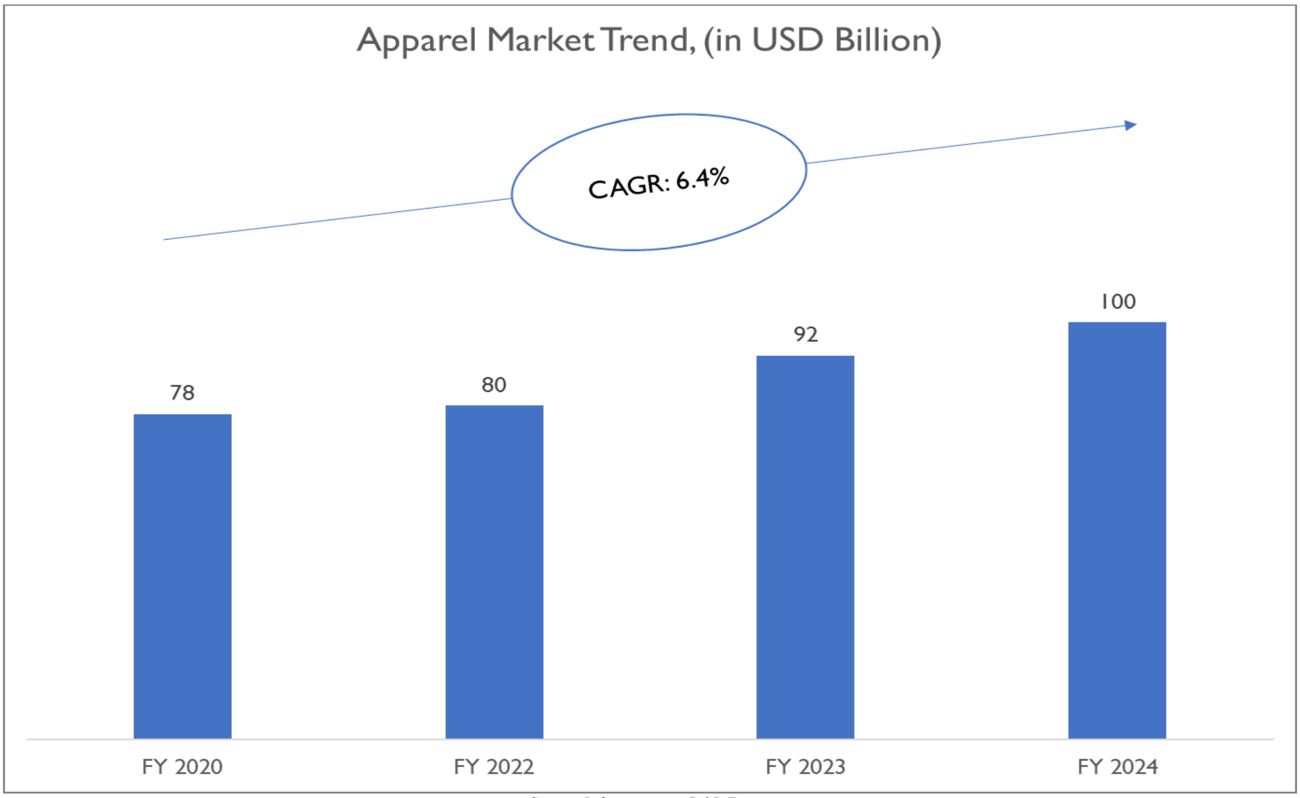
The Indian readymade garment industry is a significant segment within the broader textile and apparel market. The ready-made garment (RMG) industry in India is a vital sector that significantly contributes to the country's economy. India is one of the largest consumers and producers of cotton, with the highest acreage of 12.5 million hectares, accounting for 38% of the global area under cotton cultivation. It encompasses a wide variety of products catering to diverse consumer needs both domestically and internationally. This report outlines the key product segments in the Indian readymade garment industry, highlighting their characteristics, market dynamics, and contributions to the economy.

Product Segment	Overview
Men's Wear	The men's wear segment is a major component of the readymade garment industry, catering to various categories including formal wear, casual wear, ethnic wear, and sportswear. This segment includes *shirts, trousers, suits, blazers, t-shirts, jeans, shorts, and traditional attire such as kurta-pajamas and sherwanis.* The demand for men's wear is driven by a growing urban population, increasing disposable income, and evolving fashion trends. Formal wear and casual wear dominate the market, with a rising preference for branded apparel. Men's wear is a substantial contributor to the overall market size and plays a crucial role in driving sales in retail and export markets.
Women's Wear	Women's wear is a vibrant and dynamic segment, characterized by its wide range of products and significant contribution to the industry. This segment includes *sarees, salwar kameez, lehengas, kurtis, tops, dresses, skirts, jeans, and activewear, etc.* The women's wear market is influenced by cultural diversity, changing fashion trends, and increasing participation of women in the workforce. Ethnic wear remains a strong segment, while Western wear is gaining popularity. Women's wear is one of the largest segments in the readymade garment industry, driving both domestic consumption and exports, particularly in categories such as ethnic and fusion wear.
Kids' Wear	The kids' wear segment caters to the clothing needs of infants, toddlers, and children up to the age of 14. This segment includes *t-shirts, shorts, dresses, skirts, pants, school uniforms, and traditional attire for children.* The demand for kids' wear is driven by factors such as increasing birth rates, rising disposable incomes, and greater emphasis on child fashion. Parents are increasingly opting for branded and high-quality garments for their children. Kids' wear is a fast-growing segment, with significant potential for expansion in both urban and rural markets. It is a key focus area for retailers and brands looking to capture a younger demographic.
Activewear and Sportswear	This segment includes garments designed for physical activities and sports, catering to the growing demand for fitness and active lifestyles. *This segment includes t-shirts, track pants, shorts, leggings, sports bras, jackets, and specialized sports gear.* The activewear and sportswear market is expanding rapidly due to increasing health consciousness, the popularity of sports, and the athleisure trend. Technological advancements in fabric and design also drive this segment. Activewear and sportswear are significant growth areas within the readymade garment industry, attracting investment from both domestic and international brands.
Innerwear and Lingerie	The innerwear and lingerie segment caters to the intimate apparel needs of men, women, and children. This segment includes undergarments, vests, briefs, boxers, shapewear, and thermal wear. The innerwear market is evolving with increasing consumer awareness about comfort, quality, and fashion. There is a rising preference for branded innerwear, driven by changing lifestyles and improved retail experiences. Innerwear and lingerie are essential product segments that offer high margins and consistent demand, contributing significantly to the overall revenue of the readymade garment industry.
Denim Wear	Denim wear is a popular segment known for its versatility and wide consumer base across different age groups. *This segment includes jeans, jackets, shirts, skirts, and shorts.* Denim is a staple in wardrobes globally, with demand driven by its durability, style, and comfort. The segment benefits from continuous innovation in fabric technology and design. Denim wear is a key export product and a significant segment in the domestic market, contributing substantially to the revenue and growth of the readymade garment industry.

The Indian readymade garment industry is a diverse and dynamic sector, encompassing various product segments that cater to a wide range of consumer needs. Each segment plays a crucial role in the overall growth and development of the industry, driven by factors such as changing fashion trends, increasing disposable incomes, and evolving consumer preferences. The industry's ability to innovate and adapt to market demands ensures its continued significance in both domestic and global markets.

Indian Readymade Garment Market Size

Rapid urbanization in India, where nearly 40%[8] of the population is expected in live in cities by 2036 and the number of megacities in India is expected to increase from five to seven or more by 2030 are the factors which directly influence the demand for readymade garments. Similarly, increasing disposable incomes coupled with the wide product range available through e-commerce are the other two factors driving the demand for readymade garments. The apparel market has shown steady growth from FY 2020 to FY 2024. Starting at USD 78 billion in FY 2020, the market size increased to USD 80 billion in FY 2022, reached USD 92 billion in FY 2023, and is estimated at USD 100 billion by FY 2024. This trend reflects a CAGR of 6.4%.



Source: Industry report, D&B Estimate

Several factors contribute to the steady growth observed in the apparel market. Rising disposable incomes have enabled consumers to increase their spending on apparel. Increasing fashion awareness and the desire to keep up with trends have fuelled demand. Additionally, the expansion of online retail platforms has facilitated easier access to a wide range of apparel options, further boosting market growth. This consistent upward trend highlights the robust potential and expanding nature of the apparel industry.

India's readymade garment sector continues to exhibit robust growth within the country's textile industry. The sector remains a significant contributor, driven majorly by domestic demand including kid's wear. Rising disposable incomes and evolving fashion preferences among Indian consumers have bolstered domestic consumption of kids' readymade garments and the overall readymade garments (RMG) industry. Major manufacturing hubs are concentrated in cities such as Tirupur, Bengaluru, Mumbai, and Delhi-National Capital Region (NCR), facilitating efficient production and distribution.

However, the sector faces challenges, including stiff competition from countries such as Bangladesh and Vietnam, as well as susceptibility to global economic fluctuations. To support growth, the Indian government has implemented initiatives

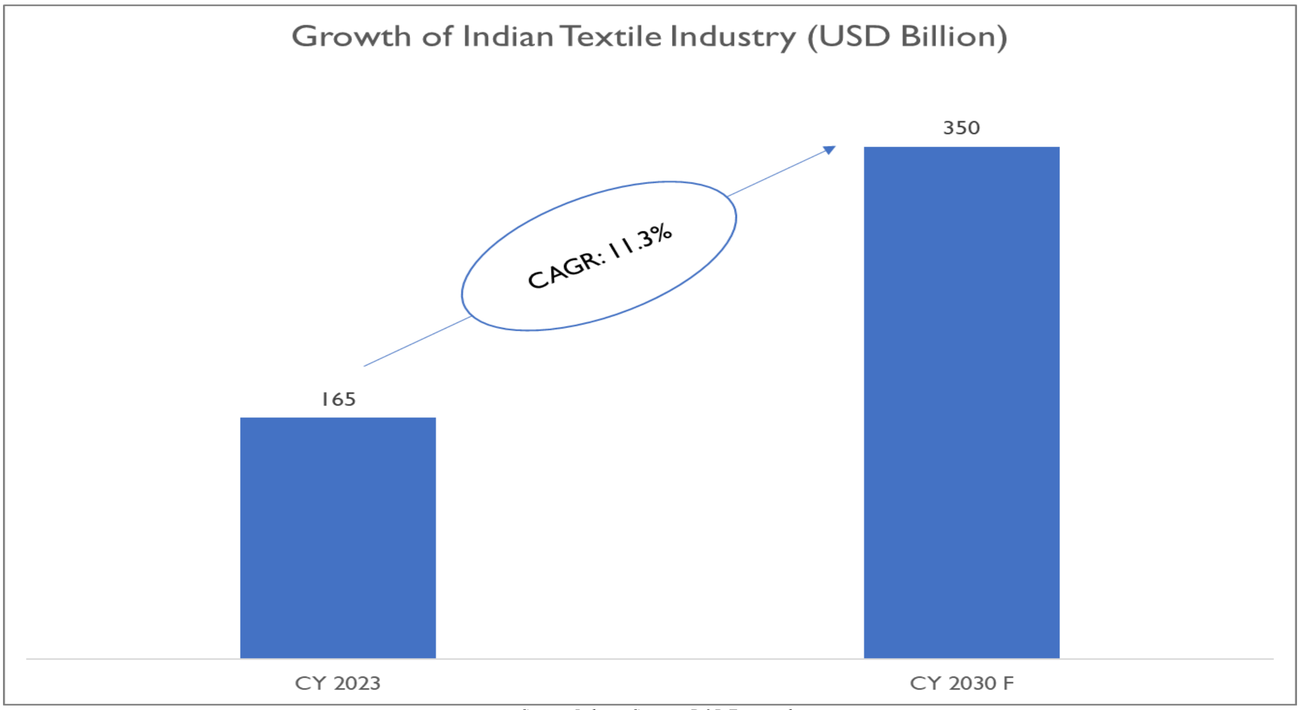
[8] World Bank Group

aimed at promoting exports, upgrading technological capabilities, and fostering sustainable manufacturing practices. There is also a growing focus on integrating digital textile printing technologies to adapt to changing retail dynamics, particularly with the rise of e-commerce platforms in the market. The RMG industry, with a significant focus on the kid's wear segment, continues to be a vital and growing component of India's textile industry, driven by strong domestic demand and strategic government support.

Growth Forecast

In 2023, the Indian textile industry faced significant challenges, including fluctuating cotton prices, declining demand, under-utilized capacity, and stiff competition from imported fabrics and garments from China and Bangladesh. Gurudas Aras, an independent director and strategic advisor, highlighted these issues and suggested measures for recovery in 2024. Major global markets, such as the United States of America (the U.S) and European Union (EU), saw sharp declines in apparel imports, impacting Indian exporters. For instance, US apparel imports dropped by 21% to USD 6.5 billion in October 2023, and EU imports fell by 20% to USD 7.2 billion.

The global garment industry is contracting, with predictions of a continued decline in US garment imports by 25% to 30%. This trend is exacerbated by major US retailers reducing imports and maintaining minimal stock levels. Bangladesh's strategic import of cheap raw materials from China and its tax-exempt status as a least developed country have further strained Indian exports, which stagnated at around USD 16.5 billion, while Bangladesh's exports surged past USD 44 billion.



Source: Industry Sources, D&B Estimated

Despite these challenges, the Indian textile industry is on a growth trajectory, with its market size projected to nearly double from USD 165 billion in CY 2023 to USD 350 billion by CY 2030F, reflecting a compound annual growth rate (CAGR) of 11.3%. Increasing disposable incomes and a growing middle class are driving demand for textile products, including kid's wear. This segment is particularly buoyed by changing fashion trends, a preference for branded items, and the expansion of e-commerce platforms. Government initiatives such as the Production Linked Incentive (PLI) scheme and Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA) are promoting modernization and enhancing global competitiveness.

Moreover, strategic trade agreements and advancements in quality standards are improving India's position in international markets, supporting export growth alongside rising domestic consumption. Technological innovations and sustainable practices further enhance the industry's efficiency and quality. These factors position the Indian textile sector, including the kid's readymade garment market, as a robust engine of economic growth and global competitiveness.

Evolving Landscape of Retail & E-commerce Sector

The growth of the retail and e-commerce sectors in India is significantly influencing the apparel market in 2024, with several key trends emerging that are reshaping consumer behavior and market dynamics. India's e-commerce market is projected to grow by over 20% in 2024, driven by increased internet access and a shift towards online shopping. Telecom Authority of India reported 954 million internet subscribers in March 2024, which is an 8.3% year-on-year growth from 2023. This surge is particularly notable in the fashion segment, encouraging domestic and international retailers such as Flipkart, Amazon, Myntra, leading to a trend in increasing share of e-commerce sales in apparel market. Fast fashion is emerging as a standout performer within the retail market, experiencing growth rates of 30-40% in 2024. The rise of e-commerce is notably fueled by demand from Tier-II and Tier-III cities, where online shopping is gaining traction. In these regions, spending on fashion has increased significantly, reflecting a growing appetite for diverse product categories. The increased internet penetration and improved logistics networks are enabling consumers in smaller cities to access a wider range of apparel options, contributing to overall market growth.

With a valuation of USD 70 billion, online shopping in India accounts to 7% of the country's total retail market. With a staggering 954 million internet subscribers, which is consistently on the rise, the country is likely to emerge as the third-largest online retail market by 2030.

Role of E-commerce in Indian Apparel Market

E-commerce plays a pivotal role in the growth of the Indian apparel market, significantly transforming consumer behavior and market dynamics, offering accessibility and convenience.

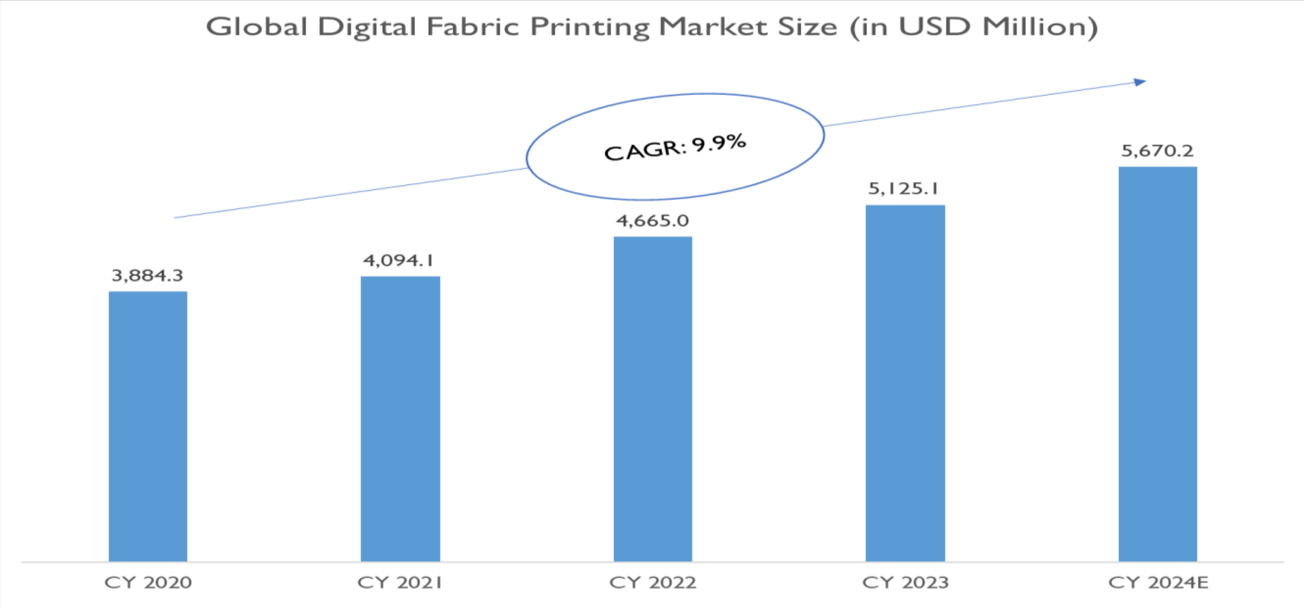
- **Democratization of Fashion**: E-commerce has removed geographical barriers, allowing consumers from all regions, including remote areas, to access diverse fashion options. This accessibility has led to a wider variety of products available online, catering to various tastes and preferences.
- **24/7 Shopping Experience**: Online platforms provide consumers the flexibility to shop anytime, enhancing convenience and encouraging impulse purchases. This shift has fundamentally altered shopping habits, with consumers increasingly favouring online purchases over traditional retail.
- **Shift Towards Online Retail**: The convenience of browsing extensive catalogues and comparing prices has drawn more consumers to e-commerce platforms. The ability to access exclusive discounts and promotions further incentivizes online shopping.
- **Rise of Fashion Start-ups**: E-commerce has enabled numerous start-ups to flourish by offering unique designs and personalized experiences. These new entrants challenge established brands, fostering competition and innovation within the apparel market.
- **Social Media Influence**: Platforms like Instagram and Facebook have become essential for fashion brands to engage with customers and drive sales. The integration of social commerce allows brands to reach a broader audience while facilitating direct-to-consumer sales.
- **Omni-channel Retailing**: The concept of an "endless aisle" allows retailers to offer a broader inventory online than what is available in physical stores, enhancing customer choice and satisfaction.

E-commerce is not just a channel for sales; it is reshaping the entire landscape of the Indian apparel market. By enhancing accessibility, driving consumer engagement through technology, and fostering a competitive environment for both established brands and new entrants, e-commerce is a critical driver of growth in this sector. As it continues to evolve, its impact on the Indian apparel market will likely expand further, unlocking new opportunities for both consumers and businesses alike.

Global Digital Textile Printing Market

Current Market Scenario

The Global Digital Textile Printing Market is on a strong growth trajectory, with revenues consistently increasing from CY 2020 to the projected figures for CY 2024E. Starting at USD 3,884.3 million in CY 2020, the market is expected to reach USD 5,670.2 million by CY 2024E. This indicates a robust CAGR of 9.92% over the four-year period. The global digital textile printing market is experiencing significant growth, disrupting the traditional textile printing industry and transforming it into a dynamic sector. This transformation is particularly evident in the home décor and soft signage applications. Digital textile printing technology empowers businesses to print intricate and customized designs directly onto fabric, revolutionizing the textile industry. This capability has unlocked a new era of innovation, enabling the creation of unique and personalized products that cater to diverse consumer preferences.



Source: Primary Research, D&B Analysis

The ability to print any design onto fabric has opened up a vast array of possibilities for both businesses and consumers. Businesses can now produce small batches of customized products, reducing inventory costs and minimizing waste. This agility is particularly valuable for businesses operating in fast-paced industries like fashion, where trends change rapidly. Consumers, on the other hand, can now access a wider range of personalized products, from custom-designed apparel to unique home décor items. This level of customization was previously unattainable with traditional textile printing methods. The market's growth is further fueled by several key factors. Firstly, the increasing demand for sustainable and eco-friendly production processes is driving the adoption of digital textile printing. Digital textile printing methods often require less water and generate less waste compared to traditional techniques, making them a more environmentally friendly option. Secondly, the rise of e-commerce and social media has empowered consumers to seek personalized experiences. Digital textile printing perfectly aligns with this trend, enabling the creation of unique and customized products that cater to individual preferences.

The impact of digital textile printing extends beyond the textile industry. It is also transforming related sectors such as interior design, advertising, and retail. Interior designers can now create bespoke fabric designs for curtains, upholstery, and wall coverings, adding a unique touch to any space. Advertisers can utilize digital textile printing to produce eye-catching and large-scale soft signage, making their messages more impactful. Retailers can offer personalized products to their customers, enhancing the overall shopping experience.

The key trends that are contributing to high growth of global digital textile printing includes:

- **Sustainability**

Environmental consciousness is driving the adoption of digital textile printing. Traditional textile printing methods often involve significant water usage and generate substantial waste. Digital textile printing, on the other hand, offers an eco-friendlier alternative. By reducing water consumption and minimizing waste production, digital textile printing aligns with the growing demand for sustainable practices across various industries.

- **Customization and Personalization through Direct-to-Customer (DTC) Business Model**

The rise of e-commerce and social media has empowered consumers to seek personalized experiences. Digital textile printing excels in meeting this demand, enabling the creation of unique and customized products. From personalized apparel to bespoke home décor, digital textile printing offers high-resolution, versatile designs that cater to individual preferences. This trend is particularly evident in the fashion and home décor sectors, where consumers increasingly seek products that reflect their unique style. This trend has led to DTC business model in the U.S, where customers can directly print their designs and customize the apparel or home décor they choose.

- **On-demand Printing**

The ability to print on demand is a significant advantage of digital textile printing. Traditional textile printing methods often require large production runs, which can be costly and time-consuming. Digital textile printing eliminates this limitation, allowing for the production of smaller quantities as needed. This flexibility is particularly valuable for businesses that cater to niche markets or offer customized products.

- **Home Décor and Soft Signage**

Digital textile printing has revolutionized the home décor and soft signage industries. The fast-printing capabilities of digital technology enable the rapid production of high-quality textiles, making it easier to create unique and eye-catching designs for curtains, upholstery, wall coverings, and other soft furnishings. This trend is further fueled by the increasing popularity of personalized home décor and the demand for visually appealing commercial spaces.

- **High-speed Digital Printers**

Advancements in digital textile printing technology have led to the development of high-speed printers. These machines can handle large orders more efficiently, making digital textile printing a viable option for mass production. This increased speed and efficiency have narrowed the gap between digital and traditional textile printing methods, particularly for businesses that require large-scale production.

- **Single-pass Printing**

Single-pass printing is a relatively new technology that significantly enhances the speed and efficiency of digital textile printing. By printing multiple colours simultaneously in a single pass, single-pass printers can produce high-quality prints at a much faster rate than traditional multi-pass systems. This technology is particularly beneficial for businesses that require rapid turnaround times and high-volume production.

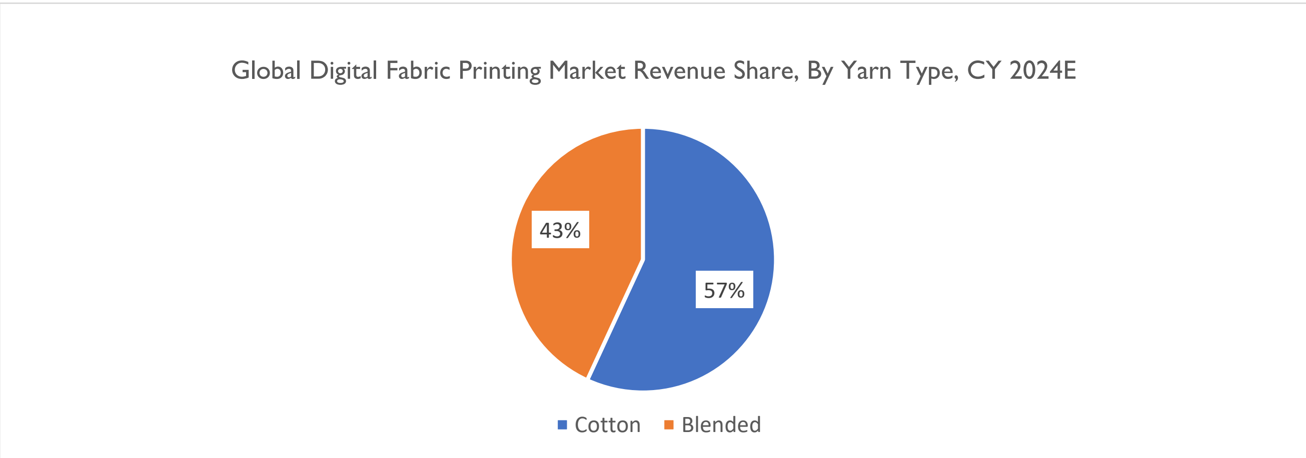
- **Cotton**

Cotton remains the dominant material in the global digital textile printing market due to its numerous advantages. Cotton is known for its excellent moisture management properties, making it comfortable to wear in various climates. Additionally, cotton is a durable and long-lasting fabric, ensuring that digitally printed designs retain their vibrancy and quality over time. These properties, combined with the versatility of cotton, make it a popular choice for a wide range of applications, from apparel to home décor.

Market Segmentation

By Yarn Type

The global digital textile printing market revenue share in CY 2024E is dominated by cotton-based fabrics, generating an estimated revenue of USD 3,232.01 million, representing a 57% market share. This dominance can be attributed to the widespread use of cotton in various textile applications, including apparel, home décor, and industrial textiles. Cotton's dominance can be attributed to several factors. Firstly, it is a widely available and relatively affordable natural fibre. Secondly, cotton possesses excellent breathability and moisture-wicking properties, making it comfortable to wear in various climates. Thirdly, cotton is a versatile fabric that can be used for a wide range of applications, from casual wear to high-end fashion.



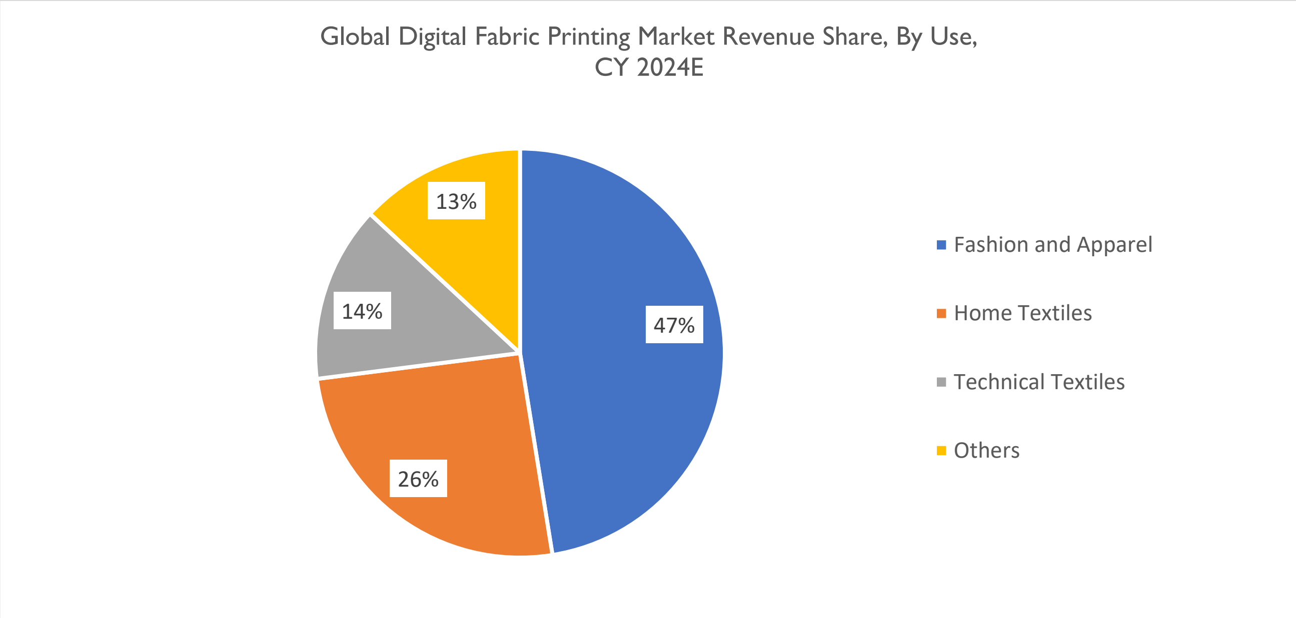
Source: Primary Research, D&B Analysis

While cotton holds a significant market share, blended fabrics also contribute substantially, representing 43% of the market revenue, generating an estimated revenue of USD 2,438.19 million. Blended fabrics, which combine cotton with other fibres like polyester, offer a unique set of properties. Blended fabrics often offer enhanced performance characteristics, such as improved wrinkle resistance, enhanced durability, and enhanced moisture management. The growing demand for performance fabrics in sportswear, workwear, and other specialized applications is driving the growth of the blended fabric segment.

The market segmentation by yarn type highlights the diverse range of fabrics used in digital textile printing. While cotton remains the dominant material, the growing popularity of blended fabrics demonstrates the evolving preferences of consumers and the adaptability of digital textile printing technology to accommodate a wide range of textile substrates.

By Use

The fashion and apparel segment is projected to be the largest end-use application for digital textile printing in CY 2024E, commanding a significant market share of 47% and generating an estimated revenue of USD 2,665.0 million. This segment's dominance is driven by the increasing demand for personalized and on-demand apparel, coupled with the growing popularity of fast fashion trends. Digital textile printing enables the rapid production of customized designs, allowing fashion brands to quickly respond to changing consumer preferences and offer unique, limited-edition collections.



Source: Primary Research, D&B Analysis

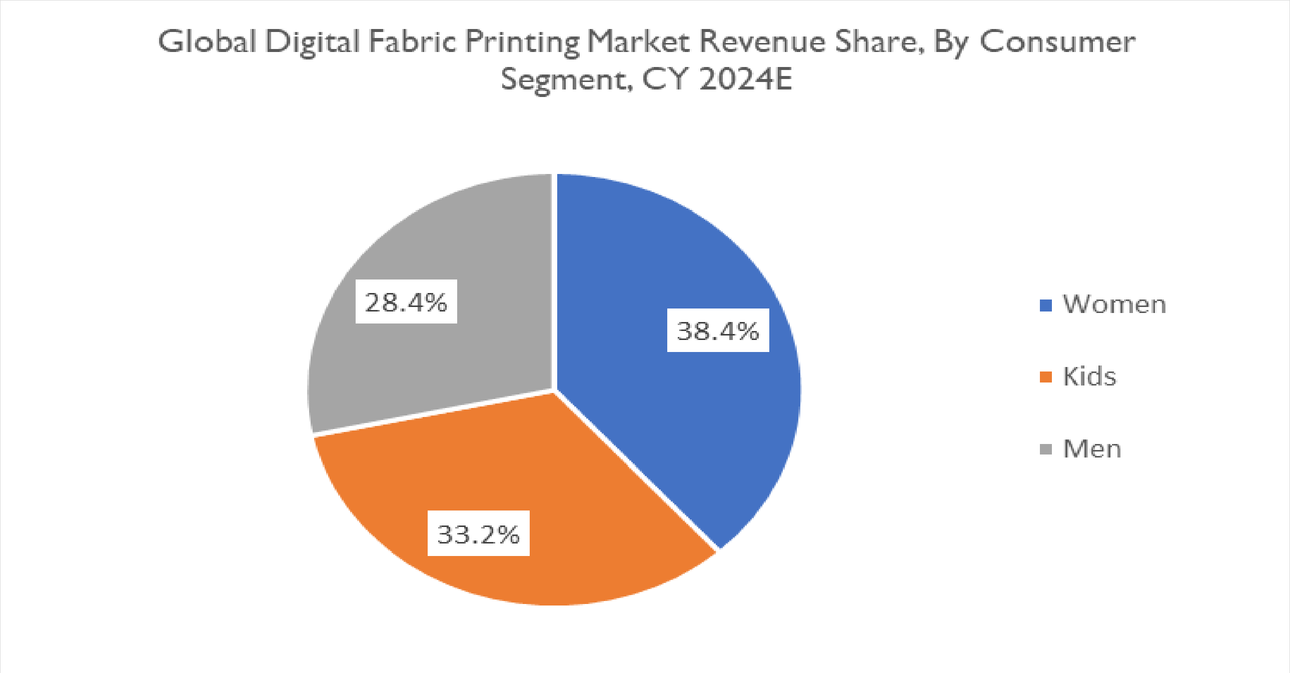
Home textiles, including curtains, upholstery, and bedding, are expected to account for 26% of the market share, generating an estimated revenue of USD 1,474.3 million. The growing trend towards personalized home décor and the increasing demand for unique and visually appealing home furnishings are driving the growth of this segment. Digital textile printing allows for the creation of intricate and customized designs for home textiles, enabling homeowners to express their individual style and create personalized living spaces.

Technical textiles, which encompass a wide range of applications such as sportswear, workwear, and medical textiles, are projected to account for 14% of the market share, generating an estimated revenue of USD 793.8 million. The increasing demand for high-performance fabrics in these sectors is driving the adoption of digital textile printing. Digital textile printing allows for the precise application of functional coatings and finishes, such as water repellency, flame retardancy, and anti-microbial properties, enhancing the performance and durability of technical textiles.

The "Others" category, which includes applications such as automotive textiles, industrial textiles, and promotional items, is expected to account for 13% of the market share, generating an estimated revenue of USD 737.1 million. This segment is driven by the increasing demand for customized and functional textiles in various industrial and commercial applications. Digital textile printing offers the flexibility and precision required to produce high-quality and customized textiles for a wide range of specialized applications.

By Consumer Segment

The women's segment is projected to hold the largest revenue share in the global digital textile printing market in CY 2024E, at 38.4%, equivalent to USD 2,177.4 million. This dominance can be attributed to factors such as the increasing trend of fast fashion, where women are major consumers, and the growing demand for personalized and customized clothing and accessories. Additionally, the rise of e-commerce platforms has made it easier for women to access a wider range of digitally printed fabrics and products.



Source: Primary Research, D&B Analysis

Kids represent the second-largest consumer segment, with a 33.2% market share and USD 1,882.5 million in revenue. This segment is primarily driven by the demand for colourful and playful designs on children's clothing and accessories. Additionally, the increasing awareness of sustainability and eco-friendly practices in the textile industry is also driving the growth of this segment, as digital textile printing is often considered a more sustainable alternative to traditional textile printing methods.

Men follow closely, accounting for 28.4% of the market share and USD 1,610.3 million in revenue. This segment is driven by the increasing popularity of athleisure wear and sportswear, which often feature digitally printed designs. Moreover, the growing interest in men's fashion and the desire for unique and personalized clothing items are contributing to the growth of this segment.

The Indian Textile and Printing Market

Overview of Indian Textile and Printing Landscape in terms of Revenue in CY 2023	
Indian Textile Industry	USD 165 Billion
Indian Textile Printing Market	USD 54.3 Billion
Indian Digital Printing Market	USD 602.8 Million

Source: Primary Research, D&B Analysis

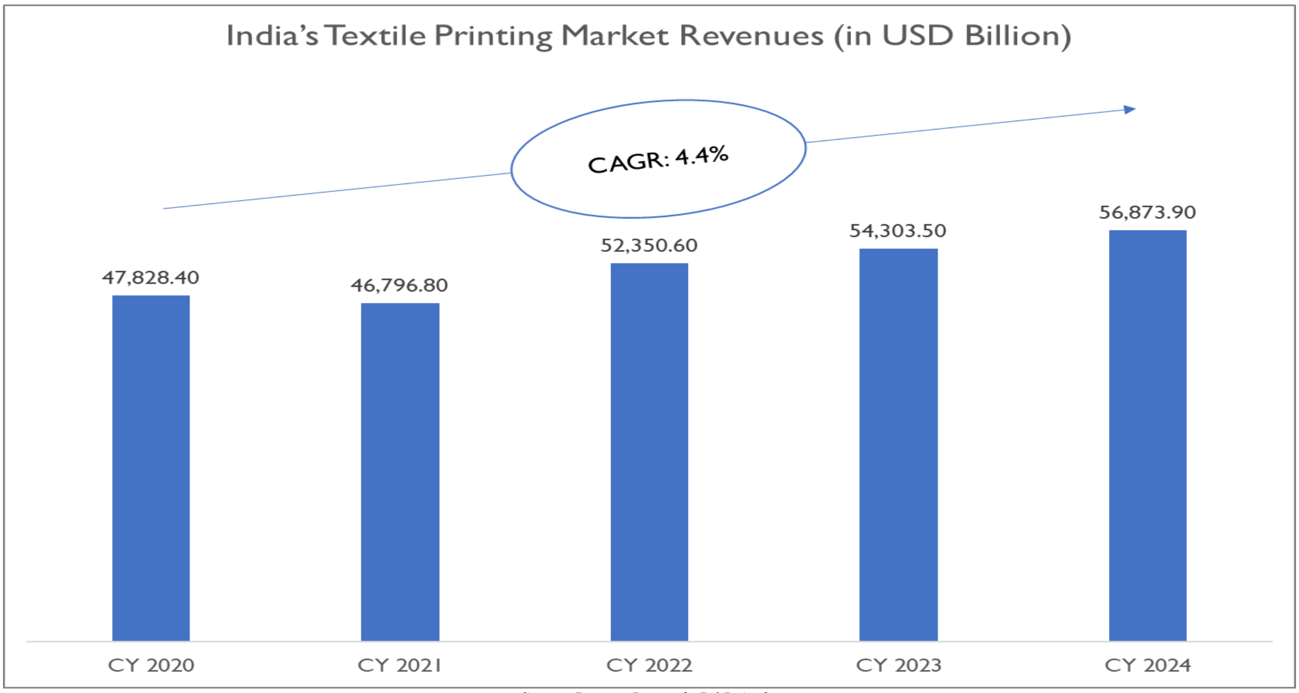
The Indian textile industry serves as a vital pillar of the nation's economy, generating a substantial USD 165 billion in revenue in CY 2023. This vast sector encompasses a diverse range of sub-industries, from the cultivation of raw materials like cotton to the manufacturing of finished apparel and home textiles. The industry plays a crucial role in providing employment opportunities, particularly in rural areas, and contributes significantly to India's exports.

Within this expansive industry, textile printing holds a significant share, contributing USD 54.3 billion to the overall revenue in CY 2023. Textile printing involves the application of designs and colours onto fabrics, adding aesthetic value and enhancing their marketability. Traditional methods like screen printing and rotary printing have long been prevalent, but in recent years, digital printing has emerged as a transformative technology.

The Indian digital printing market, while still a relatively nascent segment, is experiencing rapid growth. In CY 2023, it generated USD 602.8 million in revenue, showcasing its immense potential. Digital printing offers several advantages over conventional methods, including greater design flexibility, faster turnaround times, and reduced environmental impact. As technology continues to advance and costs decrease, digital printing is poised to become increasingly prevalent across various textile applications, from apparel and home furnishings to industrial textiles.

Current Market Scenario

The Indian textile printing market is a significant contributor to the country's economy, with revenues steadily increasing from USD 47.8 billion in 2020 to USD 56.9 billion in 2024, exhibiting a CAGR of 4.4%. Within this expansive market, digital textile printing, while still a relatively small segment, is gradually gaining traction.



Source: Primary Research, D&B Analysis

From CY 2020 to CY 2023, the revenue share of digital textile printing in India hovered around 1%, indicating a modest penetration rate. This can be attributed to factors such as the higher initial investment costs associated with digital printing equipment and the ongoing preference for traditional printing methods like rotary screen printing and roller printing, which are often perceived as more cost-effective for large-scale production runs.

Penetration of Digital Textile Printing in Overall Indian Textile Printing					
Year	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024E
India Textile Printing Market, Revenues (USD Million)	47,828.4	49,796.8	52,350.6	54,303.5	56,873.9
India Digital Textile Printing Market Contribution (%Share)	1.04%	1.06%	1.08%	1.11%	1.14%

Source: Primary Research, D&B Analysis

However, digital textile printing offers several compelling advantages that are driving its gradual adoption in the Indian market. Firstly, it provides unparalleled design flexibility, enabling the creation of intricate and personalized patterns with exceptional colour accuracy and vibrant colour gradients. This is particularly appealing to fashion brands and designers seeking to differentiate themselves with unique and on-trend designs. Secondly, digital printing eliminates the need for costly screens and preparation processes, reducing production time and minimizing waste. This translates to faster turnaround times and improved efficiency for businesses.

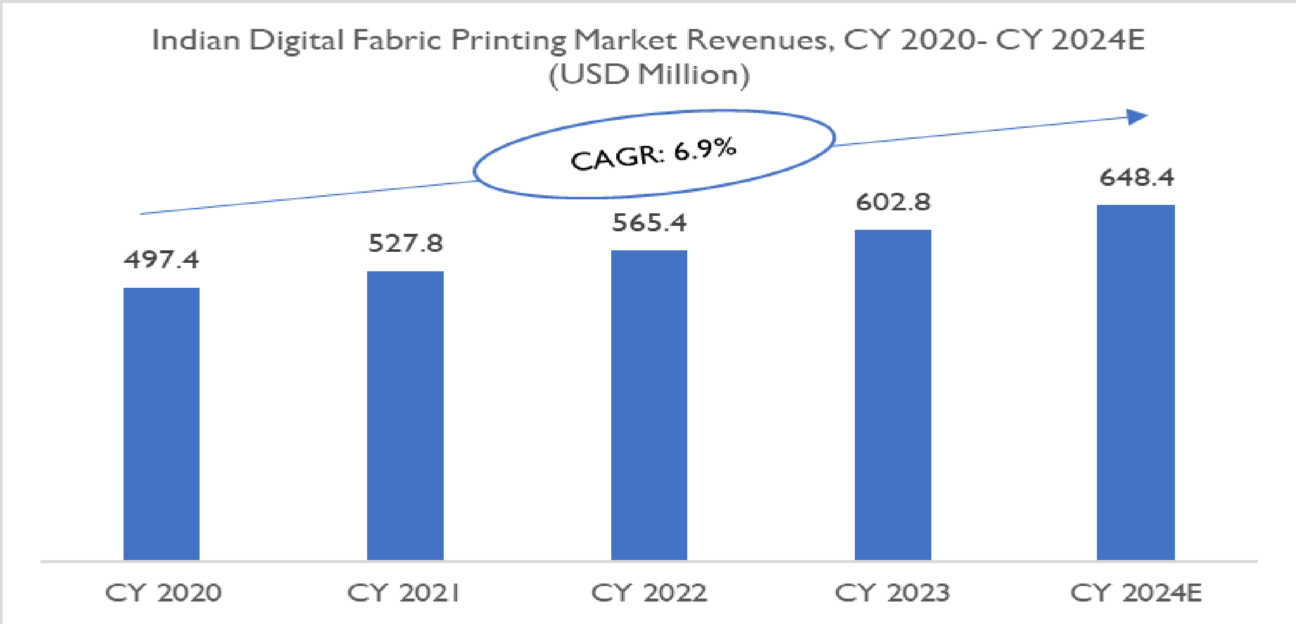
Furthermore, digital printing is well-suited for short production runs and on-demand printing, making it ideal for catering to the growing demand for customized and personalized products. This agility is crucial in today's fast-paced fashion industry, where trends evolve rapidly and consumer preferences are constantly shifting. As the Indian textile industry increasingly focuses on niche markets, catering to specific consumer demands, and embracing shorter production cycles, the demand for digital printing is expected to rise significantly.

In conclusion, while the penetration of digital textile printing in India is currently modest, its inherent advantages in terms of design flexibility, efficiency, and sustainability are poised to drive its adoption in the coming years. As technology continues to advance and costs associated with digital printing equipment become more competitive, we can expect to witness a significant shift towards digital printing within the Indian textile industry.

Indian Digital Textile Printing Market

Current Market Scenario

The Indian digital textile printing market has been steadily growing, with revenues projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85%, demonstrating a consistent upward trajectory. This growth can be attributed to several factors, including increasing demand for personalized and customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Additionally, the rising popularity of fast fashion and e-commerce platforms has further fueled the demand for digitally printed fabrics in India.



Source: Primary Research, D&B Analysis

Indian textile industry is a strong, well-established sector, with multiple clusters operating across the country contributing to the supply chain effectively for many centuries. In this well-established sector, launch of digital textile printing has opened roads for many new possibilities to suit the demands and expectations of new-age apparel designers along with the preference of the present generation. The rise of fast fashion in India has created a demand for quick and flexible production processes, which digital textile printing can meet. Similarly, digital textile printing technology allows manufacturers to produce customized and on-demand textile products.

India currently hosts over 1,000[9] digital textile printing services as of CY 2023, while this is increasing significantly year-on-year. The usage of dye-sublimation technology in digital textile printing on polyester fabrics is a game changer, as it offers high printing speeds ranging from 15,000 to 20,000 square metres/day. Being a recent technology, digital textile printing has a contribution less than the traditional rotary printing technology, while it is expected to compete with rotary printing process by 2030.

Insights on Spread of Digital Textile Printing in India

The digital textile printing market in India is witnessing a transformative shift, characterized by rapid adoption and significant growth. This evolution is driven by various qualitative factors that reflect changing consumer behaviors, technological advancements, and industry dynamics.

[9] Textile Insights of India, Dec 2023

Customer Demand for Customization

One of the most prominent drivers of digital textile printing in India is the rising consumer demand for personalized and unique products. As urbanization increases and the younger population becomes more fashion-conscious, there is a growing trend towards customized textiles that reflect individual preferences. Digital textile printing technology allows for on-demand production, enabling brands to offer tailored solutions that traditional methods cannot efficiently provide. This shift is particularly evident in the fashion industry, where fast fashion trends necessitate quick turnaround times and the ability to adapt to rapidly changing styles.

Technological Advancement

The integration of advanced technologies in digital textile printing has significantly enhanced its capabilities. Innovations in printing equipment, inks, and software have improved print quality, speed, and efficiency. For instance, digital textile printing excels at producing intricate designs with vibrant colours, which appeals to both manufacturers and consumers together. Additionally, advancements like 3D printing are beginning to emerge, offering even more creative possibilities for fabric design.

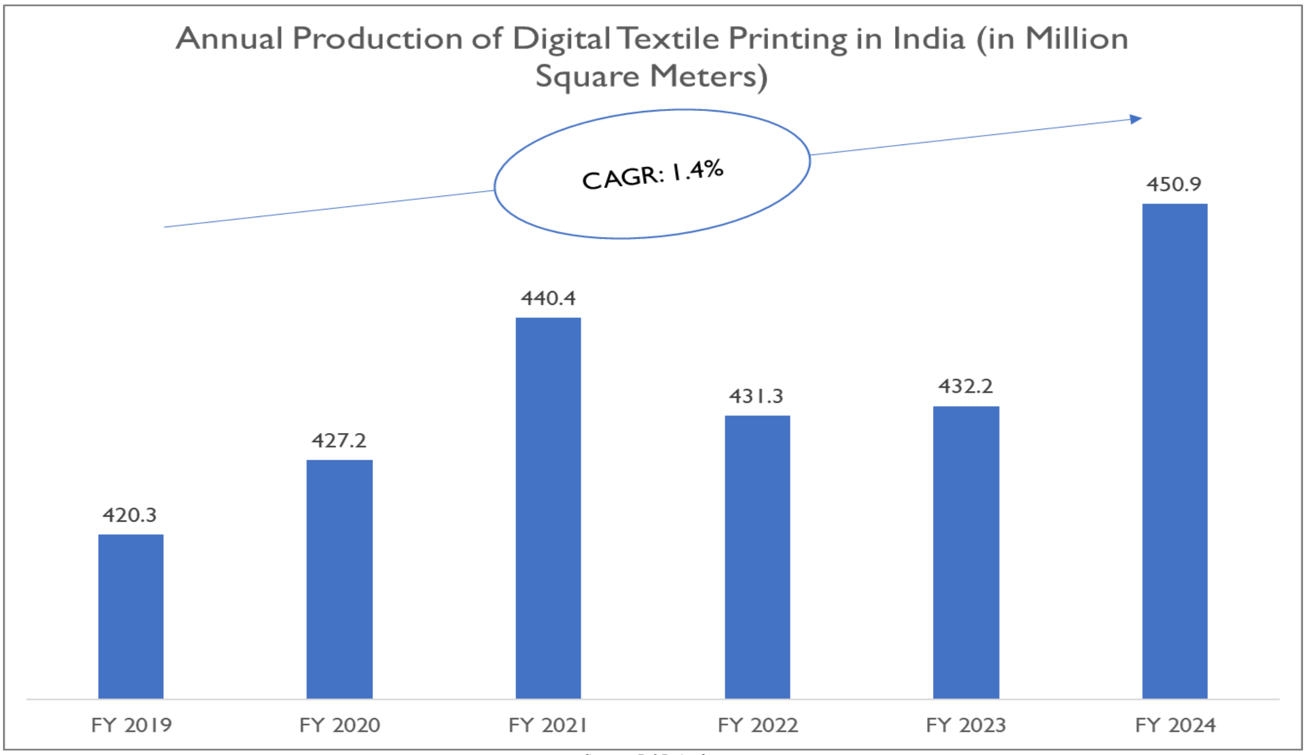
E-Commerce and Market Accessibility

The rise of e-commerce has also played a crucial role in the spread of digital textile printing. Online platforms facilitate easy access to customized textile products, allowing consumers to order personalized items from the comfort of their homes. This trend not only expands market reach but also encourages manufacturers to adopt digital textile printing technologies that support shorter production runs and reduced inventory costs. The seamless integration of digital textile printing with e-commerce has propelled its adoption across various sectors, including fashion and home décor.

The spread of digital textile printing in India is driven by a confluence of factors including consumer demand for customization, technological advancements, sustainability considerations, and the rise of e-commerce. As these trends continue to evolve, digital textile printing is expected to play an increasingly pivotal role in shaping the future of the Indian textile industry.

Annual Production of Digital Printed Fabric in India

Digital textile printing in India is in prevalence for almost two decades and relatively a new entrant technology in a market that is existing for many centuries. So, many conventional traditional participants are in a wait and watch mode to analyze the potential of this technology before investing on this capital-intensive process. However, there are participants who have adopted to this technology and are thriving well, which indicates a growth potential for this technology in long-term.



Source: D&B Analysis

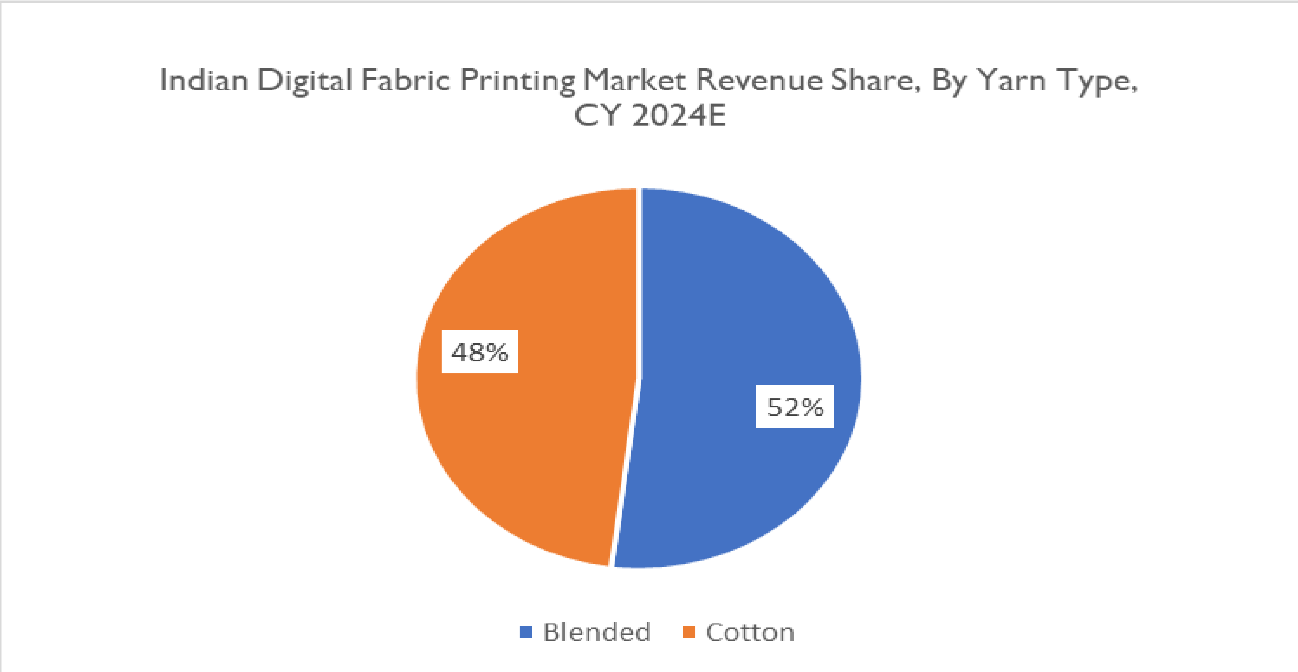
Demand Pattern in Analysis

Digital textile printing was witnessing steady growth in India, since early 2010, where in 2012, the production volume was around 380 million square metres. From then, the market witnessed steady growth and was at 420.3 million square metres in FY 2019 (which is between April 2018 and March 2019). Similarly, following this trend, the year FY 2020 also witnessed steady, consistent growth pattern, producing 427.2 million square metres of digitally printed fabric between April 2019 and March 2020. The year FY 2021 witnessed its highest growth rate, till the pandemic hit the industry badly with lockdowns, and the strong production in FY 2021, led to fabric getting stocked up in the warehouse. The slump caused by the pandemic, led to low production in FY 2022, where the focus was to clear the stocks and start the production, and so FY 2022 had a declining production, which regained in FY 2023. The year FY 2023 witnessed a rebound after the pandemic, where textile industry faced major slowdown. This was year of a bounce back from a declining production, caused due to lockdown that led to fabric materials getting stored up in the warehouse, as the entire supply chain got halted due to lockdown. This backlog was cleared and the industry started to accelerate from FY 2023, and so the year FY 2023 witnessed growth of the digital textile printing production.

Market Segmentation

By Yarn Type

The Indian digital textile printing market is projected to be valued at USD 648.4 million in CY 2024E, with blended fabrics leading the market share at 52% and USD 337.2 million in revenue. This dominance can be attributed to the versatility of blended fabrics, which often combine natural fibres like cotton with synthetic fibres like polyester. These blends offer enhanced durability, wrinkle resistance, and performance properties, making them suitable for a wide range of applications, from sportswear and performance wear to technical textiles.



Source: Primary Research, D&B Analysis

Cotton, while slightly behind, still holds a significant market share at 48% and USD 311.2 million in revenue. This dominance can be attributed to the widespread use of cotton in Indian textiles, its natural breathability and comfort, and its suitability for a wide range of applications, from casual wear to home furnishings.

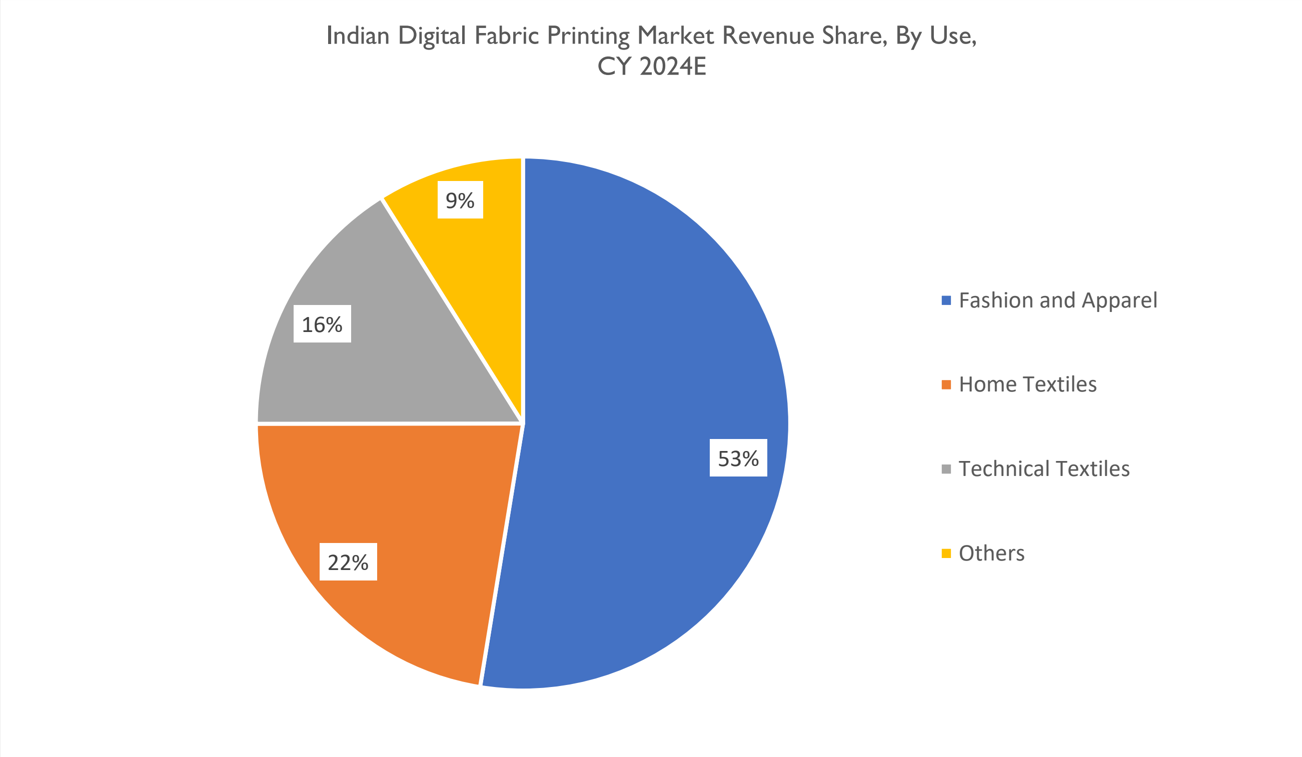
This trend is limited to India, as at the global market, cotton dominates than blended fabric for digital printing. Although the contribution of blended textiles is on the raise from CY 2020, in CY 2024, cotton has higher share of revenue at USD 3,232.01 Million, witnessing a CAGR of 8.1%.

Yarn in India is largely of blended type, which is preferred for digital textile printing, and so the demand for blended textile has increased from USD 154.0 Million in CY 2020 to USD 193.8 Million in CY 2024, witnessing a CAGR of 5.9%.

By Use

The global digital textile printing market is estimated at USD 5,670.2 million in CY 2024E, with fashion and apparel dominating the market share at 47% and USD 2,665.0 million in revenue. This dominance can be attributed to the increasing demand for personalized and customized clothing, the rise of fast fashion, and the growing popularity of e-commerce platforms.

The Indian digital textile printing market also follows similar pattern with market size estimated at USD 648.4 million in CY 2024E, with fashion and apparel dominating the market share at 53% and USD 343.65 million in revenue. This dominance can be attributed to the increasing demand for personalized and customized clothing, the rise of fast fashion, and the growing popularity of e-commerce platforms.



Source: Primary Research, D&B Analysis

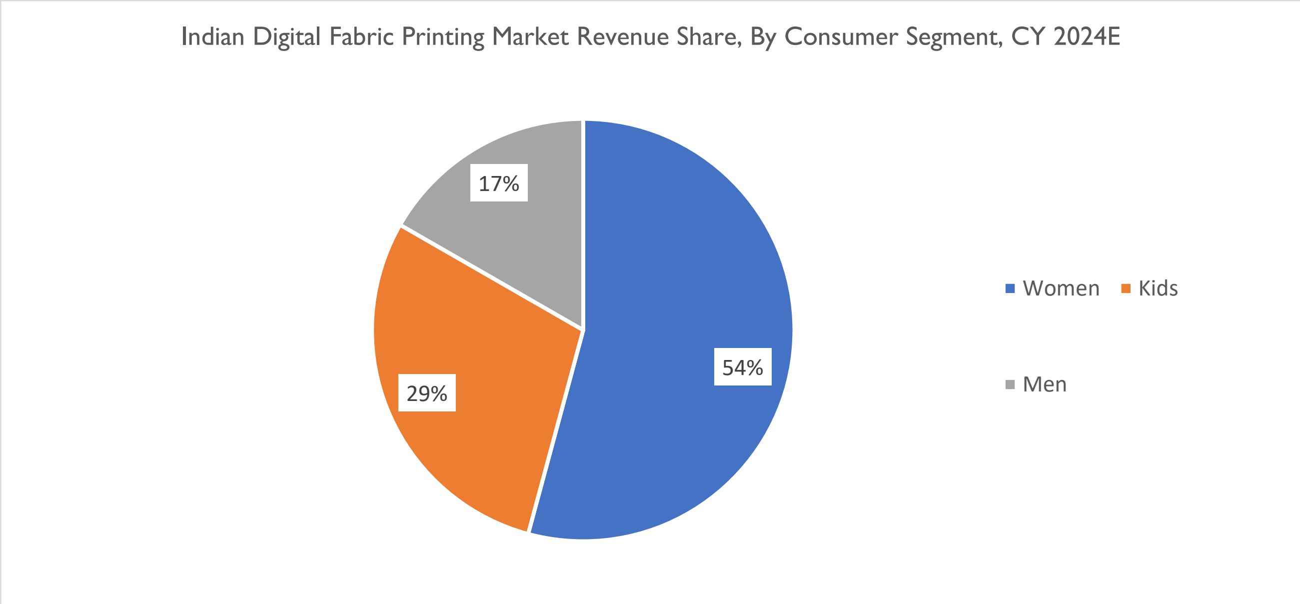
Home textiles follow closely, accounting for 22% of the market share and USD 142.65 million in revenue. This segment is driven by the increasing demand for unique and personalized home décor items, such as curtains, upholstery, and bed linens. Technical textiles represent the third-largest segment, with a 16% market share and USD 103.74 million in revenue. This segment is driven by the growing demand for high-performance fabrics in various industries, such as automotive, healthcare, and sports.

Others, which include segments such as signage and banners, account for the remaining 9% of the market share and USD 58.36 million in revenue. This segment is driven by the increasing demand for digitally printed materials for various commercial and industrial applications.

By Consumer Segment

The global digital textile printing market is expected to be valued at USD 5,670.2 million in CY 2024E, with women's apparel dominating the market with a 38.4% market share and USD 2,177.4 million in revenue.

The Indian digital fabric printing market is expected to be valued at USD 648.4 million in CY 2024E, with women's apparel dominating the market with a 54% market share, thus contributing to a revenue of USD 350.14 million in CY 2024E. This dominance can be attributed to the strong presence of the women's wear segment in the Indian fashion industry, coupled with the growing demand for trendy, personalized, and customized clothing among Indian women.



Source: Primary Research, D&B Analysis

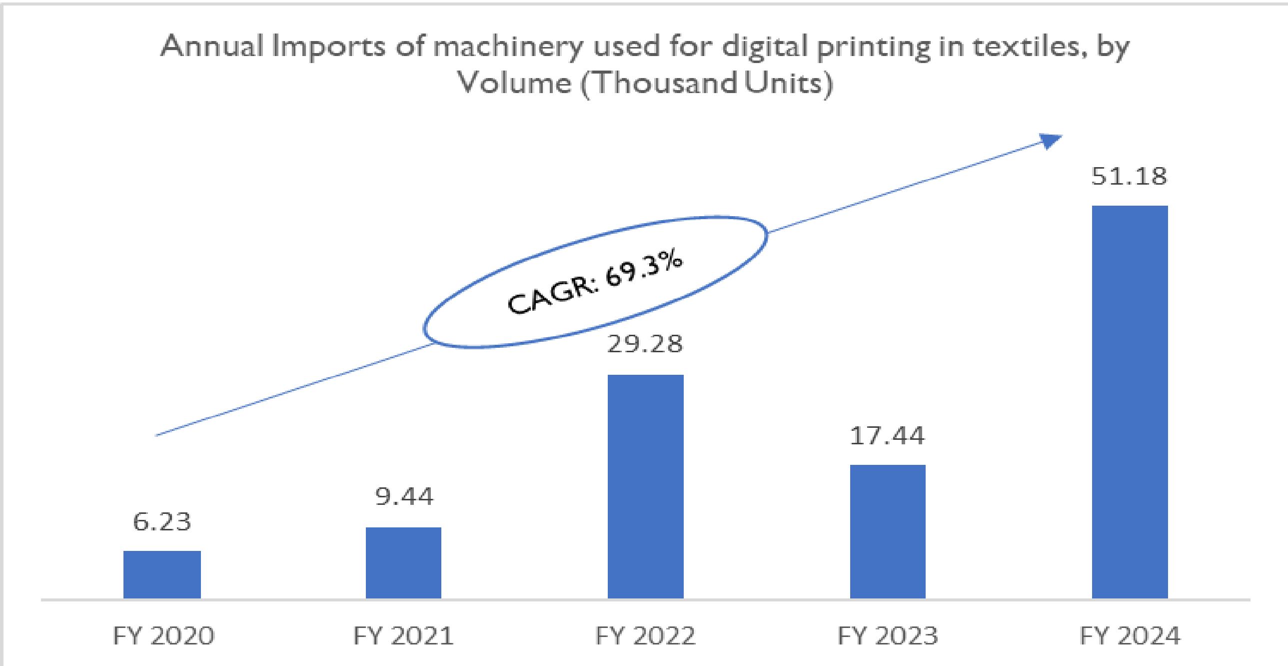
Kidswear follows closely, accounting for 29% of the market share and USD 188.04 million in revenue. This segment is driven by the increasing disposable incomes of Indian households, leading to higher spending on children's clothing and accessories. Additionally, the growing awareness of fashion trends among children and the preference for unique and personalized clothing items are contributing to the growth of this segment.

Men's apparel represents the smallest consumer segment, with a 17% market share and USD 110.23 million in revenue. This segment is gradually gaining traction, driven by the increasing interest in men's fashion and the growing demand for stylish and personalized clothing options among Indian men.

Kid's apparel had the highest CAGR of 8.4% between CY 2020 and CY 2024E, followed by women's segment with 8.2% CAGR followed by men's segment at a nominal growth of 5.0% CAGR between the same period.

Historical Growth Trend of Digitally Printed Fabric

Import volumes of printing machinery used for digital printing in textiles in India from FY 2020 to FY 2024 reveal a compelling trend of significant growth, indicative of a burgeoning demand for digitally printed textiles within the Indian market.



Source: Ministry of Commerce & Industry, Department of commerce

In FY 2020, imports stood at 6,230 units. A notable surge occurred in FY 2021, with imports increasing to 9,440 units, signalling an early adoption of digital textile printing technology. However, the most dramatic leap took place in FY 2022, witnessing a substantial jump to 29,280 units. This substantial increase underscores a growing recognition of digital textile printing's advantages among Indian textile manufacturers.

While FY 2023 saw a slight dip to 17,440 units, the overall trajectory remained upward. A remarkable resurgence is evident in FY 2024, with imports skyrocketing to 51,180 units. This substantial increase at a CAGR of 69.3% from 6,230 units in FY 2020 to 51,180 units in FY 2024 reinforces the notion that digital textile printing is rapidly gaining traction within the Indian textile industry.

The consistent growth in imports of printing machinery over the past four years strongly suggests a burgeoning demand for digitally printed textiles in India. This trend can be attributed to several factors, including the increasing popularity of digital textile printing due to its versatility, efficiency, and ability to cater to customized designs. As more and more textile manufacturers embrace this technology, the demand for digital textile printing machinery is likely to continue its upward trajectory, solidifying the position of digital textile printing as a key driver of growth within the Indian textile industry.

Impact on Raw Material Cost in the Growth of Digital Textile Printing Market

Raw material costs significantly influence the pricing of digital textile printing, affecting various aspects of production and overall market dynamics.

Fabric Type and Quality

The choice of fabric is a primary determinant of the overall cost in digital textile printing. Natural fibres, such as cotton and silk, generally incur higher costs compared to synthetic materials like polyester. This is due to the additional pre-treatment processes required for natural fabrics to ensure optimal print quality. The base fabric cost depends on the material's quality and type, which directly impacts the final pricing for customer.

Ink and Chemical Expenses

Inks used in digital printing are specialized and can be quite costly. Eco-friendly inks, while beneficial for sustainability, can be up to 30% more expensive than standard inks. These ink costs contribute significantly to the overall pricing structure of printed textiles.

Production Efficiency

Digital textile printing is known for its flexibility and ability to produce complex designs without substantial setup costs, unlike traditional methods such as screen printing. However, the efficiency of production can be affected by raw material costs; if fabric or ink prices rise, manufacturers may need to adjust their pricing models to maintain profitability. For instance, while digital printing allows for smaller runs without high setup fees, increased raw material costs can lead to higher per-unit prices for smaller orders.

Market Dynamics and Supply Chain

The volatility in raw material prices can create challenges in pricing strategies for digital textile printers. As demand for specific fabrics and inks fluctuates, suppliers may increase prices, impacting manufacturers' cost structures. This can lead to adjustments in retail pricing as companies strive to balance competitiveness with profitability. Additionally, the shift towards sustainable materials may further influence raw material costs, as eco-friendly options often come at a premium.

Overall Cost Structure

Understanding the total cost of ownership is essential for businesses engaging in digital textile printing. This includes not only raw material costs but also equipment maintenance and labour expenses. With labour costs varying based on skill levels and location, manufacturers must consider these factors when determining pricing strategies.

In summary, raw material costs are a critical factor influencing the pricing of digital textile printing. The type and quality of fabrics, the cost of specialized inks, production efficiencies, and market dynamics all play significant roles in shaping how prices are set in this sector. As the digital textile printing market continues to evolve, manufacturers must navigate these complexities to maintain competitive pricing while ensuring profitability.

Digital Textile Printing Becoming Cost-Effective

Digital textile printing is in use for the past three decades since early 1990, however, with the technological improvement to the information technology, digital textile printing market has witnessed rapid transformation paving way for customized fabrics, with faster production cycle, easier printing process, thus reducing the overall operating cost.

Digital textile printing gives a free hand to designers without worrying about the colour variants, sharp and minute edge details, along with the advantage of faster turnaround cycles facilitating mass production, mass customization, leading to low overall cost due to high volumes. Additionally, it has also speeded up the production cycle as much sampling is not needed, thereby reducing the cost and simplifying the process.

Digital textile printing is a new possibility in the textile printing space, as it enables designers to create beautiful multicoloured artistic designs which are not possible to weave or knit on a fabric. Although, this could be done through rotary printing as well, digital textile printing is a lot easier, faster and can be done with less manpower. Thus, the cost of printing keeps reducing as the volumes increase.

Although the machines and inks used for digital textile printing are expensive compared with traditional textile printing technologies, the overall cost of printing is based on factors such as:

- **Digital Textile Printer Machine Innovations**
    - Launch of new machines offering faster and sustainable way to print on the textile, addressing the major issues of supply chain challenge.
    - Innovations supporting single-step direct-to-fabric printing without printing glitches on fashion markets and home décor designs, eliminating the need for pre and post treatment of fabric, thus reducing operating cost of the printing process.
    - Innovations towards high-speed printing, which enable the company to deliver high-volume printed fabric with high-quality printed textiles.
    - Digital textile printing machines have evolved to an extent that the machine can print directly on the garment, while larger print can be printed directly to the fabric.
    - Innovations to the machinery and inks have reached a stage where, machines are capable of printing directly on the t- shirts in just 27 seconds, with a high precision printhead.
    - Such innovations are making digital textile printing affordable and scaling up to volumes, allowing even startups to venture into the market offering cost-effective solutions.

- **Machine Cost**

As of August 2023, the price of digital textile printing machines in India vary widely based on several factors, including the brand, specifications, and features of the machine. Generally, the price range can be as follows:

- **Entry-level machines**: Approximately INR 5 lakhs to INR 15 lakhs.
- **Mid-range machines**: Around INR 15 lakhs to INR 50 lakhs.
- **High-end industrial machines**: These can cost anywhere from INR 50 lakhs to several crores, depending on the capabilities and technology used.

The usage of digital or sublimation printing unit requires just 2,000 to 2,500 sq.ft of built-up area, which is a fraction of the space needed for conventional printing units. Additionally, lower upfront investments in machinery, enables smaller players to enter the digital textile space with ease. So, depending on the scale of operations, startups can start with the entry level machines, while depending on the volumes it can scale up to high-end machines. Thus, eliminating the barrier of entry for startup companies.

With increasing technological innovations, more and more companies are venturing into digital textile printing space, posing stiff competition to the traditional rotary printing companies, and bringing down the overall cost of printing, leading to wider adoption of digital textile printing to meet the demand from customization and fast fashion. Due to this trend, the price gap of final textile product is reducing leading to the affordable, customizable, and cost-effective trending apparels and home fabrics that appeal to the taste and aesthetic sense of the masses.

Online Sales of Digital Textile Printing Apparel Through E-Commerce

India's e-commerce market is witnessing a remarkable growth through smartphone and internet penetration. As of June 2023, internet connections in India reached 895 million driven by 'Digital India' program, while the smartphone base is likely to reach 1.1 billion by 2025. This level of growth and penetration is supported by Government policies to enable the country reach USD 1 Trillion by 2030.

Rapid rise in internet and smartphone penetration is promoting India's e-commerce sector, which has opened various segments of channels such as:

- Business-to-Business (B2B).
- Direct-to-Consumer (D2C).
- Consumer-to-Consumer (C2C).
- Consumer-to-Business (C2B).

Among these segments, D2C and B2B have witnessed remarkable growth in the fast fashion and apparel category, where consumers can directly order customized apparels from the manufacturer. India's D2C market is likely to generate USD 60 billion by FY 2027, where the overall e-commerce market is likely to reach USD 325 billion by FY 2030.

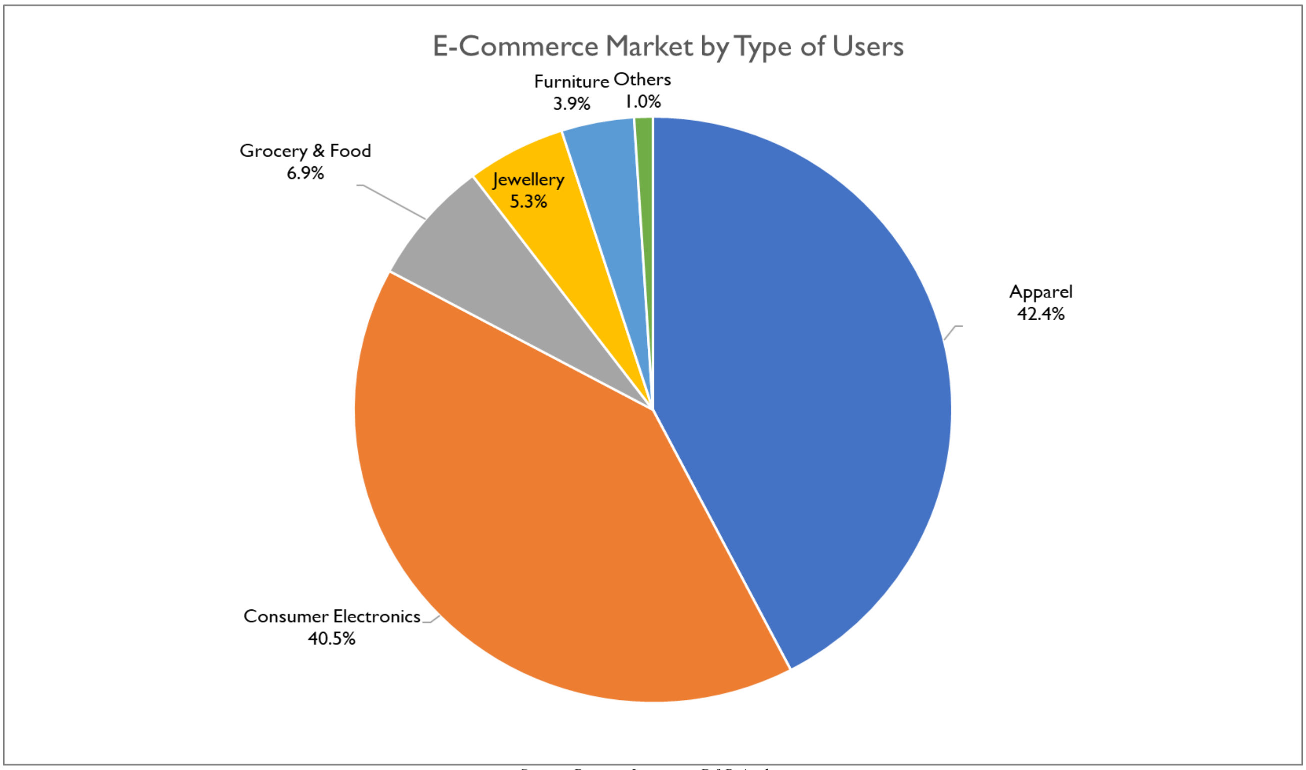
Surge of e-commerce drives demand for digital textile printing, since online retail creates the space for customized fabrics and apparels. With increasing consumption in online retail, the need for fast, reliable and personalized fabric printing grows. Expansion of e-commerce through social media and influencers have a far wide reach among the rural and urban population. In the first half of 2024, 246 active D2C startups have emerged offering customization. 60% of India's population under 25 prefer customization and is willing to pay a price premium of almost 20% more for personalised products. Some of the apparel brands opting for online customization include:

- **WYO – Wear Your Opinion**

Offers wide range of customizable clothing such as T-shirts, and hoodies for men, women and children through online platform that allows users to create their own designs reflecting their personal style and customization.

- **Sky Street Fashion**

Sky street fashion manufactures and exports customized apparel for brands, private labels, and events offering complete customization from yarn selection to packaging through their online platform.



Source: Primary Interview; D&B Analysis

Apparels are the most widely procured product through e-commerce online platform and this trend is likely to continue in future as well. Increasing preference for customization and the reach of fast fashion to rural and urban areas through e-commerce platform is augmenting sales of digital textile printing garments to a wide customer base. The growth of e-commerce, social media influence and technological advancements are driving demand for customized products in India, reshaping the digital textile printing market and offering business opportunities for innovation and growth.

Key Demand Drivers

Access to large urban population, young demography of India, availability of raw materials, existence of total value chain, Government support and technology up-gradation are major factors that contribute to the growth of overall textile sector including the textile printing sector.

Access to Large Base of Urban Population: India is undergoing rapid demographic changes for over three decades. With a population of 1.44 billion, India has become the most populous country in the world. An emerging middle class with higher discretionary spending power and increased appetite for consumer goods is fueling the overall textile industry in the domestic market. Growth in domestic textile market has a high degree of correlation with the rise of affluent middle class centered in urban markets. With increasing population, the trend of urbanization is also increasing. More and more people are migrating to cities every year, thus increasing urban population along with increasing disposable income. India's capital New Delhi is identified as the world's fastest growing city, surpassing Tokyo, and Shanghai. Urban population increased from 278 million to 373 million during the past decade (2001-11) and the proportion of urban population to total population increased from ~27.8% to ~31%. In the last decade, urbanization in India has increased at an average annual rate of about 2.4%. By 2030, the share of urban population is estimated to grow to about 41.7% of the population of India i.e., 625 Million where 5 state in India namely Tamil Nadu, Gujarat, Maharashtra, Karnataka, and Punjab will have more than 50% urbanization. Also, the number of metropolitan cities in India is projected to increase from 46 in 2011 to 68 by 2030. Similarly, urbanization of India is only at 33%[10], which is an indicator that there is still a lot of rural divide in the country, which has the potential to become urban as tier II and tier III cities in the long term. Increasing urbanization indirectly increases disposable income and access to fashionable clothing. This trend coupled with high presence of young working population, will drive demand for digitally printed fabric during the forecast period.

Favourable Demographics: Nearly 61% of India's population was in the working age group of 16-59 years in 2011 which is expected to rise to 65.1 percent in 2036 with the total population growing from 121.1 crores to 151.8 crores during the period 2011-2036. The population in this age group is more aspirational and aware. Rising working age population coupled with growing literacy rate in the country is leading to newer and better-quality jobs and higher remuneration, which in turn is leading to higher spending. India is likely to have 55% of its population in the middle-income group (which could be the largest in the world in terms of number of people) by 2025.

Higher demand from Rural Areas: Traditionally, demand for textile products was lower in rural areas because of lower disposable income of rural consumers compared to their urban peers. However, the difference in disposable income has been improving in favour of rural consumers due to higher employment by means of government sponsored job outreach programs like MGNREGA. Consequently, rural consumer base has increased. Rural income growth has been supporting the growth of unbranded textile products.

Growth in Fashion Industry: Fashion industry is evolving with increasing demand for fast fashion products witnessing a surge in India. This is driven by changing consumer preferences, increasing disposable incomes, and the influence of social media. This growth trend is reshaping the retail landscape and creating significant opportunities for both established and emerging brands.

The primary drivers of this demand for fast fashion are Millennials and Gen Z (Generation Z) consumers, who are increasingly seeking affordable yet trendy clothing options. Fast fashion brands cater to this demographic by offering a constant stream of new styles that align with current trends. Reports indicate that these consumers are not only purchasing more frequently but are also experimenting with diverse styles, influenced heavily by social media platforms like Instagram. The ability of fast fashion brands to quickly identify and capitalize on viral trends has become a crucial factor in their success.

Rapid Changes in Fashion Trends: With better integration of developing economies, including India with developed ones, the flow of ideas and trends between the two is frequent. This scenario led to faster acceptance of global fashion trends among Indian consumers. Consequently, higher adoption of global fashion trend meant higher consumption of readymade garments as fast-moving fashion cycles speed up faster cloth replacement. Moreover, in today's time consumers have evolved as more demanding with specific choices relating to style, design, and colour combinations while the rising

[10] U.N Population Fund "State of World Population" Report, 2023

preferences for personalized gifting both at retail and corporate level has observed sharp surge which has benefitted the rapid growth of DTG digital textile printing. Quick turn-around, cost advantage on short run cycles, creative designs, flexibility, high resolution prints and reduced wastage are few major factors that are driving the market for direct to garment digital textile printing.

The organized sector of fast fashion can be segmented into three main categories: ultra-value, mid-value, and premium brands. This is largely based on the product offering, pricing, fabric type, whether fabric design is based on digital print, rotary print and fabric type.

- **Ultra-Value Brands**

These brands focus on low-priced products and high-volume sales, enabling them to maintain profitability despite lower margins.

- **Mid-Value Brands**

Brands like H&M and Snitch are thriving in this space, attracting consumers with unique offerings and digital-first strategies.

- **Premium Brands**

Companies such as Zara leverage brand loyalty and quality to appeal to affluent consumers who are increasingly willing to invest in premium products.

The rise of e-commerce has further fuelled the demand for fast fashion. Online shopping provides accessibility to a wider range of consumers, including those in Tier II and III cities, where there has been significant growth in order volumes during festive seasons. Increased exposure to global fashion trends coupled with rising disposable incomes in these regions is driving demand for both established brands and new direct-to-consumer player.

Other Macro/Micro Factors Influencing Demand

Other factors influencing and driving demand for digitally printed fabric are listed as follows:

Macro Factors

- **Economic Growth:** India's textile and apparel industry is projected to grow significantly, with estimates suggesting a market value of USD 350[11] billion by 2030. This overall economic growth creates a favourable environment for digital textile printing technologies as manufacturers seek efficient production methods to meet rising demand.

- **Sustainability Considerations:** Growing awareness of environmental issues has led consumers to prefer sustainable practices in textile production. Digital textile printing is often seen as an eco-friendlier option due to its lower water and energy consumption compared to traditional methods, aligning with the increasing demand for sustainable fashion.

- **Government Initiatives:** The Indian government's support for the textile sector, including subsidies and incentives for adopting modern technologies, encourages the growth of digital textile printing. PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks across the country and Production Linked Incentive (PLI) scheme are two prominent government initiatives influencing digital textile printing market. This support helps manufacturers upgrade their capabilities and improve production efficiencies.

Micro Trends

- **Option of Customization:** There is a notable shift towards customization and personalization in consumer behavior, particularly among younger demographics who seek unique designs that reflect their individual tastes. Digital textile printing allows for on-demand production, catering to this demand effectively.

- **Reduction in Overstock and Warehousing:** Nowadays, textile service providers are moving away from longer runs to a short, varied, targeted production volume in order to meet client's specific product need in an efficient manner. Digital textile printing allows textile companies to get the printed clothing as needed rather than in bulk order, preventing such companies to spend less on inventory that may or may not sell. Thus, digital textile printing has resulted

[11] Ministry of Textiles, Government of India

in a new type of fabric supplier – On-Demand manufacturers. Such companies use a Purchase Activated Manufacturing business model, whereby production process commence only after an order is confirmed and paid for in advance. Digital textile printing is thus transforming the textile business with better workflow and shortened and improved inventory planning that prevents overstocking and reduces warehousing needs.

- **Technological Advancements**

For decades, digital textile printing application in fashion, décor, industrial, and graphics industry was largely confined to sampling and short-run printing. Today, advanced, and specialized Inkjet technology is available in the market that allows direct digital textile printing on textiles for bulk production that too on most of the fabrics. Thermal inkjet, continuous inkjet, piezoelectric inkjet, thermal transfer, electrostatic and electrophotography are some of the developments that has happened in inkjet technology which has revolutionized the digital textile printing industry. Moreover, advances in digital textile printing equipment such as printheads, ink dispersion techniques, ink supply systems and components and automated nozzle maintenance etc. has benefitted the growth of the digital textile printing industry. Improvement in pigment dispersion techniques and printheads has accompanied the development of pigment-based ink in digital textile printing. This along with advanced colour management software has helped the industry to produce complex designs in multiple colours. Today, backed by innovation, digital textile printing has evolved to provide novel printing solutions that include shimmering, shadow, reflection, blurring, layering, and superimposing. Innovations in digital textile printing technology has allowed textile industry to deliver environmentally sustainable output at high-speed and shortening the overall supply chain cycle which is likely to drive the digital textile printing technology.

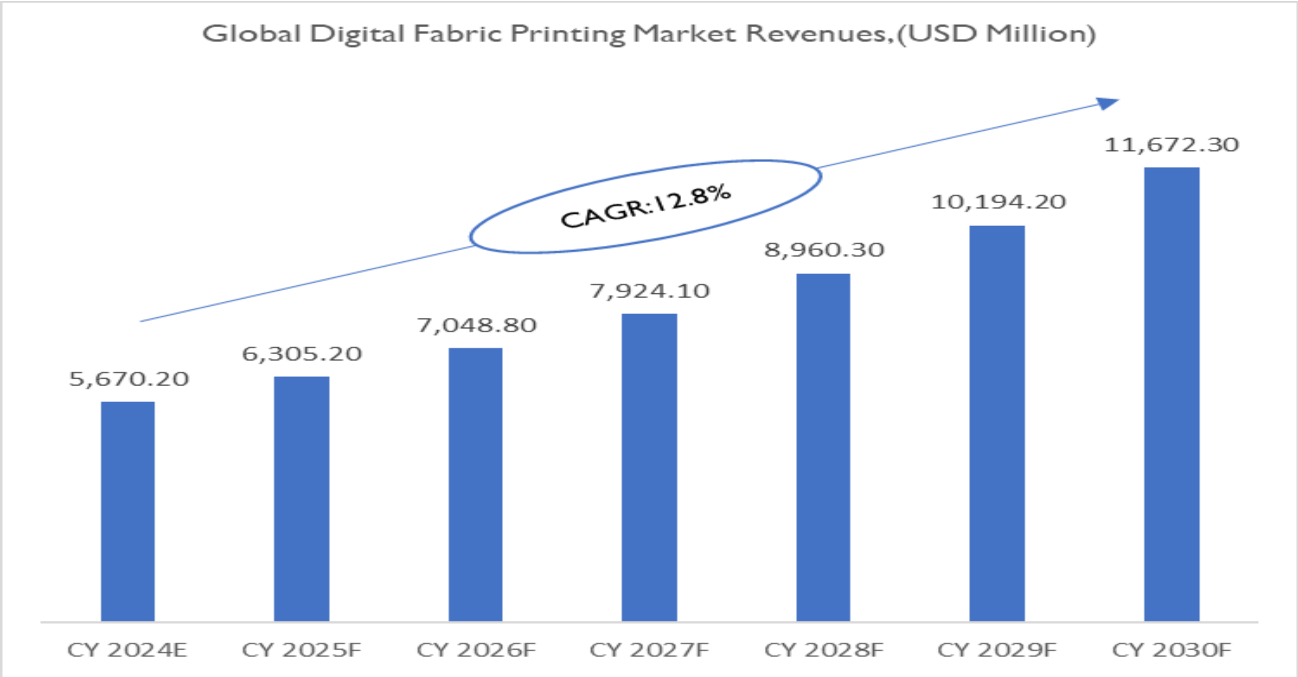
- **Market Structure**

A significant portion of the Indian textile market comprises of unorganized sector players and MSMEs (Micro, Small, and Medium Enterprises). Digital textile printing offers these smaller players an opportunity to enhance their production capabilities with lower setup costs and the ability to handle small order quantities efficiently.

Growth Forecast of Digital Textile Printing

Expected Growth in Global Digital Textile Printing Market

The global digital textile printing market is poised for a period of sustained growth, with revenues projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E. This robust growth trajectory is underpinned by several key factors. The increasing demand for personalized and customized products is a major catalyst. Consumers are increasingly seeking unique and distinctive designs, and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. This trend is particularly evident in the fashion industry, where consumers are eager to express their individuality through clothing and accessories.



Source: Primary Research, D&B Analysis

The global digital textile printing market is undergoing significant transformation, characterized by rapid growth and technological advancements. Asia Pacific region dominates the digital textile printing market, holding a significant share due to its established textile manufacturing hubs in countries like India and China. The region is expected to exhibit substantial growth as local governments promote the adoption of advanced printing technologies through subsidies and incentives. The U.S and European regions are also key markets, with increasing investments in sustainable technologies driving demand for digital textile printing solutions. The U.S. market is characterized by a diverse consumer base with a growing preference for customized products.

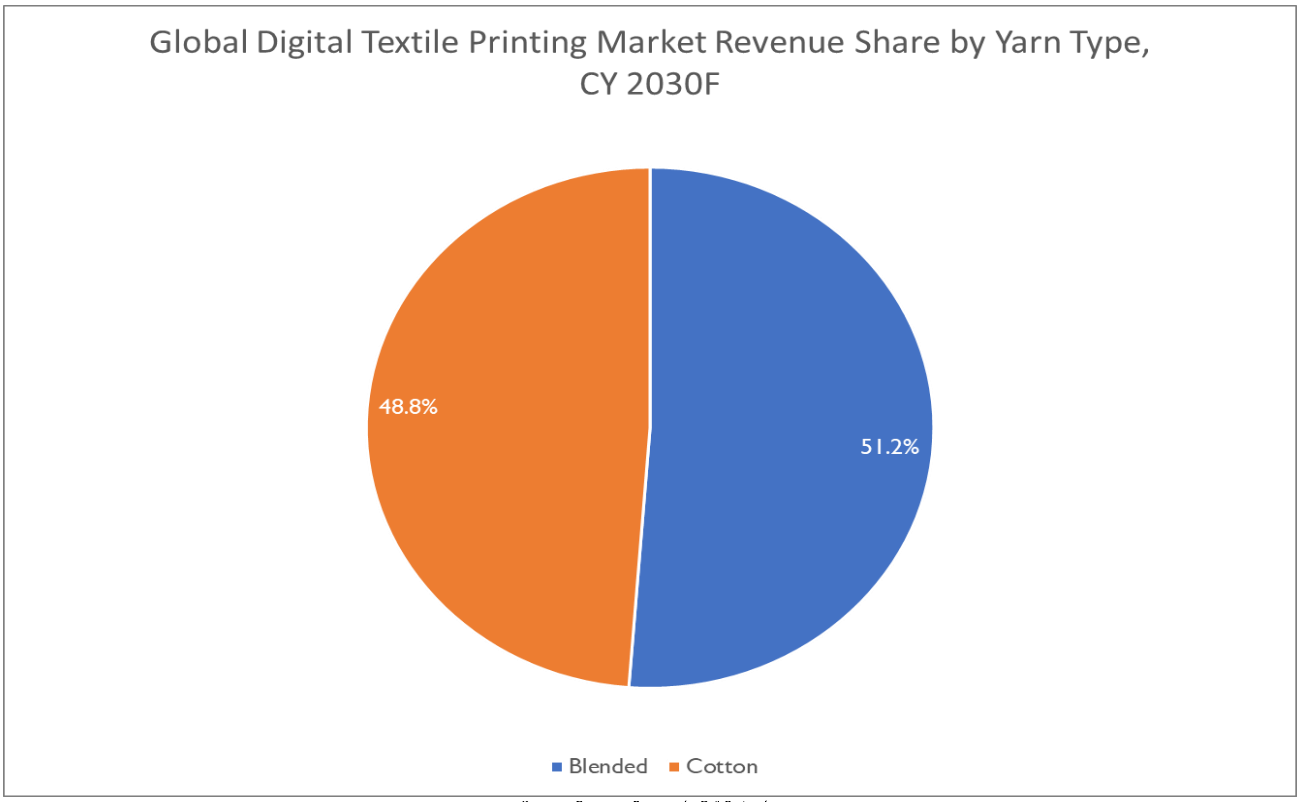
Despite its growth potential, the market faces challenges of high initial investment where the cost associated with advanced digital textile printing machinery can be prohibitive for small manufacturers and skill gap, where there is a shortage of skilled labour capable of operating sophisticated digital printers effectively.

Overall, the global digital textile printing market is poised for impressive growth driven by consumer demand for customization, sustainability initiatives, and technological advancements. As the industry continues to evolve, it presents numerous opportunities for manufacturers willing to innovate and adapt to changing market dynamics.

Global Future Market Segmentation

By Yarn Type

The global digital textile printing market is projected to be valued at USD 11,672.3 million in CY 2030F, with blended fabrics leading the market share at 51.2% and USD 5,976.2 million in revenue. This dominance can be attributed to the versatility of blended fabrics, which often combine natural fibres like cotton with synthetic fibres like polyester. These blends offer enhanced durability, wrinkle resistance, and performance properties, making them suitable for a wide range of applications, from sportswear and performance wear to technical textiles.



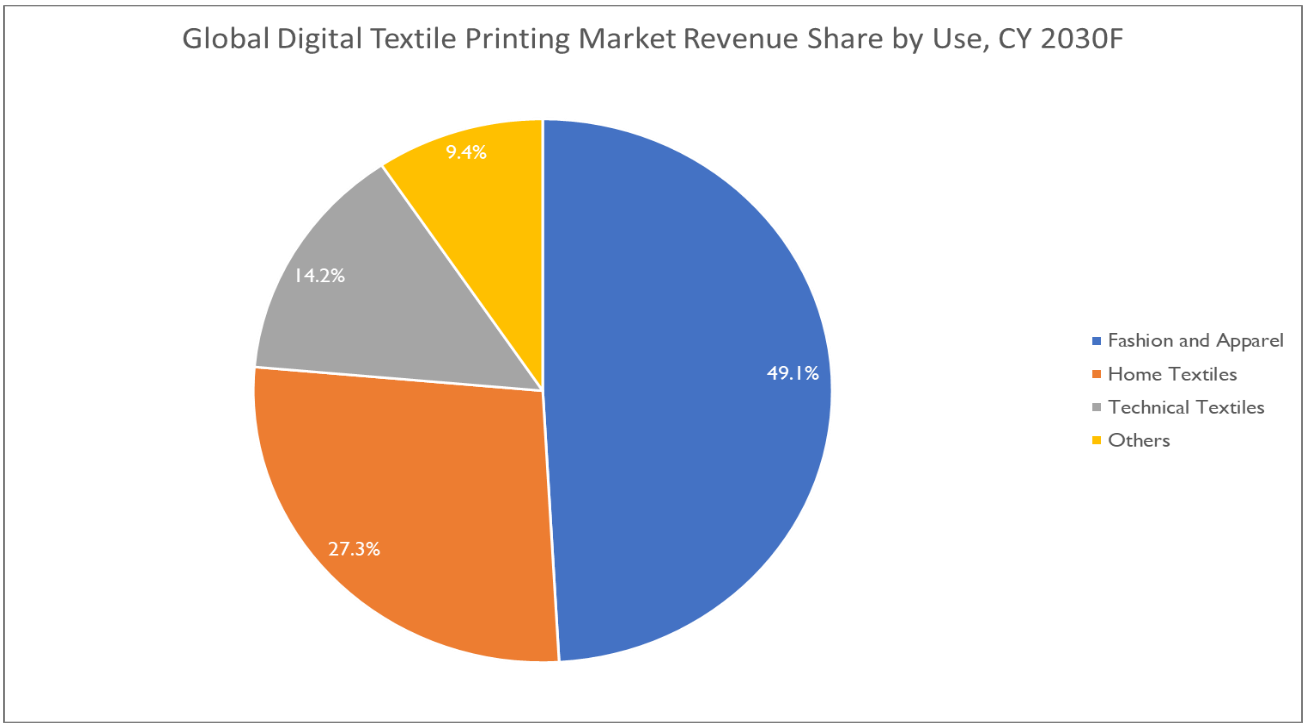
Source: Primary Research, D&B Analysis

Cotton, while slightly behind, still holds a significant market share at 48.8% and is expected to generate USD 5,696.1 million in revenue. This dominance can be attributed to the widespread use of cotton in textiles, its natural breathability and comfort, and its suitability for a wide range of applications, from casual wear to home furnishings. The contribution of blended textiles is likely to witness steady rise from CY 2024E to CY 2030F, and is expected to witness a surging CAGR of 16.1% between CY 2024E and CY 2030F, while cotton is likely to grow at a CAGR of 9.9% during the same period.

By Use

The global digital textile printing market is expected to reach a market revenue of USD 11,672.3 million in CY 2030F, with fashion and apparel dominating the market share at 49.1% and USD 5,731.1 million in revenue. This dominance can be attributed to the increasing demand for personalized and customized clothing, the rise of fast fashion, and the growing popularity of e-commerce platforms.

Textiles used in home décor categorized as home textiles is the second important segment which is likely to witness a CAGR of 13.7% between CY 2024E and CY 2030F. This dominance can be attributed to the increasing demand for personalized and customized designs of home décor coupled with trends such as e-commerce and direct-to-customer business models.



Source: Primary Research, D&B Analysis

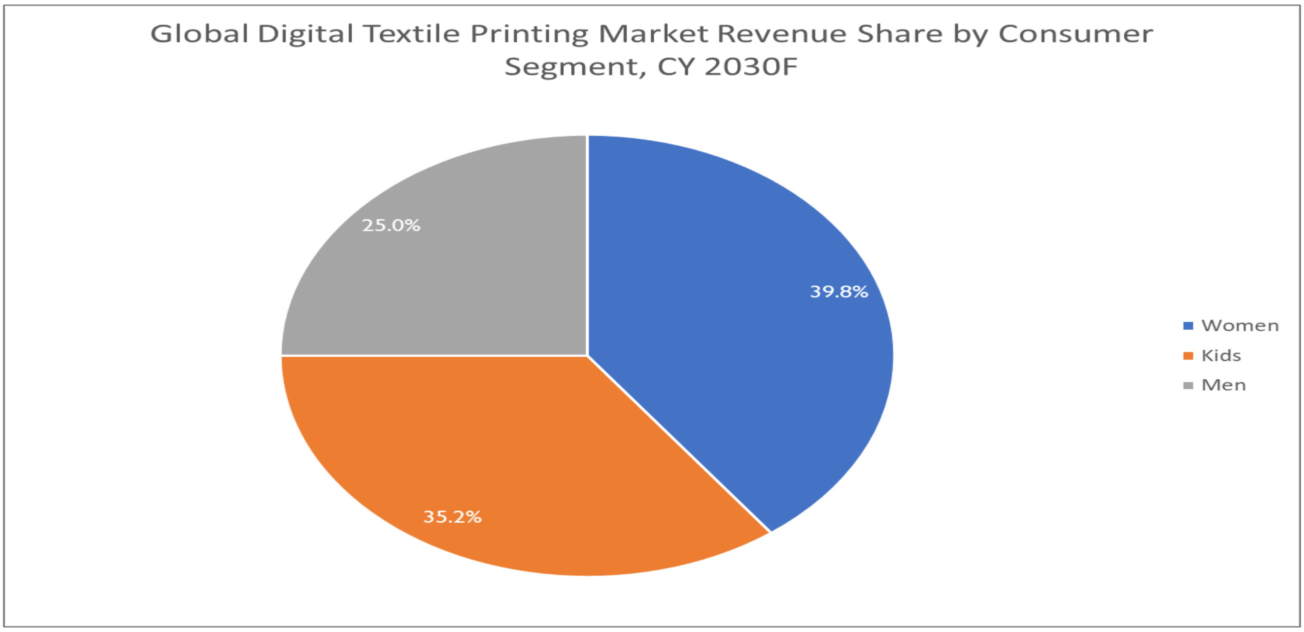
Home textiles follow closely, accounting for 27.3% of the market share and USD 3,186.5 million in revenue in CY 20230F. This segment is driven by the increasing demand for unique and personalized home décor items, such as curtains, upholstery, and bed linens.

Technical textiles represent the third-largest segment, with a 14.2% market share and USD 1,657.5 million in revenue. This segment is driven by the growing demand for high-performance fabrics in various industries, such as automotive, healthcare, and sports.

Others, which include segments such as signage and banners, account for the remaining 9.4% of the market share and USD 1,097.2 million in revenue by CY 2030. This segment is driven by the increasing demand for digitally printed materials for various commercial and industrial applications.

By Consumer Segment

The global digital textile printing market is expected to be valued at USD 11,672.3 million in CY 2030F, , with women's apparel dominating the market with a 39.8% market share and USD 4,645.58 million in revenue. This segment is likely to grow at a CAGR of 13.5%which is attributed to the high demand for women's wear segment in the global fashion industry, coupled with the growing demand for trendy, personalized, and customized clothing among women.



Source: Primary Research, D&B Analysis

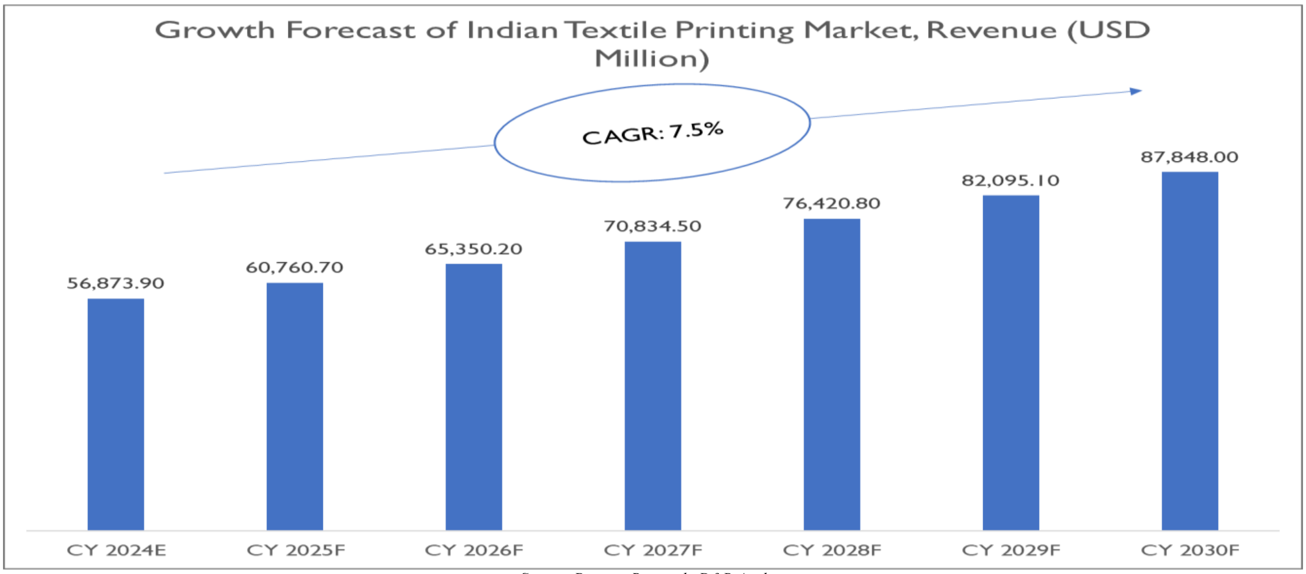
Kidswear is likely to continue its growth pattern and is expected to contribute to 35.2% of the market share and USD 4,108.65 million in revenue by CY 2030F. This segment is driven by the increasing disposable incomes of Indian households, leading to higher spending on children's clothing and accessories. Additionally, the growing awareness of fashion trends among children and the preference for unique and personalized clothing items are contributing to the growth of this segment.

Men's apparel represents the smallest consumer segment, with a modest share of 25% and is expected to reach a market size of USD 2,918.08 by CY 2030F. This segment is gradually gaining traction, driven by the increasing interest in men's fashion and the growing demand for stylish and personalized clothing options among Indian men.

Kid's apparel had the highest CAGR of 13.9%, between CY 2024E and CY 2030F, followed by women's segment with 13.5% CAGR followed by men's segment at a nominal growth of 10.4% CAGR between the same period.

Expected Growth in Indian Textile Printing Market

The Indian textile printing market is poised for significant growth in the coming years, with revenues projected to reach USD 87.85 billion by CY 2030F, driven by a robust CAGR of 7.5% from CY 2024E to CY 2030F. This growth is attributed to factors such as rising domestic consumption, increasing exports, and a growing preference for branded and high-quality textiles. While traditional printing methods will continue to dominate, digital textile printing is expected to witness substantial growth, albeit from a relatively small base.



Source: Primary Research, D&B Analysis

The penetration of digital textile printing in the Indian market is projected to increase gradually, reaching 1.38% by CY 2030. This growth will be driven by several factors, including the increasing demand for personalized and customized products, the growing popularity of e-commerce and fast fashion, and the need for shorter production cycles.

Penetration of Digital Textile Printing in Overall Indian Textile Printing		
Year	CY 2024E	CY 2030F
India Textile Printing Market, Revenues (USD Million)	56,873.9	87,848.0
India Digital Textile Printing Market Contribution (%Share)	1.14%	1.38%

Source: Primary Research, D&B Analysis

Digital printing offers several advantages that are increasingly appealing to textile manufacturers and brands. These include:

- On-demand printing: Enables short production runs and quick turnaround times, reducing inventory costs and minimizing waste.
- Reduced water consumption: Digital printing is an eco-friendlier process compared to traditional methods, which often involve significant water usage.

- High-resolution printing: Allows for the creation of intricate designs with vibrant colours and sharp details, catering to the growing demand for high-quality and aesthetically appealing products.

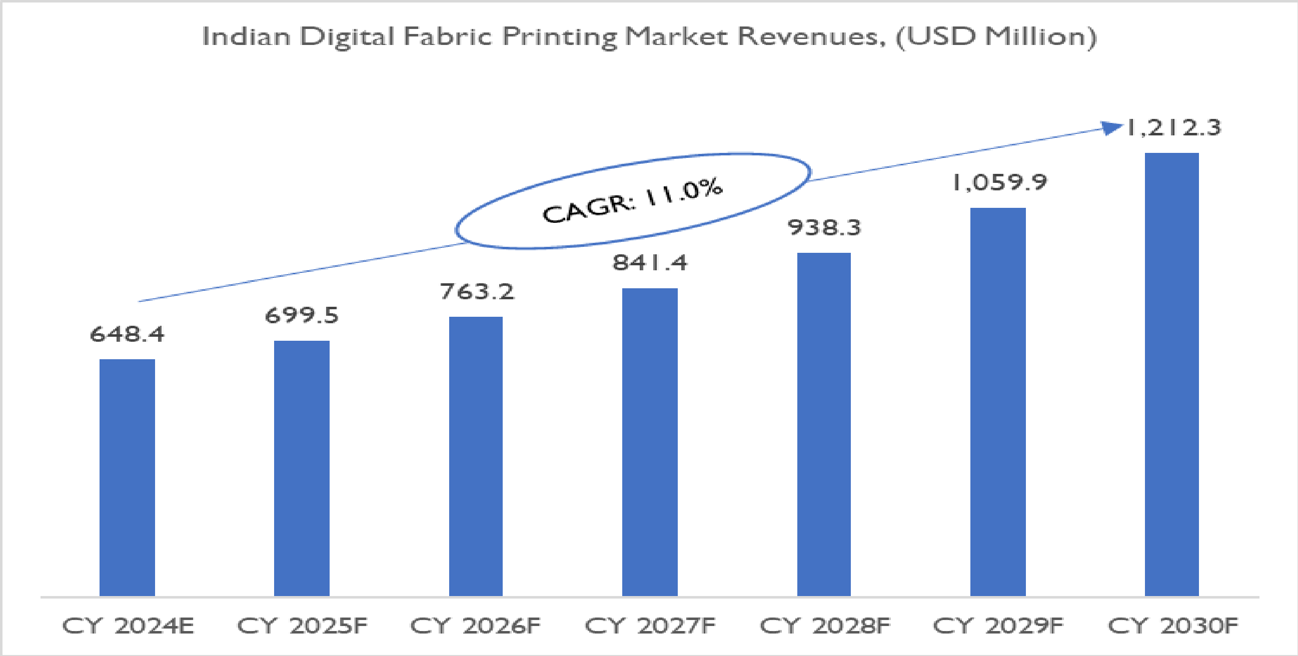
- Versatility: Enables the printing of a wide range of fabrics, including cotton, polyester, silk, and blends, making it suitable for various applications.

As technology continues to advance, leading to improved print quality, faster speeds, and lower costs, the adoption of digital printing is expected to accelerate. Furthermore, government initiatives aimed at promoting sustainable manufacturing practices and supporting the growth of the textile industry can further incentivize the adoption of eco-friendly digital printing technologies.

While challenges such as high initial investment costs and the need for skilled operators persist, the long-term prospects for digital textile printing in India appear promising. As the technology matures and its benefits become more widely recognized, it is poised to play an increasingly important role in shaping the future of the Indian textile printing industry.

Expected Growth in Indian Digital Textile Printing Market

The Indian digital textile printing market is poised for significant growth in the coming years, with revenues projected to reach USD 1,212.3 million by CY 2030F, up from USD 648.4 million in CY 2024E. The burgeoning Indian textile industry itself is a major driver of growth. India is a major player in the global textile market, with a strong presence in both domestic and international markets. The increasing demand for textiles, driven by factors such as rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for efficient and innovative printing technologies, such as digital textile printing.



Source: Primary Research, D&B Analysis

In India, there is a boom for natural fabric production, which aligns with the increasing demand for high-quality sustainable materials in digital textile printing. Similarly, the rise in adoption of blended fabrics including cotton-polyester blending and usage of fabrics from recycled materials support the growth of digital textile printing by offering enhanced printability, better sustainability and durability. These factors contribute to the smooth, consistent, steady growth in production volumes of digitally printed fabrics in India.

Secondly, the government's initiatives to promote the textile sector are creating a favourable environment for growth. The Indian government has implemented various policies and initiatives to boost the competitiveness of the textile industry, such as providing subsidies and incentives to manufacturers and promoting skill development programs. These initiatives are expected to further drive the adoption of digital textile printing technology within the Indian textile industry.

Thirdly, the increasing focus on sustainability and eco-friendly practices within the Indian textile industry is creating a strong demand for digital textile printing. Digital textile printing is generally considered a more sustainable alternative to traditional textile printing methods, as it reduces water consumption, energy usage, and chemical waste. This aligns with the growing emphasis on sustainability within the Indian textile industry, as well as the increasing demand for eco-friendly products among Indian consumers.

Fourthly, the growing popularity of e-commerce and the rise of online retail platforms are providing new avenues for growth. Online platforms offer a convenient and accessible channel for Indian consumers to purchase digitally printed fabrics and products, while also providing manufacturers with a wider reach and access to new markets. This trend is expected to continue to drive the growth of the digital textile printing market in India.

Fifthly, the increasing demand for personalized and customized products among Indian consumers is creating new opportunities for growth. Digital textile printing technology enables the creation of highly individualized and intricate designs, which are increasingly in demand among Indian consumers. This trend is particularly evident in the fashion industry, where Indian consumers are increasingly seeking unique and distinctive clothing and accessories.

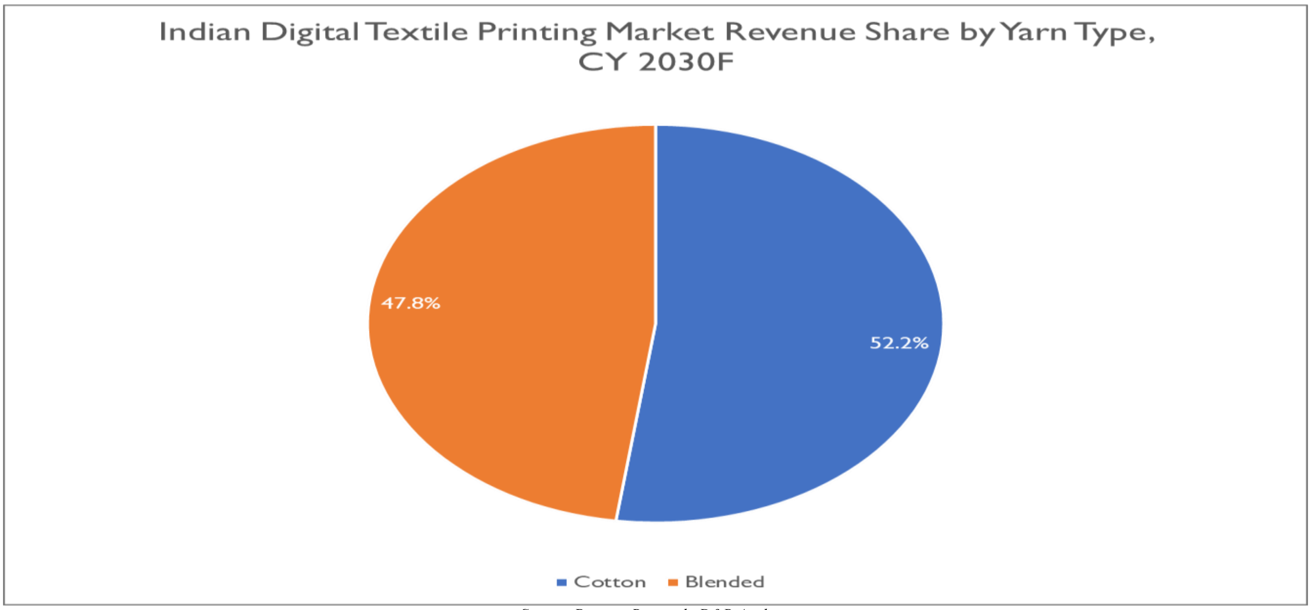
Sixthly, the growing influence of global fashion trends and the increasing exposure of Indian consumers to international brands are driving the demand for high-quality and innovative printing technologies. Digital textile printing technology enables the creation of high-quality prints that can compete with international brands, thereby enhancing the competitiveness of Indian textile manufacturers in the global market.

Market Segmentation

By Yarn Type

The Indian digital textile printing market is projected to be valued at USD 1,212.3 million in CY 2030F, with cotton leading the market share by 52.2% at USD 632.8 million. Whole blended fabrics contribute the market share at 47.8% and USD

579.5 million in revenue. Although blended fabrics dominated the market during the historic period, it is likely to be surpassed by the contribution from cotton during the forecast period.

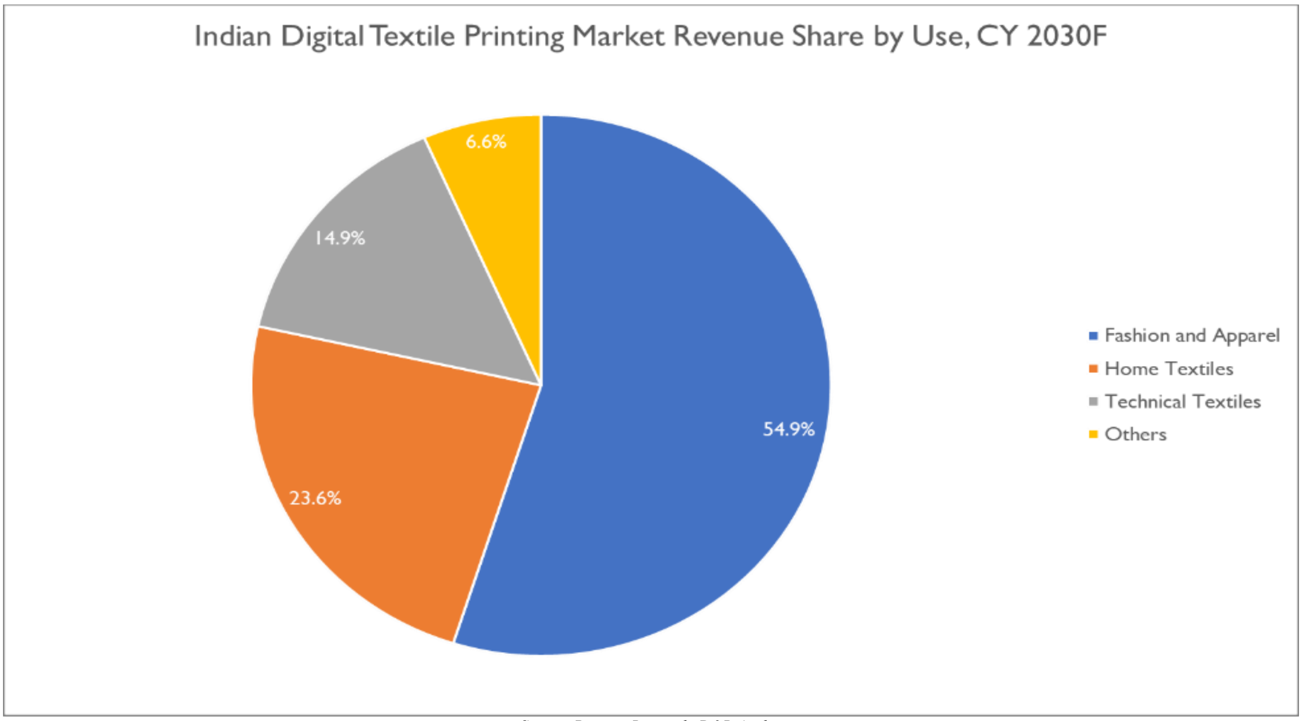


Source: Primary Research, D&B Analysis

Cotton's increasing demand and market share is largely attributed to the widespread use of cotton in Indian textiles, its natural breathability and comfort, and its suitability for a wide range of applications, from casual wear to home furnishings.

By Use

The Indian digital textile printing market continues to follow the historic pattern where fashion and apparel is expected to have highest market share of 54.9% with a revenue contribution of USD 665.6 million by CY 2030F. This dominance can be attributed to the increasing demand for personalized and customized clothing, the rise of fast fashion, and the growing popularity of e-commerce platforms.



Source: Primary Research, D&B Analysis

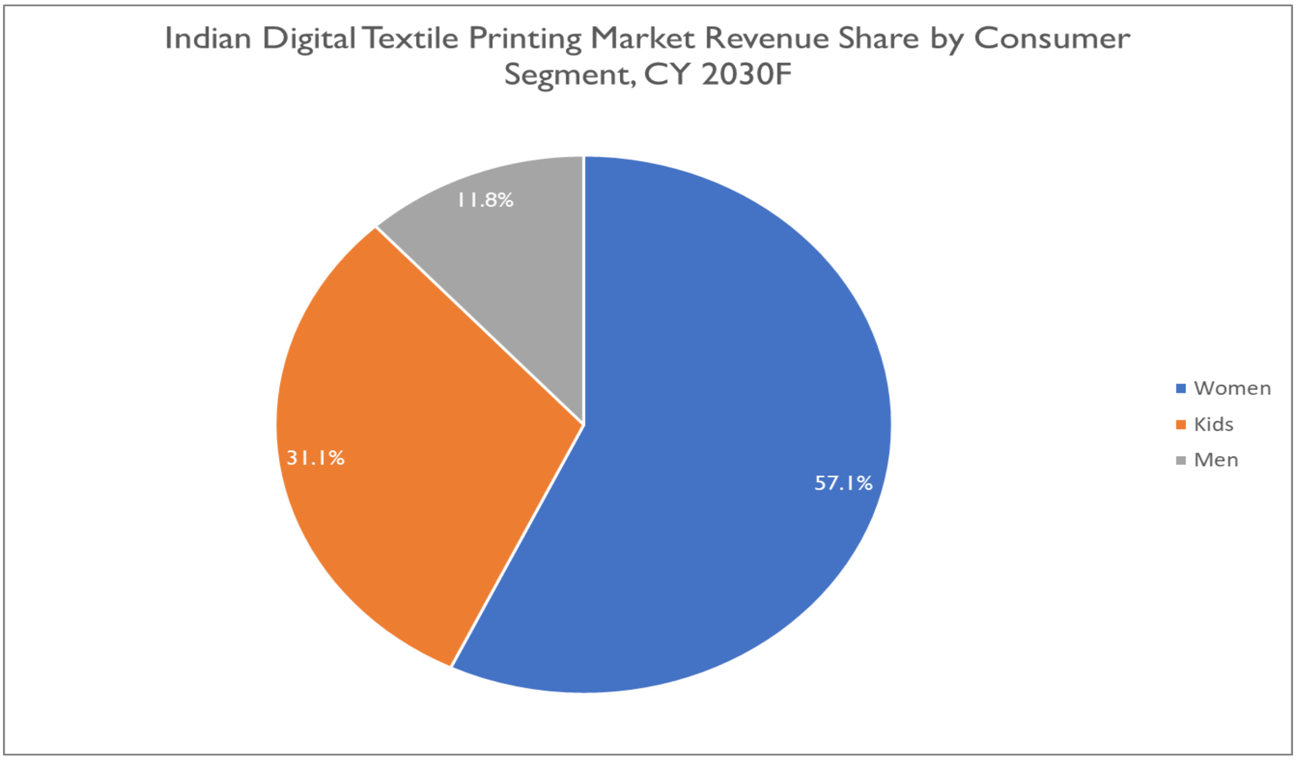
Home textiles follow closely, accounting for 23.6% of the market share, with market revenues to reach USD 286.1 million by CY 2030F. This segment is driven by the increasing demand for unique and personalized home décor items, such as curtains, upholstery, and bed linens.

Technical textiles represent the third-largest segment, with a 14.9% market share and USD 180.6 million in revenue. This segment is driven by the growing demand for high-performance fabrics in various industries, such as automotive, healthcare, and sports.

Others, which include segments such as signage and banners, account for the remaining 6.6% of the market share and USD 80.0 million in revenue. This segment is driven by the increasing demand for digitally printed materials for various commercial and industrial applications.

By Consumer Segment

The Indian digital textile printing market is expected to be valued at USD 1,212.3 million in CY 2030F, with women's apparel dominating the market with a 57.1% market share, and USD 692.2 million in revenue. This dominance can be attributed to the strong presence of the women's wear segment in the Indian fashion industry, coupled with the growing demand for trendy, personalized, and customized clothing among Indian women.



Source: Primary Research, D&B Analysis

Kidswear is at a distant second with 31.1% market share and USD 377.0 million in revenue. This segment is driven by the increasing disposable incomes of Indian households, leading to higher spending on children's clothing and accessories. Additionally, the growing awareness of fashion trends among children and the preference for unique and personalized clothing items are contributing to the growth of this segment.

Men's apparel represents the smallest consumer segment, with a 11.8% market share and USD 143.1 million in revenue by CY 2030F. This segment is gradually gaining traction, driven by the increasing interest in men's fashion and the growing demand for stylish and personalized clothing options among Indian men.

In conclusion, the Indian digital textile printing market is poised for significant growth in the coming years, driven by a confluence of factors specific to the Indian market, including the growth of the Indian textile industry, government initiatives, the increasing emphasis on sustainability, the rise of e-commerce, the growing demand for personalization, and the influence of global fashion trends. These factors are expected to drive the market to new heights, creating exciting opportunities for innovation and growth within this dynamic sector.

Regulatory Landscape

Regulatory Policy Framework Governing the Industry

Indian textile sector is poised for significant expansion, which is supported by government policies and regulatory framework, to accelerate domestic participants towards growth, product expansion and in turn exports. This growth could employ 35 million people in this sector, which will contribute to the country's economic growth.

The Government of India has launched number of regulatory policies and initiatives for the textile industry which are listed below:

- Textile Policy 2024 – Focuses on labour-intensive units that employ at least 4,000 registered individuals under Employee Provident Fund (EPF) scheme.
- PM MITRA – A Government of India initiative to establish Mega Integrated Textile Regions and Apparel Parks across India.
- PLI Scheme – A government initiative that incentivizes companies based on cumulative sales of domestically manufactured goods.
- Samarth Initiative – A skill development program for the textile sector led by the Ministry of Textiles to address the skill gap in the textile sector.
- National Technical Textiles Mission (NTTM) – A four-year mission that focuses on improving technical education, promoting research and innovation, and promoting market growth.
- Make in India Investment Cell – In pursuance of the Make in India initiative of the Government of India, an investment facilitation cell has been set up in the Office of the Textile Commissioner, in line with Invest India Cell of Department of Industrial Policy & Promotion, Government of India.
- OEKO-TEX Certification – This certification ensures that textiles are free from harmful substances. It is widely adopted in India to meet global safety standards for printed fabrics used in garments and home textiles.

Other Regulations exclusively to promote fashion industry are:

- The Trade Marks Act, 1999 – An act to amend and consolidate the law relating to trade marks, to provide for registration and better protection of trade marks for goods.
- The Designs Act 2000 – An act to consolidate and amend the law relating to protection of designs.
- The Copyright Act 1957 – An act to amend and consolidate the law relating to copyright, which protects original literary, dramatic, musical and artistic work.

Policy Initiatives/Government Incentives to Promote Industry Activity

The key policy initiatives and government incentive schemes that promote textile industry activity in India are listed below:

- **Amended Technology Upgradation Fund Scheme (ATUFS)[12]**

ATUFS is aimed at technologically upgrading the machinery used in textile industry. Upgrading machinery used in textile industry improves quality of products and reduces the manufacturing cost, which will make Indian textile industry more competitive in the global arena. With the aim of 'Make in India' and 'Zero Defect and Zero Effect' in manufacturing, the government provides credit linked capital investment subsidy. This scheme would facilitate augmenting of investment, productivity, quality, employment, exports and import substitution in textile industry. It will also indirectly promote investment in textile machinery manufacturing.

  - Eligibility – Units that meet the lending norms of financial institutions and the scheme's benchmark criteria are eligible.
  - Subsidy Rates – Depends on the type of unit and capital investment and are classified as:
    - Garments and technical textiles – 15% Central Sector Interest Subsidy (CSIS) up to INR 30 Crore.
    - Weaving, processing, jute, silk, handloom – 10% CIS up to INR 20 Crore.
    - Multiple composite units/segments – 10% or 15% CIS depending on the capital investment.
  - Repayment Period – 3 Years.
  - Budget Allocation – INR 17,822 Crores for FY 2023.

- **PM MITRA Scheme**

The PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme is a government initiative to create modern textile value chain in India. This scheme is aimed at making the sector globally competitive by building best-in-class manufacturing infrastructure, upgradation of technology, fostering innovation, enhancing skills and reducing costs in the

[12] Ministry of Textiles, Government of India

sector. So, the Government of India approved 7 PM MITRA parks for the textile industry. These parks will provide 1,00,000 jobs directly and 2,00,000 jobs indirectly, in addition to attracting an investment of INR 10,000 Crore.

The list of parks that are approved by PM MITRA scheme by state and allocation are listed below as a table:

Textile Park	State	Allocation
Kashmir Wool & Silk Textile Park	Jammu & Kashmir	INR 48 Crore
Shahlon Textile Park	Gujarat	INR 103.2 Crore
Hinganghat Textile Park	Maharashtra	INR 108.3 Crore
Eastern India Garment Manufacturers & Exporters Federation (EIGMEF) Apparel Park Limited	West Bengal	INR 130.5 Crore
Hindupur Vyapar Apparel Park	Andhra Pradesh	INR 102.2 Crore
Pallavada Textile Park	Tamil Nadu	INR 106.5 Crore

- **PLI Scheme**[13]

The production linked incentive (PLI) scheme aims to boost production of technical textiles, manmade fibres (MMF) and MMF apparel. This is at a budget of INR 106.83 billion, for the timeline of FY 2025-26 to FY 2029-30. Companies that meet the performance and investment targets one year early can become eligible one year earlier. The scheme focuses on technical textiles, MMF Fabrics, and MMF apparels. It aims to create 7,50,000 jobs, achieve a turnover of INR 3 Lakh Crore and attract an investment of INR 19,000 Crore.

Trade Scenario

Since, digital textile printing is applied across wide range of textile products, the overall textile export growth has a positive impact on digital textile printing and vice-versa. So, it is imperative to understand the broader textile trade overview and performance trend of the Indian textile industry.

India has emerged as one of the leading destinations for sourcing textile products, with majority of textile retail chains across the world having a procurement presence in India. India's ascent in global textile and garment trade is partly credited to the removal of textile export quotas in trade among members of World Trade Organization in 2004. Since then, exports of textiles and garments from India have increased significantly.

Today, India is the 6th largest exporter of Textiles & Apparels in the world, with a share of 3.91% of the global exports in textile and apparel. Indian made textile and apparel products are exported to more than 100 countries with the US and countries in EU region being the largest markets. Major textile export destinations are the U.S, and the EU accounting for nearly 47% of India's textiles and apparels in FY 2023-24.

Presence of a well-developed garment manufacturing infrastructure has helped the sector to effectively exploit the emerging opportunities. Ample availability of cotton / man-made fibre and a strong textile processing sector ensured a stable raw material supply while a cheap labour pool helped in keeping the production cost low. In addition, manufacturing practices in the sector is on par with global quality standards. Consequently, Indian garment manufacturers were able to produce international quality products at a lower production cost.

Following are the list of export promotion councils that work to promote textile exports from India:

- Apparel Export Promotion Council (AEPC).
- Cotton Textiles Export Promotion Council (TEXPROCIL).
- Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)/Manmade and Technical Textiles Export Promotion Council (MATEXIL).
- Wool & Woollens Export Promotion Council (W&WEPC).
- Wool Industry Export Promotion Council (WOOLTEXPRO).
- Indian Silk Export Promotion Council (ISEPC).
- Carpet Export Promotion Council (CEPC).
- Export Promotion Council for Handicrafts (EPCH).
- Powerloom Development & Export Promotion Council (PDEXCIL).
- Handloom Export Promotion Council (HEPC).
- Jute Products Development Export Promotion Council (JPDEPC).

[13] PLI for Textiles, Ministry of Textiles, Government of India

The textile industry being an export-oriented sector is important for the country's economic development as it provides direct employment for over 45 million people and source of livelihood for over 100 million people indirectly including women along with people from rural parts of the country. This sector aligns with the Government initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

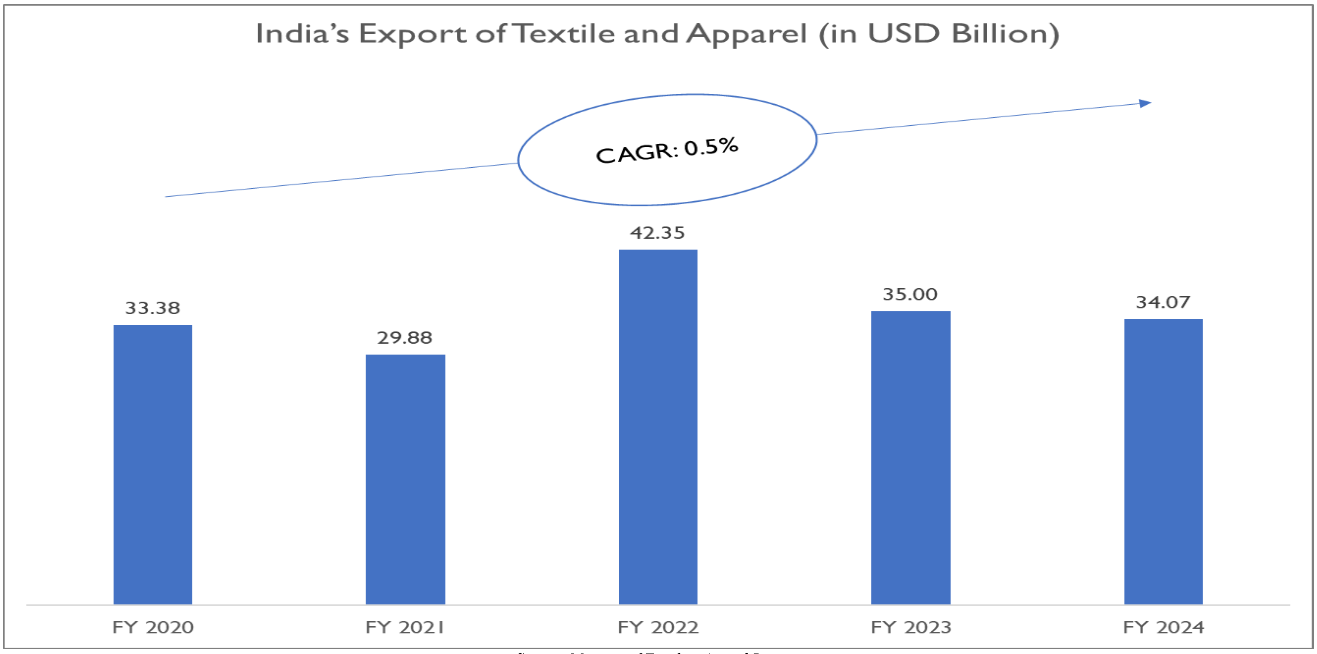
India's Export Performance

The detailed value of exports of textile and apparels from India in the past five years is captured in the table below, as reported by the Ministry of Textiles, Government of India, in its Annual Report every year.

Values in USD Million	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
India's Export of Textile and Apparel	33,379	29,877	42,347	34,997	34,072
Export of Handicrafts	1,798	1,708	2,088	1,689	1,802
Total of T&A and Handcrafts	**35,177**	**31,585**	**44,435**	**36,686**	**35,874**
India's Overall Exports	3,13,361	2,91,808	4,22,004	4,51,070	4,37,072
% Share of Exports in Overall Exports	**11.2%**	**10.82%**	**10.53%**	**8.13%**	**8.21%**

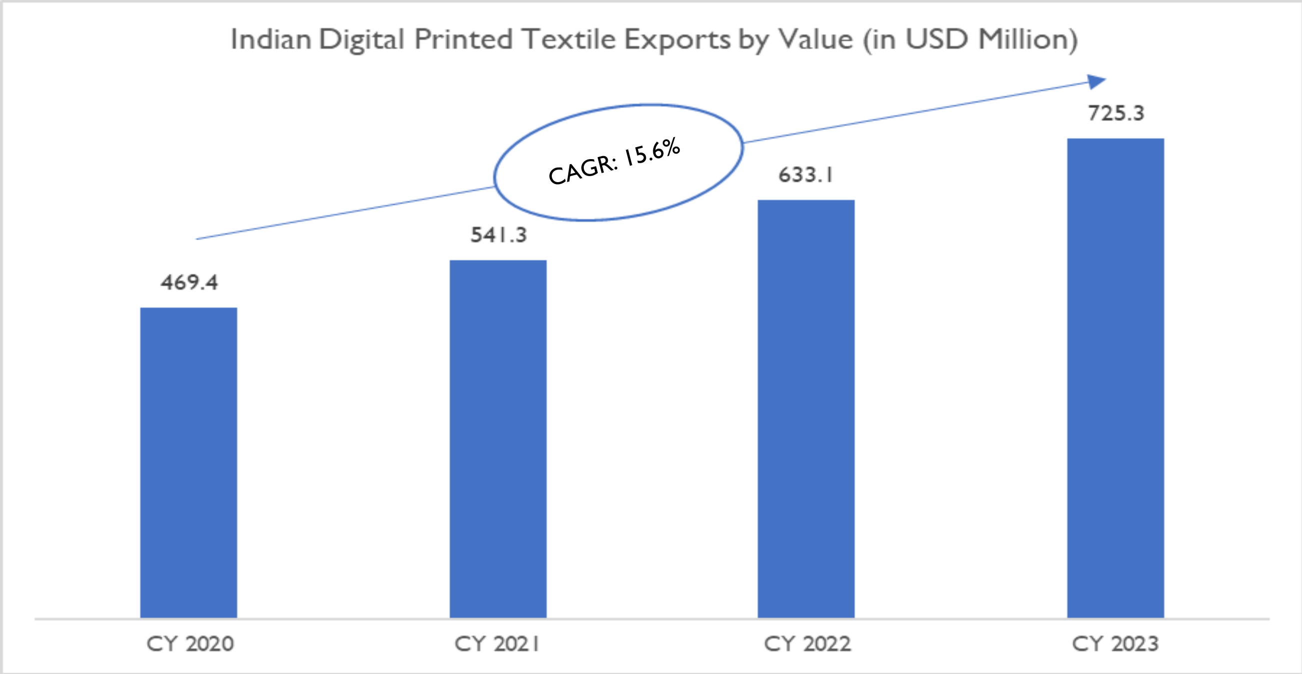
Source: Ministry of Textiles, Annual Report

After a robust post pandemic recovery in FY 2022, the annual value of overall textile and apparel products exported from India moderated in the past two years owing to geopolitical issues across major market, high interest rates and escalated logistic costs due to Red Sea crisis collectively impacted the global demand. The annual export value of overall textile and apparel stood at USD 34.07 billion in FY 2024, witnessing a y-o-y decline of 2.7% in FY 2024 while in the previous year the exports were down by over 17%. Readymade garments which accounted for 42% of the export basket, declined 10% in FY 2024 to USD 14.5 billion.



Source: Ministry of Textiles, Annual Report

However, Indian textiles and apparel export trends over the past five years highlight India's strategic position in the global textile supply chain, leveraging its rich heritage in fabric production and craftsmanship to meet international demands effectively. The demand for textile products is expected to grow strong in the current fiscal. As per department of commerce's trade statistic data, India's export of textile and allied product for April-October 2024 stood at USD 20.54 billion, exhibiting 6.5% growth over the corresponding period in the previous fiscal, supported by robust recovery in the readymade garment demand. During the above period, the readymade garment exports was up by over 11.6% over the same period last fiscal and amounted USD 8.73 billion during 7M' FY 2025.

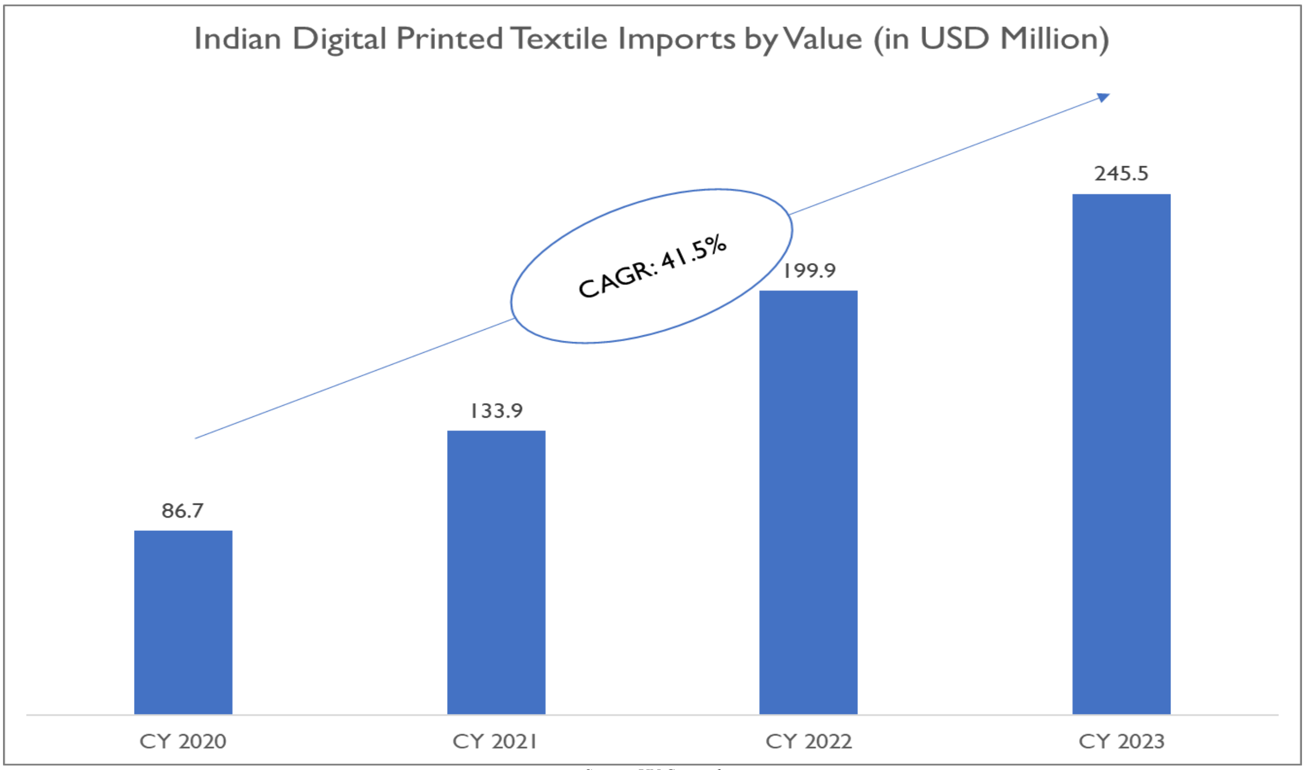


Source: UN Comtrade

Digital printed textiles exports from India witnessed remarkable growth from CY 2020 to CY 2023. Government initiatives, coupled with PLI schemes offering globally cost-competitive products have made India an important country exporting digital printed textile to Middle East and African countries.

Additionally, growing importance of India as a major textile manufacturing hub is expected to support the growth of Indian textile sector. Buoyed by favourable demographics, shift in lifestyle choices and structural shift in industry structure, the demand for various textile products and ready garments is likely to grow at a healthy rate which is likely to benefit the overall textile printing industry.

Imports of digitally printed textiles is much smaller market compared with exports. Imports witnessed steady growth from USD 86.7 Million in CY 2020 to USD 245.5 Million in CY 2023, which is a CAGR of 41.5%.



Source: UN Comtrade

Top Five Export Market Countries & Its Trend

The traditional markets viz. USA, the United Kingdom (the UK) and EU together account for 53% (USA 28%, the UK 6% & EU 19%) of India's Textiles and apparel including handicrafts exports. Within EU, Germany, France, Netherland accounts for 4%, 3%, 3% share respectively of India's textile and apparel including handicrafts.

The top five export countries that are importing textiles and apparels from India are dynamic and kept changing during the period of pandemic. However, the number of countries remained the same, it kept changing positions during the pandemic. This trend is captured in the table below, along with the value of exports to these countries.

Country	USA		UAE		Bangladesh		U.K		China		EU-27	
	USD Mn	%	USD Mn	%	USD Mn	%	USD Mn	%	USD Mn	%	USD Mn	%
2019-20	8,255	22%	2,279	6%	2,172	6%	2,071	6%	1,441	4%	-	-
2020-21	8,009	26%	2,186	7%	2,133	7%	1,579	5%	1,561	5%	-	-
2021-22	11,388	26%	2,625	6%	5,178	12%	2,032	5%	1,616	4%	-	-
2022-23	10,468	29%	2,087	6%	2,533	7%	2,105	6%	-	-	7,670	21%
2023-24	10,047	28%	2,019	6%	2,816	8%	-	-	-	-	6,985	19%

Source: DGCI&S, Ministry of Textiles

The U.S, United Arab Emirates and Bangladesh were the top 3 importers of Indian textiles and apparels during the years of 2019, 2020 and 2021. This trend changed post covid, when EU-27 countries replaced UAE to become the second largest importer of Indian textiles & apparels, while UAE slipped to the 4th place next to Bangladesh from the years of 2022 and 2023. The other countries that are part of top 10 importers of Indian textiles and apparels include China, Sril Lanka, Turkey, Australia, and Saudi Arabia. These countries have all have single digit share to the exports, with Saudi Arabia being ranked the 10th country for importing Indian textiles and apparels, having a share of 2% of the total exports, with a value of around USD 551 Million for the year 2023-24.

Among the digital printed textiles, China has the largest share of around 90% of imports into India. No other country has consistent importing trend of all the different subcategories within digitally printed textiles. Import of the rest 10% of digitally printed textiles are demand based from different countries depending on the product texture, pricing, volume and it keeps varying.

Threat & Challenges

Threats & Challenges Impacting Overall Textile Industry

The textile industry, particularly in India, faces a multitude of threats and challenges that are impacting its performance and growth potential.

- **Fluctuating Raw Material Prices**

The Indian textile sector is heavily reliant on cotton, and fluctuations in cotton prices significantly affect production costs. Currently, Indian cotton is a bit more expensive than global prices, making domestic manufacturers less competitive on the international stag.

- **Import Competition**

The Free Trade Agreement (FTA) between India and Bangladesh allows for duty-free access to Bangladeshi textiles in India, which has resulted in a surge of imports that are often 15-20% cheaper than locally produced goods. This situation is detrimental to local manufacturers who struggle to compete with these lower-priced imports.

- **Capacity Underutilization**

Many textile manufacturers are facing high underutilization rates due to reduced domestic consumption and lower export orders. This underutilization affects profitability and operational efficiency within the industry.

- **High Operating Costs**

Recent geopolitical tensions have led to a staggering increase in freight costs due to unrest in key shipping routes like the Red Sea, raising operational expenses for textile manufacturers.

- **Technological Adaptation Challenges**

The need for modernization through automation and advanced manufacturing technologies is critical; however, many firms face barriers related to investment and skill gaps within the workforce.

- **Global Economic Factors**

Geopolitical tensions, inflation, and economic downturns have led to reduced imports from key markets, affecting overall demand for textiles globally.

Competitive Landscape: Digital Textile Printing

Post lifting of production restriction which followed implementation of economic reforms changed the face of the Indian textile sector. Entry of private players helped in improving the technological base as well as production capacity as textile mills with large processing and production capacity were set up. Supportive government initiatives such as PM-Mega Integrated Textiles and Apparel Park (PM-MITRA), Textile Cluster Development Scheme, Integrated Processing Development Scheme, PLI, amongst others are helping in improving the production technology, which is driving the overall production volume as well as competition in the sector.

The textile processing industry including the textile printing sector in India is highly fragmented with many companies, small to large, companies operating in the value chain. The value chain of a textile printing industry broadly comprises of manufacturer and supplier of printer, printing ink, dye & pigment-based ink, fabric manufacturer and printing service provider. As compared to other segments in the value chain, companies engaged in fabric printing services are more fragmented because the investment required to set up printing services is comparatively lower than that needed for other business operations. Since the entry barriers are low in terms of investment, particularly in DTG printing segment, large number of companies operate in MSME segment as a proprietorship firm. Some large players that are engaged in digital textile printing service may have integrated their operation backwards in terms of having presence in fabric manufacturing, pigment and dye manufacturing or printing machine or parts manufacturing but then revenue contribution from printing business job work is comparatively lower than other segments. The clientele for digital textile printing companies generally includes individuals, institutions like corporates, and leading fashion designers who avail short-medium production run services while readymade manufacturers largely avail roll-to-roll digital textile printing services.

Key Factors Shaping Competition

The digital textile printing market is influenced by various competitive factors that shape its dynamics. Here are the key competitive factors impacting this market:

- **Technological Advancements**
    - **Innovation in Printing Technologies:** Continuous improvements in digital textile printing technologies, such as better ink formulations and high-speed printers, enhance print quality, efficiency, and versatility. These advancements allow manufacturers to produce intricate designs and meet growing demand more effectively.
    - **Integration of Software and Hardware:** Enhanced integration of software with printing hardware enables more complex designs and faster production cycles, making digital textile printing more appealing to manufacturers.
- **Sustainability Considerations**
    - **Environment Impact:** Increasing awareness of environmental sustainability drives demand for eco-friendly printing solutions. Digital textile printing typically uses less water and energy compared to traditional methods, aligning with the growing consumer preference for sustainable practices.

- **Waste Reduction:** The ability to produce on-demand textiles reduces waste associated with overproduction, making digital textile printing a more sustainable option for manufacturers and consumers alike.

- **Market Demand Dynamics**
  - **Customization and Personalization:** The rising consumer demand for personalized products is a significant driver for digital textile printing. This technology allows for small batch production and customization without the high setup costs associated with traditional methods.
  - **Fast Fashion Trends:** The fast fashion industry's need for quick turnaround times and rapid adaptation to trends fuels the adoption of digital textile printing technologies, as it offers shorter production cycles and flexibility in design.

- **Competitive Landscape**
  - **Market Entry Barriers:** The initial investment required for digital textile printing setups can be a barrier for some companies, particularly smaller manufacturers. However, those who invest in these technologies can gain a competitive edge through enhanced capabilities.
  - **Established Players Vs New Entrants**: Established textile manufacturers may be reluctant to transition from traditional methods due to previous investments, creating a competitive landscape where newer entrants can capitalize on the latest technologies and trends.

- **Consumer Behaviour**
  - **Shift Towards Online Retail:** The growth of e-commerce platforms has expanded access to digitally printed fabrics, allowing consumers to easily order customized products. This shift influences purchasing behavior and increases demand for innovative printing solutions.
  - **Fashion Industry Influence:** The fashion sector is a significant driver of demand for digital textiles, as brands seek to differentiate themselves through unique designs and quick response times to market trends.

The competitive factors in the digital textile printing market are multifaceted, encompassing technological advancements, sustainability considerations, market demand dynamics, competitive landscape challenges, and evolving consumer behaviors. As these factors continue to evolve, they will significantly influence the growth trajectory and strategic direction of companies within this sector.

Competitive Profile: Digital Textile Printing

Shrijee Lifestyle Private Limited

Company Overview

Shrijee Lifestyle Private Limited is a textile manufacturing company based in Mumbai, India. Incorporated on March 4, 1944, specializing in the production of various fabrics and home textiles. With a strong emphasis on quality and innovation, Shrijee Lifestyle caters to both domestic and international markets.

Business Segments

Shrijee Lifestyle operates in several key areas within the textile sector:

- **Fabric Manufacturing**: Produces a variety of textiles including cotton, silk, polyester, and blends.
- **Garment Production**: Offers ready-made garments and made-ups for home textiles.
- **Dyeing and Printing Services**: Provides conventional and digital printing services along with dyeing processes.
- **Embroidery Services**: Specializes in embroidered textiles for various applications.

Product Offerings

The company's product range includes:

- **Fabrics**: Various types including woven fabrics for shirting and home textiles.
- **Garments**: Ready-to-wear clothing items.
- **Made-Ups**: Home textile products such as curtains, bed linens, and upholstery.

Shrijee Lifestyle Private Limited with a focus on quality and customer satisfaction serves a diverse clientele both domestically and internationally, leveraging its extensive experience in textile manufacturing. Shrijee Lifestyle is committed to sustainable practices within its operations, focusing on waste management and responsible resource utilization to minimize environmental impact.

Krishna Alkali (Bombay) Private Limited

Incorporated in 1980, Krishna Alkali (Bombay) Private Limited is a player in the digital textile printing industry in India, known for its innovative approach and comprehensive in-house capabilities.

Headquarters:

  - Design Studio – 422-425 Kewal Industrial Estate, S.B. Marg, Lower Parel, Mumbai 400013, India.
  - Production Unit – 13/3 Ravindra Corp. Comp., Opp.Tata Powerhouse, Pishivli, Kalyan 421306, Thane Dist, India.

Core Competencies

- **Digital Textile Printing**

Krishna Alkali specializes in digital textile printing, boasting an installed capacity of over 20,000 metres per day.

- **In-House Processes**

All processes from fabric processing to printing and dispatch are managed in-house, which allows for consistent quality control and faster turnaround times.

- **Design Capabilities**

The company has a robust design studio with over 25 graphic and fashion designers, enabling quick and precise design work tailored to client needs.

Technological Infrastructure

- **Printing Machinery**

  - Two Konica Minolta Nassenger 10 machines (Japan).
  - One Reggiani ReNoir and one Reggiani Compact (Italy).

- **Pre and Post Processing Equipment**

The facility is equipped with advanced machinery including boilers, bleaching machines, hot air stenters, and fabric inspection machines.

- **Temperature Control Systems**

The production environment is maintained with over 150 tonnes of ductable air conditioning, ensuring optimal conditions for printing.

Strategic Partnerships

Krishna Alkali has established collaborations with design studios across Europe (Italy, France, UK) to stay updated with the latest trends and provide clients with innovative concepts.

Krishna Alkali has positioned itself as a reliable partner for businesses seeking high-quality printed fabrics. The company's focus on eco-friendly practices and customization aligns well with current market trends favouring sustainability.

Kankariya Textile Industries Private Limited

Kankariya Textile Industries Private Limited is a significant player in the textile manufacturing sector in India, known for its production of various fabric types and garments.

Company Overview

- Name: Kankariya Textile Industries Private Limited (KTIPL)
- Incorporation Date: December 1, 2006
- Type: Private Limited Company
- Headquarters: Ahmedabad, Gujarat, India
- Industry: Textiles

Kankariya Textile Industries was incorporated in 2006 and has built a strong reputation in the textile processing industry. The company is promoted by Mr. Prithviraj Kankariya and Mr. Mahavir Kankariya, who have over two decades of experience in grey cloth trading, processing, and export of textiles. KTIPL has diversified its operations and has been involved in the manufacturing of sarongs and processing fabrics for shirts on a job-work basis.

Product Portfolio

- **Sarongs:** The primary product manufactured by KTIPL.
- **Fabric Processing:** Includes printing, designing, and processing cotton grey fabric.
- **Job Work:** Processing of fabric for shirts, contributing to a portion of the company's total operating income.

Manufacturing Capabilities

The company operates a processing facility located in Ahmedabad with a total installed capacity of 23 million metres per annum (MMPA) as of March 31, 2021. KTIPL has in-house design capabilities that allow it to create new designs tailored to market trends.

The company exports its products to several countries, including Indonesia, Malaysia, Singapore, Thailand, and Dubai. This geographical diversification helps mitigate risks associated with domestic market fluctuations.

Kankariya Textile Industries Private Limited particularly known for its sarong manufacturing and fabric processing capabilities.

Financial Analysis of Digital Textile Printing Segment

Financial Snapshot	Kaytex Fabrics			Krishna Alkali Pvt Ltd			Kankharia Textile Industries			Shrijee Lifestyle Pvt Ltd		
INR Million	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Total Income	823.44	993.44	1250.33	677.92	851.94	713.90	997.77	2144.96	1260.29	2,952.1	3,312.7	2,827.1
Revenue from Operations	822.58	991.88	1249.41	675.35	847.99	711.35	965.77	2141.68	1255.40	2,873.3	3,269.9	2,771.5
EBITDA	87.24	127.88	224.26	165.09	145.17	53.87	17.56	56.38	42.33	123.5	204.5	238.1
EBITDA Margin	10.6%	12.9%	18.0%	24.4%	17.1%	7.6%	1.8%	2.6%	3.4%	4.3%	6.3%	8.6%
PAT	39.22	55.91	113.08	86.88	88.46	25.10	0.68	4.66	7.60	11.8	36.8	30.8
PAT Margin	4.8%	5.6%	9.1%	12.9%	10.4%	3.5%	0.1%	0.2%	0.6%	0.4%	1.1%	1.1%
Operating Cash Flow	52.12	78.03	8.05	84.50	146.84	122.34	96.44	-33.06	176.81	111.5	185.0	239.8
Net Worth	155.5	211.4	335.5	546.99	633.44	658.55	275.86	280.52	288.12	1,260.0	1,296.8	1,985.3
Long Term Borrowing	118.15	155.60	184.69	21.18	9.81	1.10	24.25	22.00	16.40	529.1	624.4	519.4
Debt Equity Ratio	1.39	1.28	1.06	0.07	0.04	0.01	0.46	0.68	0.93	1.15	1.31	0.88
Return on Capital Employed	18.82%	22.72%	27.77%	21.3%	18.3%	5.5%	-5.2%	4.0%	4.8%	0.8%	3.3%	3.6%
Return on Equity	25.2%	26.5%	33.7%	15.9%	14.0%	3.8%	0.2%	1.7%	2.6%	0.9%	2.8%	1.6%
Return on Assets	6.4%	7.8%	11.8%	10.8%	10.1%	2.8%	0.1%	0.6%	1.2%	0.3%	0.9%	0.6%

Source: Company Annual Report, MCA

Competitive Profile: Fabrics

Raymond Lifestyle Limited

Company Overview

Raymond Lifestyle Limited (RLL) is a leading Indian fashion and retail company with a rich heritage dating back to 1925. Formerly a part of Raymond Consumer Care Limited, RLL was formed after the demerger of the lifestyle business from the parent company in September 2024. RLL is synonymous with class, elegance, and individuality, offering a diverse range of men's fashion products and services. The company has a dominant position in the worsted suiting business and a strong presence in branded apparel, garmenting, and high-value cotton shirting. RLL boasts a vast retail network across India and overseas, making it a prominent player in the Indian fashion industry.

Products and Services Offered

RLL's product portfolio encompasses a wide spectrum of men's fashion needs:

- Branded Textiles: RLL is a B2C brand for suiting and shirting fabrics, holding the highest market share in the worsted suiting fabric industry.
- Branded Apparel: The company offers ready-to-wear brands like Park Avenue, ColorPlus, Parx, Raymond Ready to Wear, and Ethnix, catering to formal, casual, and ethnic wear needs.
- Garmenting: RLL is a white-labeled integrated manufacturer and exporter of high-value clothing products like suits, jackets, and trousers.
- High-Value Cotton Shirting: The company operates a B2B business as a manufacturer of high-value shirting cotton fabrics, including premium cotton and linen.

Raymond Lifestyle Limited (RLL) benefits from several key strengths that solidify its market leadership. A dominant position in the suiting business, bolstered by a strong track record, established brand image, and an extensive retail network, provides a solid foundation. Diversified revenue streams across branded textiles, apparel, garmenting, and high-value cotton shirting further contribute to RLL's financial stability. One of the largest retail store networks in India and overseas, encompassing The Raymond Shop (TRS) outlets, Made-to-Measure (MTM) stores, and exclusive brand outlets (EBOs), ensures broad market reach. The long-standing reputation of the Raymond brand for quality, style, and heritage has cultivated trust among consumers. Finally, RLL's integrated operations across the textile value chain, from yarn manufacturing to retailing, offer operational flexibility and opportunities for cost optimization.

Donear Industries Limited

Company Overview

Donear Industries Limited, established in 1977, is a leading player in the Indian textile industry, specializing in the production of high-quality fabrics for suiting and shirting. With a legacy of over 40 years, Donear has emerged as a domestic powerhouse, catering to a vast network of retailers and customers across India and globally.

Business Segments

Donear operates through several key segments:

- **Fabrics**: Offers a wide range of fabrics under various brand names such as Donear, Mayur, Ferrino Mizzoni and Eurico. The company is known for innovative finishes like wrinkle resistance and moisture absorbency.
- **Ready-to-Wear Collection**: Donear NXG and D'cot cater to the youth market with stylish ready-to-wear apparel.
- **Yarn Production**: Specializes in dyed polyester and cotton yarn, including space-dyed yarns that showcase exceptional quality.

Donear has a robust distribution network across India, with over 1 million retailers, including 30+ agents and 250 dealers. The company has established significant presence in the North and West regions of India and exports to more than 20 countries across five continents, achieving an annual export volume of approximately 6 million metres. The company is committed to continuous innovation in its product offerings. It has introduced unique concepts like combo boxes for gifting and maintains a strong focus on sustainability by acquiring relevant certifications for environmental responsibility. Donear's dyeing plant employs advanced technology to ensure high-quality production while minimizing environmental impact.

Donear caters to various industries, including automotive, aviation, defense, government bodies, and educational institutions. It provides customized solutions for corporate clients, ensuring quality uniforms for both blue-collar and white-collar workers.

Financial Analysis of Fabrics Competitors[14]

[14] Raymond underwent a demerger in September 2024 and hence, two quarters of financials are available for this company which are unaudited. Hence, the performance before and after demerger is provided for reference. Some figures are left blank as these figures are unavailable

Financial Snapshot	Kaytex Fabrics			Raymond Lifestyle		Donear Industries		
(INR Million)	FY2022	FY2023	FY2024	Q2 2025	Q3 2025	FY2022	FY2023	FY2024
Total Income	823.44	993.44	1250.33	13,447.2	13,741.6	5,817.0	8,358.2	8,079.5
Revenue from Operations	822.58	991.88	1249.41	13,154.8	13,400.4	5,694.6	8,256.6	7,991.4
EBITDA	87.24	127.88	224.26	1,718.1	1,516.6	473.7	754.9	809.1
EBITDA Margin	10.6%	12.9%	18.0%	13.1%	11.3%	8.3%	9.1%	10.1%
PAT	39.22	55.91	113.08	261.4	532.9	227.7	362.4	347.1
PAT Margin	4.8%	5.6%	9.1%	2.0%	4.0%	4.0%	4.4%	4.3%
Operating Cash Flow	52.12	78.03	8.05	-	-	-244.2	39.6	706.7
Net Worth	155.5	211.4	335.5	94,783.3	95,355.0	1,358.9	1,710.6	2,045.5
Long Term Borrowing	118.15	155.60	184.69	2,000.0	-	145.4	225.7	138.7
Debt Equity Ratio	1.39	1.28	1.06	0.11	0.07	2.31	2.07	1.65
Return on Capital Employed	18.82%	22.72%	27.77%	0.6%	-	8.6%	12.7%	12.8%
Return on Equity	25.2%	26.5%	33.7%	0.3%	-	16.8%	21.2%	17.0%
Return on Assets	6.4%	7.8%	11.8%	0.2%	-	3.7%	5.5%	4.9%

Source: Company Annual Report

Competitive Profile: Garments

Kewal Kiran Clothing Limited

Company Overview

Kewal Kiran Clothing Limited (KKCL), established in 1981 and headquartered in Mumbai, India, is branded apparel manufacturer in the country. The company is renowned for its diverse range of clothing brands, including Killer, Lawman, Easies, and Integriti, which cater to both men and women.

Business Segments

KKCL operates primarily in the apparel sector with a focus on:

- **Branded Jeans and Casual Wear**: Specializing in denim and semi-formal wear.
- **Women's Apparel**: Including stylish kurtis and tops.
- **Innovative Fabrics**: Utilizing advanced manufacturing techniques for quality production.

Manufacturing Capabilities

Kewal Kiran Clothing boasts robust manufacturing facilities across multiple locations:

- **Production Units**: Located in Mumbai, Vapi (Gujarat), and Daman (Union Territory).
- **Capacity**: Produces over 3 million apparel pieces annually.
- **Certifications**: Facilities are ISO 9000 certified, ensuring adherence to international quality standards.

Pearl Global Industries Limited

Company Overview

Pearl Global Industries Limited (PGIL) is a garment exporter, specializing in the manufacturing, sourcing, distribution, and export of ready-to-wear apparel. Founded in 1987 and headquartered in Gurgaon, India, the company has developed a strong international presence with operations spanning multiple countries, including Bangladesh, Vietnam, and Hong Kong. PGIL provides end-to-end supply chain solutions to global fashion brands and corporate customers.

Business Segments

Pearl Global operates in various segments of the apparel industry:

- **Knits and Woven Garments**: Producing a wide range of clothing items.
- **Denim and Outerwear**: Specializing in denim apparel and outer garments.
- **Activewear and Athleisure**: Catering to the growing market for fitness and leisure clothing.

- **Children's Wear and Workwear**: Offering products across different demographics.

Manufacturing and Sourcing Capabilities

The company has established manufacturing facilities in India, Bangladesh, Vietnam, and China. It also operates fabric development centers in China and India, along with design teams located in key markets such as the UK, US, and Hong Kong. PGIL has a combined capacity to handle approximately two million garments per month through its warehousing and processing units in the UK and US.

Financial Analysis of Garments Competitors

Financial Snapshot	Kaytex Fabrics			Kewal Kiran Clothing			Pearl Global		
(INR Million)	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Total Income	823.44	993.44	1250.33	6,244.7	7,997.0	8,974.7	9,658.2	11,341.3	9,959.9
Revenue from Operations	822.58	991.88	1249.41	6,076.1	7,794.5	8,605.0	9,337.7	11,037.7	9,536.7
EBITDA	87.24	127.88	224.26	1,000.4	1,519.4	1,771.8	475.4	805.7	426.3
EBITDA Margin	10.6%	12.9%	18.0%	16.5%	19.5%	20.6%	5.1%	7.3%	4.5%
PAT	39.22	55.91	113.08	816.5	1,192.8	1,545.2	271.6	538.2	282.4
PAT Margin	4.8%	5.6%	9.1%	13.4%	15.3%	18.0%	2.9%	4.9%	3.0%
Operating Cash Flow	52.12	78.03	8.05	569.1	750.9	1,359.1	-233.366	907.7	622.8
Net Worth	155.5	211.4	335.5	4,781.9	5,474.2	6,766.0	3,434.8	3,808.6	3,741.3
Long Term Borrowing	118.15	155.64	184.69	0.0	0.0	0.0	833.4	577.8	583.3
Debt Equity Ratio	1.39	1.28	1.06	0.16	0.09	0.00	0.76	0.54	0.62
Return on Capital Employed	18.82%	22.72%	27.77%	16.8%	24.0%	24.4%	25.4%	24.2%	28.2%
Return on Equity	25.2%	26.5%	33.7%	17.1%	21.8%	22.8%	7.9%	14.1%	7.5%
Return on Assets	6.4%	7.8%	11.8%	11.0%	14.6%	18.4%	3.1%	6.9%	3.4%

Source: Company Annual Report. MCA

Company Profile – Kaytex Fabrics Limited

Kaytex Fabrics Limited is a textile manufacturer based in Amritsar, Punjab, India. Founded in 1996 by Shri Krishan Kumar Kandhari, the company has evolved into a modern textile processing house known for its high-quality fabrics and innovative manufacturing techniques. Kaytex Fabrics specializes in a wide range of textiles, including cotton, polyester, and blended fabrics.

Business Focus

Kaytex Fabrics' business focuses on three core pillars that define their strategic approach and market presence:

- ***Brand enabler for other apparel brands:*** Kaytex Fabrics works as a trusted partner for apparel brands, helping them create trendy and appealing products for their customers. By providing quality fabrics and innovative designs inspired by global trends, the company supports brands in building collections that connect with their target audience. Their expertise covers a wide variety of fabric types, allowing it to cater to both well-established market leaders and new brands trying to make a name for themselves. With a strong infrastructure and experience, the company takes care of product development and smooth execution, so brands can focus on their core strengths. This collaborative approach helps brands stay competitive and succeed in a fast-changing market.

- ***Own Brands:*** Kaytex Fabrics also has its own brands such as "*Rasiya*", "*Kaytex*" and "*Darbaar-e-Khaas*", primarily catering to North Indian markets with a growing presence in rural and semi-urban areas. By managing everything from fabric production to unstitched garments, the company ensures quality, stays updated with the latest fashion trends, and offers affordable prices that meet customer needs. These brands combine modern designs with quality, offering great value that appeals to a wide range of customers, specifically in Tier II and Tier III cities of Northern India. With the growing presence, Kaytex Fabrics has reached the hinterlands of Northern India, built brand recognition, and earned the trust of diverse customer groups.

- ***Non-Branded Segment:*** In the non-branded segment, Kaytex Fabrics caters to bulk buyers, wholesalers, and retailers by supplying quality fabrics and garments such as ready-to-stitch suits and accessories such as shawls and stoles without specific branding. This segment focuses on delivering solutions to customers who prioritize flexibility and cost efficiency. The ability to adapt to diverse market requirements and provide scalable solutions ensures the company remains a preferred supplier in the competitive textile industry.

The flexible busines model allows Kaytex Fabrics to serve different market segments, offering both branded and cost-effective non-branded solutions. The company supports its own brands while also helping partner brands achieve their goals. This approach strengthens its position as a versatile, innovative, and customer-focused company, capable of meeting the diverse and constantly changing demands of the textile and fashion industries.

Kaytex Fabrics leverages advanced technologies such as digital printing for vibrant, customizable designs, jacquard weaving for intricate patterns, computerized embroidery for precise detailing, and sustainable processing techniques to create eco-friendly fabrics. These innovations ensure high-quality, efficient, and versatile solutions tailored to meet the dynamic needs of the textile industry. Following are the key technologies that Kaytex Fabrics uses:

- ***Digital Printing:*** Digital printing has emerged as a groundbreaking innovation in the textile manufacturing industry, revolutionizing the way designs are applied to fabrics. This technology offers unmatched versatility, precision, and efficiency, catering to both mass production and niche markets. It is a process where digital designs are directly printed onto fabrics using advanced inkjet technology. Unlike traditional printing methods, such as screen printing, digital printing eliminates the need for screens or rollers, enabling faster setup times, reduced waste, and intricate design capabilities. Digital printing allows for highly personalized designs, offering unique patterns, gradients, and photographic-quality images and it can be applied to a variety of materials, including cotton, silk, polyester, viscose, linen, and blends, catering to diverse end-use applications. Further through this technology, complex patterns, sharp details, and vivid colours can be achieved with high resolution, making it ideal for premium and designer textiles. The technology enhances the appeal of apparels such as salwar suits, sarees, dress materials, and more by offering modern, intricate designs and is a quick trend adaptation, meeting the demands of fast-fashion consumers.

- ***Weaving:*** Weaving is one of the most essential processes in textile manufacturing, forming the structural foundation of fabrics. By interlacing two sets of yarn—warp (lengthwise) and weft (crosswise)—weaving produces a variety of fabric types, each characterized by its texture, strength, and appearance. The process of weaving includes:

    - *Warp Preparation:* The warp yarns are aligned and stretched on a loom to form the base of the fabric. This requires precision to ensure uniform tension and alignment.
    - *Weft Insertion:* The weft yarns are inserted across the warp using various techniques, depending on the type of loom or weaving method.
    - *Interlacing:* The interlacing pattern of warp and weft determines the weave type, which affects the fabric's strength, texture, and aesthetics.

Weaving is used to create a wide range of fabrics, including cotton, silk, polyester, viscose, and blends and is customisable with different weave patterns, such as plain, twill, satin, or jacquard. It offers unique textures, drape, and durability, making them suitable for specific uses and catering to market such as fashion industry.

- ***Jacquard:*** Jacquard technology represents a significant advancement in textile manufacturing, enabling the creation of intricate patterns and designs directly into the fabric during the weaving process. It is widely used for fabrics, offering unmatched design capabilities and versatility. It involves the use of a specialized loom equipped with a jacquard attachment that controls individual warp threads. This allows for the production of complex, multi-coloured patterns and designs that are woven into the fabric, rather than printed or embroidered. Named after Joseph Marie Jacquard, who invented the loom in the early 19th century, this technology has evolved significantly with modern advancements, including computerized jacquard looms. Jacquard weaving is used to create fabrics for upholstery, drapery, and home décor, such as brocades, damasks, and tapestries. It is integral to high-end fashion, producing fabrics with intricate textures, patterns, and vibrant designs and can be applied to various materials, including silk, cotton, polyester, viscose, and blends, ensuring diverse fabric options.

- ***Computerised Embroidery:*** Computerised Embroidery has revolutionized textile manufacturing by enabling the addition of detailed and decorative designs to fabrics with exceptional precision and efficiency. It combines traditional artistry with modern advancements, creating visually stunning and high-quality embellishments that cater to diverse market needs. It involves the use of computerized or automated embroidery machines to create patterns, motifs, and textures on fabrics or garments. Unlike manual embroidery, modern machines are equipped with CAD ("**Computer-Aided Design**") systems, allowing for the precise replication of designs in a fraction of time. Embroidery technology has expanded creative possibilities in both couture and ready-to-wear segments, making embellished fabrics more accessible. It has allowed personalized designs at scale, meeting the growing demand for unique and tailored products.

- ***Dyeing and Processing:*** Dyeing and processing are fundamental steps in textile manufacturing, transforming raw textiles into finished products that meet desired aesthetic, functional, and performance standards. These stages enhance the appearance, texture, and usability of fabrics while preparing them for further applications in fashion textiles. Dyeing is the process of applying colour to textiles using dyes that chemically or physically bond with the fibres. We use it at various stages of production, such as yarn and fabric stage. Whereas processing involves finishing techniques that improve the appearance, feel, and functionality of fabrics. It includes chemical and mechanical treatments applied after dyeing. Dyeing and processing are critical for the textile supply chain, ensuring that fabrics meet consumer expectations for colour, texture, and performance. These steps add significant value, from creating vibrant hues to imparting functional properties that cater to diverse market demands, such as fashion, sportswear, or technical applications.

Kaytex Fabrics also has its in-house design team which is the creative driving force behind the trend-driven fabric solutions. This team comprises of designers and textile experts who stay at the forefront of global fashion trends, ensuring the products are always aligned with market demands. By leveraging advanced design tools, such as CAD software, and drawing inspiration from global fashion forecasts, the company's designers create unique patterns, textures, and designs that cater to a wide variety of customer preferences. The in-house design team plays a pivotal role in developing seasonal collections, ensuring that the company remains relevant in the fast-paced textile and fashion industries. From ideation to execution, the team collaborates with the production units to translate creative concepts into quality fabrics and garments. Their expertise extends across various styles and applications, including digital prints, jacquard weaves, and embroidered designs, allowing Kaytex Fabrics to offer a diverse portfolio of products. This team also works closely with its clients, including apparel brands and wholesalers, to develop customized designs that meet their specific requirements. Whether it's creating exclusive prints for a premium collection or producing culturally inspired patterns for regional markets, the design team continues to deliver tailored solutions that enhance the uniqueness of our customers' products. Additionally, the in-house team ensures that every design is optimized for production efficiency, balancing aesthetics with practical manufacturing considerations. Their ability to integrate creativity with technical know-how sets Kaytex Fabrics apart, enabling to offer fabrics and garments that are not only visually stunning but also commercially viable. Through their efforts, the company continue to deliver exceptional value, combining innovation, quality, and style to meet the evolving needs of its customers.

Product Profiling

Kaytex Fabrics operates primarily in the following segments:

- **Fabric Manufacturing**

The company produces a diverse range of fabrics, including:

  - Cotton fabrics.
  - Polyester fabrics.
  - Viscose fabrics.
  - Blended fabrics for various applications such as suiting, shirting, and uniforms.

- **Textile Processing**

Kaytex Fabrics offers comprehensive textile processing services, including dyeing and printing. The company utilizes modern techniques to ensure high-quality finishes and vibrant colours.

Kaytex Fabrics produces a wide variety of fabrics, depending on capabilities, technology, and customer demands. The product range can include hundreds of variations depending on the combination of fibre, weave, texture, finish, and application. Following are the few types of fabrics the company currently produces at its manufacturing units:

- **Digital Printed Fabrics**: Kaytex Fabrics specializes in digitally printed fabrics, offering a wide range of products designed to meet the diverse needs of its customers. Digitally printed fabrics are available in vibrant colours, different patterns, and high-resolution designs, catering to industries such as fashion apparel, home textiles (curtains, upholstery, and bed linens), etc. Using advanced digital printing technology, the company ensures precision, customization, and eco-friendly production, delivering fabrics with quality, sharp details, and durability.

- **Jacquard Fabrics**: Kaytex Fabrics specialize in manufacturing high-quality jacquard fabrics, including detail designed shawls and stoles, tailored to meet the diverse needs of customers. These jacquard fabrics are known for their patterns, textures, and durability, making them ideal for industries such as fashion apparel, home textiles, and accessories. Advanced jacquard weaving technology can create intricate and multi-coloured designs directly into the fabric, offering a blend of tradition and modernity.

- **Corduroy Fabrics**: The corduroy fabrics are manufactured to meet the diverse needs of customers across various industries. Known for their distinctive ribbed texture, durability, and versatility, these corduroy fabrics are ideal for applications in fashion apparel, including jackets, trousers, as well as home textiles like upholstery and cushion covers. Using advanced manufacturing techniques, these corduroy fabrics are produced in a variety of weights and patterns.

- **Dobby Fabrics:** Known for its unique geometric patterns, rich textures, and durability, dobby fabrics are ideal for a wide range of applications, including fashion apparel such as shirts, dresses, and ethnic wear, as well as home textiles like upholstery, curtains, and table linens. Produced using dobby weaving technology, these fabrics feature intricate, raised designs that add depth and sophistication to the material. Available in various fibres, colours, and finishes, the dobby fabrics crafted offer a balance of style, functionality, and quality.

- **Garments:** Garment section offers ready-to-stitch suits and accessories such as shawls and stoles. Ready-to-stitch suits are made from quality fabrics with modern designs, patterns, and a wide range of colours. They are perfect for traditional wear, casual occasions, and formal events, giving customers the flexibility to tailor garments to their personal style. By combining current fashion trends with craftsmanship, the ready-to-stitch suits offer style, comfort, and great value, in semi-urban and rural markets of North India.

Financial Snapshot

Kaytex Fabrics Limited (INR Million)	FY 2022	FY 2023	FY 2024
Operating Revenue	822.58	991.88	1,249.41
Finance Cost	23.0	28.2	39.3
EBITDA	87.2	127.9	224.3
PAT	39.2	55.9	113.1
Net Worth	155.5	211.4	335.5
Long Term Borrowing	118.2	155.6	184.7
Debt Equity Ratio	1.39	1.28	1.06
Return on Assets	6.4%	7.8%	11.8%

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company, on a standalone basis. To obtain a complete understanding of our Company and business, prospective Bidders should read this section along with "Risk Factors", "Industry Overview", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 39, 141, 274 and 277, respectively as well as financial and other information contained in this Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 for definitions of certain terms used in this section.

*The industry information contained in this section is derived from the industry report titled "Report on Digital Textile Printing Industry in India" dated January 30, 2025, which is exclusively prepared for the purposes of the Offer and issued by D&B and is commissioned and paid for by our Company ("**D&B Report**"). D&B was appointed on December 28, 2024. We commissioned and paid for the D&B Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to the D&B Report. The D&B Report is available on the website of our Company at https://kaytexfabrics.com/ipo/. Otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with AS, Indian GAAP, IFRS or U.S. GAAP. Such measures and indicators are not defined under AS, Indian GAAP, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under AS, Indian GAAP, IFRS or U.S. GAAP. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an Investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For risks relating to non-GAAP measures, see "Risk Factors – Risks Relating to the Offer and the Objects of the Offer - We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under AS." on page 73.

Some of the information set out in this section, especially information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 28 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 39 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 financial year ends on March 31 of every year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Overview

We are a fast-fashion fabric solutions and manufacturing company, combining technology, design, and traditional craftsmanship to deliver textile and fashion products. We manage the entire process—from yarn to finished fabric production—ensuring quality and the ability to quickly adapt to changing market demands. We specialize in creating fabrics from a variety of fibres, including cotton, viscose, modal, acrylic, nylon, linen, and polyester. Our focus on digital printing—allows us to create customizable designs suited to the fastpaced nature of the fashion industry.

Digital textile printing referred to as direct-to-garment or digital garment printing, is a process of reproducing variety of digital images/prints on textiles and garments using specialized or modified inkjet technology. It works perfect for printing photos, detailed patterns, graphically complex designs and tonal transitions. It has a wide range of end-use applications across various fashion and apparel, home textiles, interior design, advertising and promotional materials, sportswear and activewear, accessories, industrial applications and home décor. Its advantages over conventional printing methods include: high-quality printing, customization and flexibility, time efficiency, cost-effectiveness, environmental sustainability, versatility in fabric types, consistent quality and access to global market. Digital textile printing, while still a relatively small segment, is gradually gaining traction due to design flexibility and elimination of costly screens and preparation processes, reducing production time and minimizing waste, increasing demand for digital printing significantly. The Global Digital Textile Printing Market is on a strong growth trajectory, rising from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92% and is projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E, at a CAGR of 12.8%. The increasing demand for personalized and customized products is a major catalyst and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. The Indian digital textile printing revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85% and it is further projected to reach USD 1,212.3 million by CY 2030F at a CAGR of 11.0%. This growth can be attributed to several factors, including increasing demand for customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Fast fashion, e-commerce platforms, rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for digital textile printing. (*Source: D & B Report*)

In addition to fabrics, we've expanded into fashion products in womenswear, offering ready-to-stitch suits, co-ord sets, shawls, scarves and stoles. By combining fashion trends with craftsmanship, we create products that meet the needs of today's consumers. Our approach and innovativeness allow us to deliver products that cater to both brands and individual customers as per current market situation.

Founded in 1996 in Amritsar, Punjab, we started as a traditional textile manufacturing company with deep roots in India's textile heritage. Known for our craftsmanship, we initially focused on producing fabrics for local and regional markets. As the fashion industry evolved, we recognized the need to modernize and adapt. Over the years, we invested in technologies like digital printing, computerized embroidery, and modern weaving techniques. These upgrades enabled us to respond to shifts in consumer preferences and produce fabrics suited to fast fashion. Today, we operate as a fabric manufacturer in Punjab, serving clients across segments, from apparel brands to individual consumers. Our offerings include fabrics, ready-to-stitch garments (womenswear), and designs that align with prevailing trends while preserving the techniques we have developed over time. This shift reflects our capacity to adapt and deliver value to our customers and partners.

Our business focuses on three core pillars that define our strategic approach and market presence:

- ***Brand enabler for other apparel brands:*** We work as a partner to apparel brands, supporting them in creating products for their customers. By supplying fabrics and designs based on market trends, we assist brands in developing collections that align with their target audience. Our experience spans a wide range of fabric types, enabling us to serve both established brands and new entrants. With our infrastructure and capabilities, we handle product development and execution, allowing brands to concentrate on their primary business activities. This approach helps brands respond to changes in the market and maintain their position.

- ***Own Brands:*** We also have our own brands "*Rasiya*", "*Kaytex*" and "*Darbaar-e-Khaas*" catering to markets in North India, enabling rural and semi-urban presence. We manage everything from fabric production to ready-to-stitch suits, co-ord sets, and accessories such as shawls, scarves, and stoles. We focus on maintaining standards, following fashion trends, and offering prices aligned with customer expectations. Our brands offer designs that serves customer demand in Tier 2 and Tier 3 cities across Northern India. As our presence expands, we have reached new areas, established brand awareness, and built customer relationships.

- ***Non-Branded Segment:*** In the non-branded segment, we cater to bulk buyers, wholesalers, and retailers by supplying fabrics and garments such as ready-to-stitch suits and co-ord sets, accessories such as shawls, scarves, and stoles without specific branding. This segment focuses on delivering solutions to customers who prioritize flexibility and cost-effectiveness.

Our business model allows us to serve different market segments, offering both branded and non-branded products. This approach supports our ability to meet the varied and changing requirements of the textile and fashion industries and enables our company to focus on serving a wide customer base.

We use technologies such as digital printing for customizable designs, jacquard weaving for detailed patterns, computerized embroidery for consistent detailing, and processing methods in our operations. These methods support efficient production and help meet the changing requirements of the textile industry. Following are the technologies that we use:

- ***Digital Printing:*** Our company uses reactive digital printing machines for printing on cotton/viscose fabrics from Hopetech and sublimation printing machine from Hopetech (combined with a heat transfer machine) for printing on polyester fabrics. For details, please refer page 222 under the heading "*Digital Printing Process*". Digital printing is a technological advancement in textile manufacturing that changes the method of applying designs to fabrics. This process involves directly printing digital designs onto textiles using inkjet-based systems. Unlike traditional techniques such as screen printing, digital printing does not require the use of screens or rollers, resulting in faster setup times, reduced material use, and the ability to produce detailed designs. The process supports customization by enabling the creation of various patterns, gradients, and image-based prints. It can be used on multiple types of fabrics, including cotton, silk, polyester, viscose, linen, and blends, making it suitable for different end-use cases. Digital printing enables the production of detailed patterns, clear outlines, and consistent coloration, which can be applied to garments such as salwar suits, sarees, and dress materials. This technology supports responsiveness to changing market trends by allowing manufacturers to produce small batches with variable designs, helping meet the requirements of short lead times and seasonal collections.

- ***Weaving:*** Our company uses weaving machines by Sulzer. For details, please refer page 220 under the heading "*Fabric Manufacturing Process*". Weaving is one of the most essential processes in textile manufacturing, forming the foundation of fabrics. By interlacing two sets of yarn—warp (lengthwise) and weft (crosswise)—weaving produces a variety of fabric types, each characterized by its texture, strength, and appearance. The process of weaving includes:

  <u>Warp Preparation:</u> The warp yarns are aligned and stretched on a loom to form the base of the fabric. This requires precision to ensure uniform tension and alignment.

  <u>Weft Insertion:</u> The weft yarns are inserted across the warp using various techniques, depending on the type of loom or weaving method.

  <u>Interlacing:</u> The interlacing pattern of warp and weft determines the weave type, which affects the fabric's strength, texture, and aesthetics.

  Weaving is used to create a wide range of fabrics, including cotton, silk, polyester, viscose, and blends and is customisable with different weave patterns, such as plain, twill, satin, or jacquard, offer unique textures, drape, and durability, making them suitable for specific uses and catering to market such as fashion industry.

- ***Jacquard:*** We use electronic jacquard weaving machines by *Sulzer*, *Vamatex* and *Somet*. For further details, please refer page 222 under the heading "*Jacquard Fabrics Manufacturing Process*". Jacquard technology represents a significant advancement in textile manufacturing, enabling the creation of detailed patterns and designs directly into the fabric during the weaving process. It is widely used for fabrics, offering design capabilities and versatility. It involves the use of a specialized loom equipped with a jacquard attachment that controls individual warp threads. This allows for the production of complex, multi-coloured patterns and designs that are woven into the fabric, rather than printed or embroidered. Named after Joseph Marie Jacquard, who invented the loom in the early 19th century, this technology has evolved significantly with modern advancements, including computerized jacquard looms. Jacquard weaving is used to create fabrics for upholstery, drapery, and home décor, such as brocades, damasks, and tapestries. It is integral to high-end fashion, producing fabrics with intricate textures, patterns, and vibrant designs and can be applied to various materials, including silk, cotton, polyester, viscose, and blends, ensuring diverse fabric options.

- ***Computerised Embroidery:*** Our company uses computerized multi-head embroidery machines of *Zhejiang Yuelong* Sewing Equipment. Computerised embroidery is offered as an add-on service to complement fabric customization and hence no separate manufacturing process is defined for the same. Computerised embroidery is a process used in textile manufacturing to add patterns, motifs, and textures to fabrics or garments using automated embroidery machines. It replaces manual embroidery with machines equipped with CAD ("**Computer-Aided Design**") systems, which allow for accurate replication of designs in less time. This method integrates traditional embroidery techniques with digital tools, enabling consistent output and increased production efficiency. It supports the creation of various design elements for different textile segments, including both couture and ready-to-wear. Computerised embroidery enables the production of customized designs at scale, addressing the demand for individualized and differentiated textile products across various markets.

- ***Dyeing and Processing:*** We use jigger dyeing, jet dyeing, mercerizing, sanforising, decadising and hot air stenters of *Harish*. Dyeing and processing are key steps in textile manufacturing that convert raw textiles into finished materials suitable for end-use. These processes prepare fabrics to meet specific aesthetic, functional, and performance requirements. Dyeing refers to the application of colour to textiles through dyes that bond with the fibres. This can be carried out at different stages, such as the yarn or fabric stage, depending on the desired outcome. Processing includes various finishing techniques applied after dyeing, involving both chemical and mechanical treatments to alter the fabric's characteristics. Together, dyeing and processing ensure that fabrics conform to defined standards for colour, texture, and utility. These steps play a role in aligning textile properties with requirements across sectors such as apparel, sportswear, and industrial textiles.

Our company maintains quality as part of its operations. We start with inspection of raw materials, such as yarns, dyes, chemicals, greige fabrics to ensure they meet our specifications for durability, colour consistency, and performance. Before dispatch, every finished product is checked for physical appearance, strength, and compliance with design specifications. Parameters such as texture, colourfastness, stitching accuracy, shrinkage, tear strength, and pilling are reviewed to confirm they meet our customer-defined quality standards.

We also have our in-house design team which is the creative force behind our trend-driven fabric solutions. This team comprises of designers and textile experts who stay at the forefront of global fashion trends, ensuring our products are always aligned with market demands. By leveraging advanced design tools, such as CAD software, and drawing inspiration from global fashion forecasts, our designers create unique patterns, textures, and designs that cater to a wide variety of customer preferences. The in-house design team plays a pivotal role in developing seasonal collections, ensuring we remain relevant in the fast-paced textile and fashion industries. From ideation to execution, the team collaborates with our production units to translate creative concepts into quality fabrics and garments. Their expertise extends across various styles and applications, including digital prints, jacquard weaves, and embroidered designs, allowing us to offer a diverse portfolio of products. This team also works closely with our clients, including apparel brands and wholesalers, to develop customized designs that meet their specific requirements. Whether it's creating exclusive prints for a premium collection or producing culturally inspired patterns for regional markets, our design team delivers tailored solutions that enhance the uniqueness of our customers' products. Additionally, the in-house team ensures that every design is optimized for production efficiency, balancing aesthetics with practical manufacturing considerations. Their ability to integrate creativity with technical know-how sets us apart, enabling us to offer fabrics and garments that are not only visually stunning but also commercially viable. Through their efforts, we continue to deliver exceptional value, combining innovation, quality, and style to meet the evolving needs of our customers.

The details of expenses incurred on our design team for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 is below:

(₹ in Lakhs)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Salaries, bonus and other incentives paid	191.87	143.70	104.89
Designing charges paid to third parties	12.19	10.90	10.23
Total	**204.06**	**154.60**	**115.12**

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Our management team is led by Sanjeev Kandhari, the Chairman and Managing Director, who has been associated with our company since its incorporation and has 30 years of experience in the textile manufacturing industry. He oversees the company's overall performance, formulates growth strategies, and provides strategic direction to the senior management team. Amit Kandhari, our Whole-time Director and Chief Financial Officer, has also been with the company since its inception. With three decades of experience in the textile industry, he manages finance, production, and compliance while driving the company's expansion and operational efficiency. Our leadership also includes Devika Arora, the Head of Designing, who has been with us since 2017 and specializes in textile and fashion design, ensuring our collections align with market trends. Sahil Kandhari, the Head of Printing, has been associated with our company since 2020, bringing expertise in digital printing technologies to optimize high-quality fabric production. Harsimran Diwan, the Procurement Head, has been with us since 2016, ensuring the timely sourcing of raw materials at competitive prices, supporting the company's focus on quality and efficiency. Our operations are further strengthened by Kuldeep Singh, the Merchandising Manager, who oversees packing, scheduling, and shipment processes for smooth order fulfilment. Lalit Kesar, our Processing and Finishing Head, rejoined the company in 2023, bringing expertise in dyeing techniques and fabric finishing to ensure adherence to quality standards. Niranjan Singh, the Production Manager, has been with us since 1999, leveraging his 25 years of experience to manage production operations efficiently. Ranjit Kumar, the Production Planner, has been associated with us since 2006, focusing on planning, scheduling, and coordinating production activities to ensure timely deliveries while maintaining quality standards. Together, our diverse and experienced management team plays a crucial role in driving our company's growth, enhancing operational efficiencies, and maintaining our position as a leader in textile manufacturing. Their collective expertise spans design, procurement, production, processing, finance, and logistics, ensuring seamless execution of business strategies while upholding our commitment to innovation, quality, and customer satisfaction.

The scale of our operations and distribution network along with our customers' confidence have had a significant impact on our revenues and profitability. Set out below are our key performance indicators for the last three Fiscals are as follows:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations (₹ in Lakhs) (1)	15,278.73	12,494.14	9,918.84
- *Product Revenue (₹ in Lakhs)*	*13,943.07*	*10,615.86*	*8,253.19*
- *Service Revenue (₹ in Lakhs)*	*1,241.01*	*1,802.10*	*1,602.10*
- *Others (₹ in Lakhs)*	*94.65*	*76.18*	*63.55*
EBITDA (₹ in Lakhs) (2)	3,006.22	2,242.60	1,278.83
EBITDA Margin (%) (3)	19.68%	17.95%	12.89%
PAT (₹ in Lakhs) (4)	1,690.47	1,130.80	559.14
PAT Margin (%) (5)	11.06%	9.05%	5.64%
Return on equity (%) (6)	40.43%	41.36%	30.48%
Return on capital employed (%) (7)	33.24%	32.72%	25.81%
Debt-Equity Ratio (times) (8)	0.76	1.06	1.28
Trade Receivables (days) (9)	85	83	95
Trade Payables (days) (10)	77	62	73
Inventory (days) (11)	137	125	73
Working Capital Cycle (days) (12)	145	146	95

Notes:

(1) Revenue from operations is calculated as revenue from sale of manufactured products and services.

(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.

(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.

(4) PAT represents total profit after tax for the year/period.

(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.

(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by average total equity at the end of the year /period, whereas total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.

(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by average capital employed at the end of the year /period, whereas average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. capital employed is calculated as total equity minus DTA plus DTL, long term borrowings and short-term borrowings.

(8) Debt to Equity ratio is calculated as total borrowings divided by total equity.

(9) Trade Receivables (days) is calculated as average trade receivables divided by revenue from operations multiplied by 365. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.

(10) Trade Payables (days) is calculated as average trade payables divided by cost of goods sold multiplied by 365. Average trade payables is calculated as average of opening trade payables and closing trade payables.

(11) Inventory (days) is calculated as average inventories divided by cost of goods sold multiplied by 365. Average inventories is calculated as average of opening inventory and closing inventory.

(12) Working capital cycle (days) is calculated inventory days plus trade receivables days minus trade payables days.

b) Key operational indicators (only for our product revenue segment)

Indicator	Units	March 31, 2025	March 31, 2024	March 31, 2023
Digital Printing (Volume)				
- Fabrics	Metres	27,95,182	13,84,239	7,28,365
- Garments (ready-to-stitch womenswear)	Pieces	3,51,243	1,88,795	99,561
- Products manufactured	Nos.	209	204	187
Jacquard (Volume)				
- Fabrics	Metres	5,09,913	4,43,791	4,14,483
- Garments (ready-to-stitch suits, shawls and stoles)	Pieces	9,85,195	7,51,672	5,44,480
- Products manufactured	Nos.	423	389	445
Other woven fabrics (Volume)				
- Fabrics	Metres	8,29,358	12,55,911	22,32,962
- Garments (ready-to-stitch womenswear)	Pieces	No garments are manufactured under this segment		
- Products manufactured	Nos.	726	565	502
Digital Printing (Average Selling Price)				
- Fabrics	Rs. per Meter	143.00	172.39	146.67
- Garments (ready-to-stitch womenswear)	Rs. per piece	1,011.35	1,151.32	1,195.14
Jacquard (Average Selling Price)				
- Fabrics	Rs. per Meter	193.66	169.63	178.48
- Garments (ready-to-stitch suits, shawls and stoles)	Rs. per piece	416.38	462.67	431.42
Other woven fabrics (Average Selling Price)				
- Fabrics	Rs. per Meter	159.24	145.34	130.15
- Garments (ready-to-stitch womenswear)	Rs. per piece	No garments are manufactured under this segment		
Distribution Network				
- No. of dealers/ distributors	Nos.	154	132	123
- No. of brokers/ agents	Nos.	71	60	56

Notes:

(1) Digital Printing (Volume) refers to the total amount of Digital Printing products produced using Digital Printing technology.

(2) Jacquard (Volume) refers to the total amount of Jacquard products produced using Jacquard technology.

(3) Others (Volume) refers to the total amount of other products produced using other techniques or technologies such as dobby, corduroy, etc.
(4) Digital Printing (Average Selling Price) refers to the average price at which Digital Printing products are sold. It is calculated by dividing the revenue earned from Digital Printing products by the volume of Digital Printing products produced.
(5) Jacquard (Average Selling Price) refers to the average price at which Jacquard products are sold. It is calculated by dividing the revenue earned from Jacquard products by the volume of Jacquard products produced.
(6) Others (Average Selling Price) refers to the average price at which other products are sold. It is calculated by dividing the revenue earned from other products by the total volume of other products produced.
(7) Distribution Network refers to the structured system of intermediaries/individuals that facilitate the movement of products or services from us to our customers. No. of dealers/ distributors refers to the total count of dealers or distributors responsible for distributing products from our company to our customers. No. of brokers/ agents refers to the total count of brokers or agents who connect our company with our customers.

Our Revenue Mix

Our revenue is derived from three primary streams: (a) product revenue; i.e., manufactured products such as fabrics and garments (ready-to-stitch womenswear); (b) service revenue; i.e., processing of fabrics under any job work arrangements for external clients and (c) others, i.e., sale of packaging materials, scrap, etc. The revenue mix for the Fiscal 2025, 2024 and 2023, based on our Restated Financial Information, is set out below:

(₹ in Lakhs)

Particulars	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Product Revenue	13,943.07	*91.26%*	10,615.86	*84.97%*	8,253.19	*83.21%*
Service Revenue	1,241.01	*8.12%*	1,802.10	*14.42%*	1,602.10	*16.15%*
Others	94.65	*0.62%*	76.18	*0.61%*	63.55	*0.64%*
Total	**15,278.73**	***100.00%***	**12,494.14**	***100.00%***	**9,918.84**	***100.00%***

**As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.*

The fabrics processed by us under the digital printing business segment, caters to both, own inventory and third-party requirements, aligning with the Business model. We manufacture fabrics and garments for our own branded and non-branded segments, where the ownership remains with us. Simultaneously, we also undertake job work and contract-based processing for third parties, where the fabrics are owned by the respective clients or can be provided by the company depending on the requirement of the third-party. Further, our service revenue for the Fiscal 2025, 2024 and 2023 is divided below:

(₹ In Lakhs)

Particulars	**Fiscal 2025**	**Fiscal 2024**	**Fiscal 2023**
Processing	1,186.09	1,601.92	1,514.00
Printing	40.51	131.43	34.77
Weaving	14.41	68.75	53.33
Total sale of services	**1,241.01**	**1,802.10**	**1,602.10**

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Further, our product revenue can be divided into three separate verticals based on the technologies that we use, i.e., (a) digital printing; (b) jacquard; and (c) others woven fabrics such as dobby, corduroy, etc. The product revenue break-up for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on our Restated Financial Information, is set out below:

(₹ in Lakhs)

Technologies	**Fiscal 2025**		**Fiscal 2024**		**Fiscal 2023**	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Digital printing	7,549.52	*49.42%*	4,559.89	*36.50%*	2,258.17	*22.77%*
Jacquard	5,089.66	*33.31%*	4,230.58	*33.86%*	3,088.75	*31.14%*
Other woven fabrics	1,303.88	*8.53%*	1,825.40	*14.61%*	2,906.27	*29.30%*
Total Product Revenue	**13,943.07**	***91.26%***	**10,615.86**	***84.97%***	**8,253.19**	***83.21%***

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Our product revenue can also be further divided into: (a) revenue generated from the sale of fabrics, catering to a variety of market demands; and (b) revenue generated from garments (womenswear), i.e., ready-to-stitch suits, co-ord sets, accessories like shawls, scarves and stoles providing versatile and fashionable options for our customers. The product revenue break-up for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on our Restated Financial Information, is set out below:

(₹ in Lakhs)

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Revenue generated from fabrics	6,288.63	*41.16%*	4,964.46	*39.73%*	4,714.32	*47.53%*
Revenue generated from garments, i.e., ready-to-stitch womenswear	7,654.44	*50.10%*	5,651.40	*45.23%*	3,538.87	*35.68%*
Total Product Revenue	**13,943.07**	***91.26%***	**10,615.86**	***84.97%***	**8,253.19**	***83.21%***

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Further, the product revenue can be divided based on the market segment, i.e., (a) brand enabler, (b) own brands; and (c) non-branded. The product revenue break-up for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on the Restated Financial Information, is set out below:

(₹ in Lakhs)

Market Segment	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Brand Enabler	4,662.92	*30.52%*	2,577.79	*20.63%*	1,668.46	*16.82%*
Own Brands						
- *Rasiya*	*5,464.66*	*35.77%*	*4,445.61*	*35.58%*	*2,100.84*	*21.18%*
- *Kaytex*	*1,151.15*	*7.53%*	*1,211.04*	*9.69%*	*1,400.80*	*14.12%*
- *Darbar-e-Khaas*	*347.21*	*2.27%*	*38.44*	*0.31%*	-	-
Non-Branded	2,317.13	*15.17%*	2,342.98	*18.75%*	3,083.09	*31.08%*
Total Product Revenue	**13,943.07**	***91.26%***	**10,615.86**	***84.97%***	**8,253.19**	***83.21%***

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During the Fiscal 2025, 2024 and 2023, we catered to 497, 455 and 447 customers, respectively. While revenue from domestic sales was the only component of our revenue from operations, we made an entry into the export segment during the Fiscal 2025, aiming to expand our global footprint and tap into international markets for growth and diversification. Set out in the table below is a break-up of our revenue, based on our Restated Financial Information, from domestic sales and exports for the Fiscal 2025, Fiscal 2024 and Fiscal 2023 respectively:

(₹ in Lakhs)

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Domestic	14,613.91	*95.65%*	12,494.14	*100.00%*	9,918.84	*100.00%*
Exports	664.82	*4.35%*	-	-	-	-
Total	**15,278.73**	***100.00%***	**12,494.14**	***100.00%***	**9,918.84**	***100.00%***

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Set out below is our revenue from operations, based on our Restated Financial Information, from various states in India for the Fiscal 2025, Fiscal 2024 and Fiscal 2023:

(₹ in Lakhs)

State	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Punjab	10,429.17	*68.26%*	9,924.26	*79.43%*	7,364.86	*74.25%*
Haryana	2,083.62	*13.64%*	913.95	*7.31%*	381.88	*3.85%*
Delhi	762.49	*4.99%*	657.78	*5.26%*	938.67	*9.46%*
Uttar Pradesh	214.94	*1.41%*	185.30	*1.48%*	136.78	*1.38%*

State	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Himachal Pradesh	136.25	*0.89%*	142.28	*1.14%*	145.96	*1.47%*
Uttarakhand	29.58	*0.19%*	-	-	-	-
Jammu and Kashmir	41.86	*0.27%*	21.70	*0.17%*	63.18	*0.64%*
Chandigarh	3.98	*0.03%*	-	-	-	-
Maharashtra	357.17	*2.34%*	322.06	*2.58%*	729.80	*7.36%*
Gujarat	239.04	*1.56%*	183.56	*1.47%*	75.48	*0.76%*
Karnataka	205.15	*1.34%*	86.38	*0.69%*	-	-
Rajasthan	99.47	*0.65%*	53.23	*0.43%*	51.91	*0.52%*
West Bengal	10.98	*0.07%*	(0.11)	-	19.24	*0.19%*
Madhya Pradesh	-	-	3.75	*0.03%*	10.18	*0.10%*
Tamil Nadu	-	-	-	-	0.90	*0.01%*
Daman and Diu	0.20	*0.00%*	-	-	-	-
Total	**14,613.91**	***95.65%***	**12,494.14**	***100.00%***	**9,918.84**	***100.00%***

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Our Strengths

We believe that the following competitive strengths have contributed to our business growth and will continue to drive our success:

a) Single stop solution for customers enabled by an integrated unit with multiple capabilities across digital printing, weaving, jacquards, and embroidery

Our company serves as a one-stop solution for all textile needs, offering a fully integrated production unit that combines advanced capabilities such as digital printing, weaving, jacquard, and embroidery. This setup allows us to handle every step of fabric creation in-house, ensuring quality, faster delivery, and cost-effective production.

- *Digital Printing:* We use advanced digital printing technology to produce bright, trendy, and highly detailed designs directly on fabrics. This modern method allows us to create custom patterns and intricate designs with precision and colour quality. Unlike traditional printing methods, digital printing is much faster and more flexible, enabling us to quickly adapt to the latest fashion trends. It's an efficient process that reduces waste, ensures consistent results, and allows us to handle both small and large orders with ease. This technology is ideal for meeting the fast-changing demands of the fashion industry, helping us deliver quality fabrics and products that align with current styles and customer preferences.

- *Weaving:* Our weaving facilities are designed to produce quality fabrics with a variety of patterns, textures, and finishes. These fabrics are tailored to meet the diverse needs of different markets, including clothing, home furnishings, and specialty textiles. Whether it's lightweight materials for summer wear, durable fabrics for upholstery, or intricate designs for premium apparel, our weaving capabilities allow us to create products that meet specific customer requirements. By using advanced machinery and techniques, we ensure that every fabric we produce is consistent in quality, versatile, and ready to serve a wide range of purposes in the textile industry.

- *Jacquard:* Our jacquard machines allow us to create detailed and luxurious designs that are woven directly into the fabric, rather than being printed or embroidered. This method produces detailed patterns and textures that add a premium and sophisticated touch to the material. These fabrics are perfect for high-end garments, ethnic wear, and elegant home furnishings like curtains and upholstery. The ability to weave such unique and designs sets our products apart, making them highly sought after in markets where elegance, quality, and originality are essential. This capability enables us to cater to customers looking for distinctive and stylish fabric solutions.

- *Embroidery:* Our embroidery machines create beautiful patterns on fabrics, adding both style and value to the final product. These machines can produce a wide variety of designs, from traditional motifs that appeal to cultural preferences to modern patterns that align with current fashion trends. Embroidery enhances the overall appearance of fabrics, making them more visually appealing and suitable for high-end garments, ethnic wear, and even decorative home textiles. By combining precision and creativity, our embroidery capabilities help us deliver products that stand out in the market and meet the diverse preferences of our customers.

For details of the technology used in the various production cycle of the company, please see "*Our Business - Overview*" on page 203.

Having all these capabilities under one roof saves time, reduces costs, and ensures consistent quality. We control the entire process, from design to finished product, giving our customers exactly what they need without relying on outside vendors. This setup allows us to deliver trendy, high-quality products quickly and efficiently, whether it's for domestic or international markets. In simple terms, our integrated approach makes us a reliable partner for customers who want innovative fabrics and garments at competitive prices, helping us stand out in the competitive textile market.

b) Adapter of digital printing technology in our operations

Our company has adopted digital printing technology as part of its operational strategy. This technology enables the creation of detailed and customizable designs on fabrics with precision and speed. Unlike traditional methods, digital printing is efficient, reduces material waste, and supports both small and large order quantities, making it suitable for the fast-moving fashion industry. This approach has helped improve our production processes and enhance our ability to respond to changing trends and customers' requirements, allowing us to offer textile solutions aligned with market needs. The Global Digital Textile Printing Market is on a strong growth trajectory, rising from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92% and is projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E, at a CAGR of 12.8%. The increasing demand for personalized and customized products is a major catalyst and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. The Indian digital textile printing revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85% and it is further projected to reach USD 1,212.3 million by CY 2030F at a CAGR of 11.0%. This growth can be attributed to several factors, including increasing demand for customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Fast fashion, e-commerce platforms, rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for digital textile printing. (*Source: D&B Report*)

Advantages of using Digital Printing technology in fabrics:

- *Efficiency:* Faster turnaround times with no need for screen preparation and reduced setup costs make it suitable for both small and large production runs.

- *Eco-Friendliness:* Minimal water usage compared to traditional methods and reduced chemical waste contribute to more sustainable production practices.

- *Design Flexibility:* Unlimited colour options and design variations, combined with the ability to produce small batches or one-off designs for testing or customization, offer flexibility.

- *Cost-Effective for Short Runs:* Ideal for limited editions or customized collections where traditional methods would be cost-prohibitive.

Digital textile printing delivers exceptional print quality with sharp, vibrant colours and precise detailing. Unlike traditional methods, where colour bleeding and blurring can occur, it ensures intricate designs are reproduced with clarity and accuracy while maintaining the fabric softness and flexibility. Its ability to customize designs easily without the need for screens or plates, allows for unique and personalized creations which is particularly advantageous for small or independent designers. Digital textile printing significantly reduces production time by eliminating traditional steps like screen preparation and colour separation, allowing for quicker turnaround times and responsiveness to fast-changing trends. Cost-effective for small runs, it eliminates setup costs, making it accessible for smaller businesses and independent designers who may not have large budgets. Additionally, it uses significantly less water, produces less waste, and emits fewer pollutants aligning with the growing demand for eco-friendly practices in the fashion industry. Digital textile printing can be applied to a wide range of fabrics, including cotton, silk, polyester, and blends and its applications range from fashion to home décor, ensuring consistent quality crucial for maintaining brand identity and product uniformity. By enabling small-batch production of custom-designed fabrics, designers can cater to niche markets and reach a global audience, fostering creativity and diversity in fabric design. (*Source: D&B Report*)

Digital textile printing is reshaping the global textile market by meeting the increasing demand for sustainability, personalization, and faster production cycles. It has become a preferred choice catering to high-end fashion, interior décor, sportswear, and casual wear markets. In conclusion, digital printing is not just a trend but a pivotal technological advancement driving innovation and efficiency in textile manufacturing. It empowers manufacturers and designers to deliver high-quality, distinctive, and sustainable products to meet evolving consumer preferences.

c) Cross segment coverage from Tier 1 cities to rural and branded to unbranded segments

Our company operates with a clear and strategic approach to serve different markets effectively, focusing on Tier 1 and Tier 2 cities as a brand enabler, while addressing the needs of Tier 3, Tier 4 cities, semi urban and rural areas through our own brands and non-branded fabrics and ready-to-stitch garments. In Tier 1 and Tier 2 cities, we work closely with established and emerging apparel brands, providing them with premium fabrics and innovative designs that help them create collections for their fashion-conscious consumers. Our role as a brand enabler means we support these brands by taking care of fabric production, offering them quality materials that align with the latest trends, and allowing them to focus on building their brand identity and expanding their reach. In Tier 3, Tier 4 cities, semi urban and rural areas, our approach is more direct. We cater to consumers through our own brands, offering fabrics and ready-to-stitch garments, shawls, stoles, and other products that combine quality and affordability. These brands are designed to meet the preferences of customers in semi-urban and rural areas, providing trendy and durable fabrics at prices that are accessible. Additionally, we serve the non-branded market in these regions by supplying bulk fabrics to wholesalers, retailers, and individual buyers who prioritize cost efficiency and flexibility. This two-pronged strategy allows us to cover a wide spectrum of customers across different market segments. By supporting well-known brands in urban areas and directly addressing the needs of consumers and businesses in smaller towns, we have established a strong and balanced presence. This approach not only helps us tap into the growth potential of Tier 3, Tier 4 cities, semi urban and rural areas but also strengthens our relationships with leading brands in Tier 1 and Tier 2 cities, ensuring steady growth and long-term success in the competitive textile industry.

Details of revenue bifurcation on the basis of various tiers in the last 3 financial years:

(₹ in Lakhs)

Categories	**For Fiscal**		
	2025	**2024**	**2023**
Domestic			
- Tier 1 cities	1,125.93	893.23	1,002.83
- Tier 2 cities	10,248.98	8,995.26	7,229.20
- Tier 3 cities	3,238.99	2,605.65	1,686.79
Exports			
- UAE	615.00	-	-
- Saudi Arabia	49.81	-	-
Total Revenue from operations	**15,278.73**	**12,494.14**	**9,918.82**

Note: Tier I, Tier II and Tier III cities Classification of Tiers as per Ministry of Finance (Government of India) HRA classification of X –Tier 1 (Population of 50 Lakh and above), Y –Tier 2 (Population of 5 to 50 Lakh) and Z –Tier 3 (Population below 5 Lakh) from Notification No. 2/5/17-EII(B) dated 7th July 2017.
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

d) Well established distribution network, low customer concentration and long-standing supplier relationships

Our company's strengths lie in our well-established distribution network, diverse customer base, and long-standing relationships with reliable suppliers, which together create a solid foundation for our business.

- *Well-Established Distribution Network:* We have built a strong and efficient distribution network that ensures our products reach customers across various markets, from Tier 1 cities to smaller towns. This network allows us to serve a wide range of customers, including wholesalers, retailers, and apparel brands, with timely and seamless delivery of fabrics and garments. Our ability to maintain a consistent supply across geographies strengthens our market presence and supports steady growth. As on March 31, 2025 we had 154 distributors in India which was instrumental in an effective supply-chain management and helped augment our sales across geographies. We are supported by third party distributors across geographies. We believe that our long-standing relationships with such reputed third-party distributorship network has been possible due to the continued production of quality products. Such relationships with third-party distributorship network have assisted us in scaling of our business, increasing our international presence and has helped us enhance our goodwill. Further, our company leverages a well-connected broker network that plays a crucial role in referring clients and expanding our customer base. As on March 31, 2025 we had 71 brokers/agents in India which were instrumental in an effective supply-chain management and helped augment our sales across geographies. This network acts as an extension of our sales team, helping us reach potential clients across different regions and market segments. By working closely with brokers who have established relationships and deep market insights, we are able to identify new opportunities and connect with a broader range of customers, including wholesalers, retailers, and apparel brands. This approach not only enhances our market presence but also strengthens our ability to serve diverse client needs efficiently and effectively.

  Please find below geographic location of the company's distributors and based on the various tiers in the last 3 financial years:

State	Tiers	Fiscal 2025	Fiscal 2024	Fiscal 2023
Punjab	Tier 2	71	74	72
	Tier 3	9	9	8
Haryana	Tier 2	-	1	1
	Tier 3	15	10	10
Delhi	Tier 1	27	16	10
Uttar Pradesh	Tier 2	13	8	9
Himachal Pradesh	Tier 3	1	1	-
Jammu and Kashmir	Tier 2	10	8	4
	Tier 3	4	3	6
Madhya Pradesh	Tier 2	-	-	-
Rajasthan	Tier 2	-	1	-
	Tier 3	2	1	1
Gujarat	Tier 2	-	-	2
Chandigarh	Tier 2	1	-	-
Uttarakhand	Tier 3	1	-	-
Total		**154**	**132**	**123**

Note: Tier I, Tier II and Tier III cities Classification of Tiers as per Ministry of Finance (Government of India) HRA classification of X –Tier 1 (Population of 50 Lakh and above), Y –Tier 2 (Population of 5 to 50 Lakh) and Z –Tier 3 (Population below 5 Lakh) from Notification No. 2/5/17-EII(B) dated 7th July 2017.
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- *Low Customer Concentration:* Our business is not overly dependent on a small group of customers, which reduces risk and ensures stability. By catering to a diverse customer base—including branded apparel companies, bulk buyers, wholesalers, and individual retailers—we have minimized the impact of fluctuations in demand from any single customer or market segment. This diversity allows us to maintain steady revenues and adapt to changing market conditions. From April 1, 2023 to March 31, 2025, we catered to 497 customers out of which 268 customers were new customers. Set out in the table below is the share of the top 15 and top 20 customers in our revenue from operations for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on our Restated Financial Information:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*	Revenue from operations	*% of Revenue from operations*
Top 15 customers*	7,521.19	*49.23%*	5,635.27	45.10%	5,082.23	*51.24%*
Top 20 customers*	8,415.45	*55.08%*	6,245.69	51.16%	5,692.12	*57.39%*

**We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.*
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As is evident from the foregoing, we have consistently had low customer concentration. Further, we rely on the quality of our products which we believe is reflected in our relationship with our customers. Our long-term association with key customers also offers significant competitive advantages such as revenue visibility, industry goodwill and also allows us to up-sell and cross-sell our diverse range of products.

- *Long-Standing Supplier Relationships:* Over the years, we have established strong partnerships with reliable suppliers who provide us with quality raw materials like yarns, dyes, chemicals, inks, and greige fabrics. These trusted relationships ensure a consistent supply of inputs, better pricing, and timely delivery, enabling us to manage production efficiently and meet customer expectations. Our suppliers are not just partners but an integral part of our value chain, supporting us in maintaining the quality and reliability that our customers expect. We have a diversified product portfolio for which we focus on using our deep knowledge of the clusters and regions in which we operate to customise our product assortment keeping in mind local demands and preferences. We also continuously focus on enhancing the products that we manufacture. Further, we have a network of suppliers across Punjab, Tamil Nadu and Gujarat and we endeavour to source our products from regions where they are widely available or manufactured to minimise our procurement costs. We operate a standardised procurement system and procure most of our products on a purchase-order basis ensuring procurement flexibility at competitive prices. Our procurement team on ongoing basis conduct research to locate the best product sources, in relation to both quality and price, in order to improve our supplier network and have efficient supply and sale cycle. Further, we endeavour to pay our suppliers on time and are often able to procure discounts for such prompt payment.

(₹ in Lakhs)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023

	Total Purchases	*% of Total Purchases*	Total Purchases	*% of Total Purchases*	Total Purchases	*% of Total Purchases*
Top 10 suppliers*	4,768.20	*68.55%*	3,920.70	*62.26%*	3,153.48	*71.07%*
Top 15 suppliers*	5,107.70	*73.43%*	4,430.00	*70.34%*	3,401.23	*76.65%*

**We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business.*
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Together, these strengths—our robust distribution network, diversified customer base, and trusted supplier relationships—position us as a stable, scalable, and resilient company in the competitive textile manufacturing industry. They ensure that we can deliver quality products efficiently while mitigating risks and adapting to market changes.

e) Healthy financial performance

We believe that our focus on operational and functional excellence has contributed to our track record of healthy financial performance. For the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on our Restated Financial Information:

- Our total revenue from operations were ₹15,278.73 lakhs, ₹12,494.14 lakhs and ₹9,918.84 lakhs, respectively.

- Our EBITDA (i.e., sum of restated profit/loss for the year, tax expense, depreciation expense and finance cost less other income) was ₹3,006.22 lakhs, ₹2,242.60 lakhs and ₹1,278.83 lakhs, respectively.

- Our Profit after Tax was ₹1,690.47 lakhs, ₹1,130.80 lakhs and ₹559.14 lakhs, respectively.

- Total debt to equity ratio of 0.76 times, 1.06 times and 1.28 times, respectively.

We believe that our strong financial performance reflects the efficacy of the manufacturing and supply-chain management protocols that we have implemented. Our steady operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. We have also significantly invested in the capacity expansion and modernisation of our facility at Amritsar, Punjab as well as in certain of our product designs endeavours. We further believe that this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

f) Experienced management team with a proven track record

We attribute our growth to the experience of our Promoters and senior management team. Our Promoters have cumulative experience of approximately more than fifty years. Our management team is led by Sanjeev Kandhari, the Chairman and Managing Director, who has been associated with our company since its incorporation and has 30 years of experience in the textile manufacturing industry. He oversees the company's overall performance, formulates growth strategies, and provides strategic direction to the senior management team. Amit Kandhari, our Whole-time Director and Chief Financial Officer, has also been with the company since its inception. With three decades of experience in the textile industry, he manages finance, production, and compliance while driving the company's expansion and operational efficiency. Shelly Kandhari, having around 15 years of experience in the textile manufacturing industry, has been actively involved in functions of the company such as designing, procurement, and administration. Priti Kandhari, having around 15 years of experience in textile manufacturing industry, has been associated with the company since 2009 and has overseen functions including accounts, finance, procurement, and human resources

Our leadership also includes Devika Arora, the Head of Designing, who has been with us since 2017 and specializes in textile and fashion design, ensuring our collections align with market trends. Sahil Kandhari, the Head of Printing, has been associated with our company since 2020, bringing expertise in digital printing technologies to optimize high-quality fabric production. Harsimran Diwan, the Procurement Head, has been with us since 2016, ensuring the timely sourcing of raw materials at competitive prices, supporting the company's focus on quality and efficiency. Our operations are further strengthened by Kuldeep Singh, the Merchandising Manager, who oversees packing, scheduling, and shipment processes for smooth order fulfilment. Lalit Kesar, our Processing and Finishing Head, rejoined the company in 2023, bringing expertise in dyeing techniques and fabric finishing to ensure adherence to quality standards. Niranjan Singh, the Production Manager, has been with us since 1999, leveraging his 25 years of experience to manage production operations efficiently. Ranjit Kumar, the Production Planner, has been associated with us since 2006, focusing on planning, scheduling, and coordinating production activities to ensure timely deliveries while maintaining quality standards. Together, our diverse and experienced management team plays a crucial role in driving our company's growth, enhancing operational efficiencies, and maintaining our position as a leader in textile manufacturing. Their collective expertise spans design, procurement, production, processing, finance, and logistics, ensuring seamless execution of business strategies while upholding our commitment to innovation, quality, and customer satisfaction. For details, please see "*Our Management*" on page 251.

Our Strategies

We intend to strengthen our position and also growing our business at scale by implementing the following strategies:

a) Expanding our digital textile printing capabilities

Digital textile printing referred to as direct-to-garment or digital garment printing, is a process of reproducing variety of digital images/prints on textiles and garments using specialized or modified inkjet technology. It works perfect for printing photos, detailed patterns, graphically complex designs and tonal transitions. It has a wide range of end-use applications across various fashion and apparel, home textiles, interior design, advertising and promotional materials, sportswear and activewear, accessories, industrial applications and home décor. Its advantages over conventional printing methods include: high-quality printing, customization and flexibility, time efficiency, cost-effectiveness, environmental sustainability, versatility in fabric types, consistent quality and access to global market. Digital textile printing, while still a relatively small segment, is gradually gaining traction due to design flexibility and elimination of costly screens and preparation processes, reducing production time and minimizing waste, increasing demand for digital printing significantly. The Global Digital Textile Printing Market is on a strong growth trajectory, rising from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92% and is projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E, at a CAGR of 12.8%. The increasing demand for personalized and customized products is a major catalyst and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. The Indian digital textile printing revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85% and it is further projected to reach USD 1,212.3 million by CY 2030F at a CAGR of 11.0%. This growth can be attributed to several factors, including increasing demand for customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Fast fashion, e-commerce platforms, rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for digital textile printing. (*Source: D&B Report*)

As part of our future growth strategy, we are committed to significantly expanding our digital printing capabilities to meet the evolving demands of the industry. Digital printing represents a transformative technology in textile manufacturing, offering unparalleled precision, customization, and efficiency. This expansion will enable us to produce vibrant, high-quality designs on a wide range of fabrics, aligning with the fast-changing trends of the global fashion market. As of March 31, 2025, we have digital printing capacity of approx. 92.16 lakhs MPA at our manufacturing facilities situated at Amritsar, Punjab. We have installed additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have ordered for HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. The machinery once fully operational, shall increase our digital printing capacity to 140.00 lakhs MPA.

By integrating digital printing with other in-house capabilities like weaving, embroidery, and jacquard production, we aim to offer end-to-end solutions that streamline the production process and enhance the value of our products. Additionally, we aim to strengthen our commitment to sustainability by incorporating eco-friendly practices into our digital printing operations, such as using less inks and less water. These initiatives will enable us to offer high-quality, sustainable products to customers who prioritize environmental responsibility.

We seek to capitalize on these growth opportunities in the textile and fashion industry considering our current scale of operations, network of distributors, number of customers that we cater to and spearheaded by an experienced management team further positioning ourselves in this innovative space, ready to capitalize on the growing demand for high-quality, customizable, and sustainable textile solutions. This strategy reflects our commitment to technological advancement, market adaptability, and delivering superior value to our customers.

b) Enhance value addition in existing products and development of new products

Our strategy is to provide our customers with a comprehensive range of fabrics and ready-to-stitch garments at 'value for money' prices. We will continue to focus on optimal product assortment in each cluster of our operation keeping in mind the local needs and preferences. To enhance our offerings further, we have incorporated added capabilities for value addition processes such as embroidery, handwork, and other intricate detailing. These enhancements not only enable us to deliver a broader and more diverse range of products to our customers but also allow us to elevate product quality and craftsmanship. By integrating these value-added processes, we have catered to niche market demands, enhance customer satisfaction, and improve our margins, reinforcing our position in the textile and garment industry.

We will continue to introduce new solutions and technologies depending on customer needs across our diversified product segments and also introduce process improvements as they are critical for expansion of our fabric portfolio, and which shall also increase our ability to cater to a more diverse consumer base. We believe a continuous review of our products according to our evolving understanding of customer preferences will help us better cater to our customers' needs and maximise our sales.

We have an in-house team that is constantly working with a focus on increasing value-added products and utilizing the existing infrastructure to make customized made to order products which are unique in colour, property, characteristics to suit specific customer requirement.

c) Harnessing digitization and technology in production processes with a focus on energy efficiency and sustainable practices

Currently, our manufacturing facilities are equipped with advanced machinery and technologies designed to deliver high-quality, efficient, and versatile production. Key equipment includes the "*Sulzer Weaving Machine*", an imported automatic rapier machine capable of handling a wide range of applications, offering ease of operation and precise control. The "*Staubli Jacquard Machine*", also imported, is ideal for intricate designs on shawls, stoles, scarves, dress materials, kani suits, upholstery, and technical fabrics, ensuring smooth operation and durability. Our "*Harish Hot Air Stenter Machine*", part of the printing, dyeing, and processing unit, is equipped with electronic airflow control and advanced finishing systems for drying, curing, dehydration, and heat setting of woven and knitted fabrics. The "*Dhall Comprehensive Shrinkage Ranger Machine*" delivers up to 16% shrinkage in a single run, ensuring superior fabric quality for cotton, rayon, polyester, Lycra, and blended fabrics. The "*Dhall Mercerising Machine*" handles fabric widths of 600 to 1900 meters with optional automation, offering high production efficiency and the ability to process smaller widths simultaneously. Additionally, the "*Hopetech Digital Printing Machine*", an imported high-capacity machine, can produce up to 20,000 meters of fabric daily, delivering vibrant, precise designs on a variety of fabrics like cotton, modal, Tencel, linen, rayon. These cutting-edge technologies ensure we meet diverse customer demands while maintaining efficiency, quality, and a competitive edge in the textile industry.

Therefore, we shall continue to invest in equipping our facilities with specialized infrastructure and advance equipment, capable of catering to the international industry standards that is expected of us. Keeping pace with the technological developments in our industry is a key to ensuring process development and product diversity and is essential to maintain our competitive edge. We have harnessed the benefits of technology and digitization to bring about cohesion in planning, production and processing of our products. We intend to continue to upgrade our equipment which we expect will improve our operating efficiencies and help in reducing the cost of production. Upgrading our equipment will also result in enhancing the energy efficiency of our operations which is in line with our efforts to develop and follow sustainable practices. Our efforts to automate and digitise our productions processes, should augment production control and ensure greater traceability and transparency within the system which we expect will increase our credibility with our customers.

d) Comprehensive growth strategy for market expansion

We are charting an ambitious multi-faceted growth strategy to strengthen our market presence and drive long-term success. A key focus area is expanding our own Brands segment which cater to Tier 3 and Tier 4 cities as well as rural markets. These regions represent significant growth potential, with increasing demand for high-quality and affordable fabrics, ready-to-stitch garments, and accessories. By tailoring our product offerings to meet the preferences and price sensitivities of these customers, we aim to deepen our market penetration and build a strong connection with a wider audience. In parallel, we are enhancing our value proposition for other brands by leveraging our advanced technical capabilities and scaling our production capacity. This includes providing innovative and customized solutions for leading apparel brands, wholesalers, and institutional buyers who require high support, service and quality levels. With our expertise in digital printing, embroidery, jacquard weaving, and other value addition processes, we are well-positioned to meet the diverse requirements of our clients, helping them stay competitive and agile in a rapidly changing market.

Further, expanding into international markets is another cornerstone of our growth plan. The domestic apparel and textile industry in India contributes 12% to exports, holding a 4% share in the global trade in textiles and apparel, with textile exports reaching USD 34.07 Billion in in FY2024, and is projected to hit USD 100 Billion by 2030. Strategic trade agreements, advancements in quality standards and the removal of textile export quotas among members of World Trade Organization in 2004 has improved India's position in international markets, supporting export growth alongside rising domestic consumption. Today, India is the 6th largest exporter of Textiles & Apparels in the world and the products are exported to more than 100 countries with the US and countries in EU region accounting for nearly 47% of India's textiles and apparels in FY 2023-24. India's export of textile and apparel has grown from USD 33.38 billion in FY 2020 to USD 34.07 billion in FY 2024 at a CAGR of 0.5%. India's export of textile and allied product for April-October 2024 stood at USD 20.54 billion, exhibiting 6.5% growth over the corresponding period in the previous fiscal and the readymade garment exports was up by over 11.6% over the same period last fiscal amounting to USD 8.73 billion during 7M' FY 2025. Digital printed textile exports witnessed growth from USD 469.4 million in CY 2020 to USD 725.3 million in CY 2023 at a CAGR of 15.6%. Government initiatives, coupled with PLI schemes offering globally cost-competitive products have made India an important country exporting digital printed textile to Middle East and African countries. With the growing importance of India as a major textile manufacturing hub buoyed by favourable demographics, shift in lifestyle choices and structural shift in industry structure, the demand for various textile products and ready garments is likely to grow at a healthy rate benefitting the overall textile printing industry (*Source: D&B Report*). With the rising global demand for Indian fabrics and apparel, we aim to increase our export operations significantly. By showcasing our commitment to quality, innovation, and craftsmanship, we plan to establish a stronger presence in key export markets and tap into emerging opportunities worldwide. This initiative not only diversifies our revenue streams but also strengthens our reputation as a globally recognized brand. We made a strategic entry into the export segment during the current period, i.e., period ended March 31, 2025, aiming to expand our global footprint, showcasing our expertise in producing textiles, and tap into international markets for growth and diversification.

To support these growth initiatives, we will continue investing in infrastructure, technology, and sustainable practices. By combining our proven expertise with strategic market expansion, we are committed to achieve sustainable growth while delivering exceptional value to both domestic and international customers.

e) Establishing dedicated Sales Office in Mumbai and Amritsar

As part of our growth strategy, we established a dedicated sales office in Mumbai in June 2024, a key hub for India's textile and fashion industries. Mumbai's strategic location and role as a commercial capital make it the ideal choice for enhancing our market presence in West and South India and building stronger connections with both domestic and international clients. The sales office is located at 454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India. The Mumbai sales office serves as a central point for engaging with leading apparel brands, wholesalers, and institutional buyers. It enables us to explore opportunities in Mumbai's thriving textile markets, leveraging the city's dynamic ecosystem of fashion designers, exporters, and retailers. This office not only allows us to streamline client interactions, provide on-ground support, and respond quickly to customer needs but also acts as a bridge for expanding our export operations. Its proximity to key ports and logistics networks facilitates smoother international trade, helping us capitalize on the growing global demand for Indian fabrics and apparel. Additionally, through the Mumbai office, we are expanding our digital printing offerings by entering the menswear segment. This strategic move allows us to cater to a broader customer base, including men's fashion brands and retailers seeking high-quality fabrics and garments tailored to the latest trends. By diversifying into menswear, we aim to strengthen our position in the textile and fashion industries, tapping into a new and growing market.

Additionally, we plan to establish a sales office in Amritsar as well adjacent to our registered and corporate office situated at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India. We plan to set up a Sales Office in Amritsar to strengthen our presence in northern India and enhance customer engagement. Amritsar, a key textile hub, is strategically positioned to serve local buyers, wholesalers, and retailers, particularly in Tier 2 and Tier 3 markets. This office will act as a central hub for managing sales, facilitating client interactions, and showcasing our range of fabrics and ready-to-stitch garments. With its proximity to our production and warehouse facilities, the sales office will enable faster response times, better operational coordination, and improved customer service. Equipped with modern infrastructure, dedicated meeting spaces, etc. the facility will streamline sales operations and support our long-term business growth. By investing in this dedicated facility, we aim to expand our market reach, build stronger client relationships, and drive sustained growth in the region.

This initiative underscores our commitment to strengthening customer relationships, accessing new markets, and positioning ourselves as a trusted partner in India's textile industry. The Mumbai sales office represents a critical step forward in achieving our vision of sustained growth, operational excellence, and product diversification.

Our Manufacturing capabilities

Currently, we manufacture our fabrics and garments at our facilities at Amritsar, Punjab. We commenced our manufacturing journey in 1996 with installed capacity of less than 5.00 lakhs MPA. For details, please see "*History and Certain Corporate Matters - Major Events and Milestones of our Company*" on page 249.

Our company's manufacturing and operational infrastructure is strategically distributed across multiple facilities in Amritsar, Punjab, ensuring efficiency and specialization in production process. Key facilities include:

Manufacturing:

- A dedicated unit for **weaving, jacquards, embroidery, and design** is situated in Village Balkalan, Majitha, Amritsar, Punjab. The unit is a key part of our company's manufacturing operations. This facility is equipped with state-of-the-art machineries, enabling the production of quality fabrics with intricate designs and patterns. The weaving section produces a wide variety of fabrics, offering diverse textures and patterns to cater to the demands of clothing, home furnishings, etc. The jacquard production capability specializes in creating luxurious and detailed woven patterns, ideal for garments, ethnic wear, and upscale home décor. Additionally, the embroidery machines add detailed and artistic embellishments to fabrics, enhancing their appeal for both traditional and modern designs. Serving as a creative hub, the design section blends traditional craftsmanship with contemporary trends, ensuring innovative textile solutions tailored to customer requirements. This integrated unit plays a critical role in delivering quality and customized fabric solutions, strengthening the company's position in the market;

- A separate **printing, dyeing and processing unit** at Village Balkalan, Majitha, Amritsar, Punjab. The unit is a vital facility for the company's digital printing textile manufacturing and fabrics processing operations. This unit is equipped with advanced digital printing technology, enabling the creation of vibrant, precise, and customizable designs on a wide range of fabrics. The unit specializes in high-quality digital printing, offering exceptional colour accuracy and patterns that cater to both traditional and contemporary styles. With the ability to handle both small and large production runs, this facility ensures quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. In addition to its printing capabilities, the unit is equipped for dyeing both yarns and fabrics, enhancing the versatility of our operations. The yarn dyeing process ensures consistent and vibrant colours, ideal for creating rich textures and patterns in woven and knitted fabrics. Fabric dyeing is performed with precision, resulting in bold, uniform colours that meet the industry standards. These processes allow us to cater to a wide range of applications, from fashion to home textiles. The unit also houses processing capabilities including pre-treatment and post-treatment of fabrics to ensure optimal print quality, durability, and colourfastness. The pre-treatment ensures fabrics are prepared to absorb colours effectively, while post-treatment processes like heat setting and washing enhance the print's longevity and finish. The unit also incorporates eco-friendly practices, such as water-efficient dyeing and the use of low-impact inks, aligning with our company's commitment to sustainability; and

- Another separate **sizing unit** at Village Balkalan, Majitha Road, Amritsar, Punjab. As on date of this Red Herring Prospectus, we are relocating our existing sizing machines installed at our weaving, jacquards, embroidery, and design unit to this separate unit. Sizing is a preparatory step in textile manufacturing where a protective film of a specific solution is applied to the warp yarns, enhancing their strength and elasticity. This process minimizes breakage during weaving and ensures the fabric's smoothness, making it perfectly suited for digital printing applications. The sizing process ensures that the fabrics have an even texture, precise tension, and improved stability, allowing them to absorb inks effectively during digital printing. This step is especially crucial for producing sharp, vibrant, and durable prints that meet the demands of modern consumers.

Packing and Despatch: Located on Batala Road, PO Khanna Nagar, Amritsar, Punjab serving as the packing, administrative and dispatch hub. This serves as the central hub for **packing, administration, and dispatch operations**, playing a vital role in the company's end-to-end textile manufacturing process. As the administrative centre, this location manages key business functions, including strategic planning, customer service, and coordination between production units. It acts as the nerve centre for ensuring smooth communication and operational efficiency across all facilities. The packing unit at this hub is equipped with packaging systems to prepare finished fabrics and garments for delivery. Special attention is given to quality control during packing to ensure that the products are securely packaged, maintaining their pristine condition during transit. Whether catering to domestic clients or preparing shipments for export, the packaging process is optimized for both efficiency and product safety. Additionally, this hub serves as a dedicated storage facility for finished fabrics and ready-to-stitch garments, ensuring proper organization and inventory management for quick retrieval and dispatch. With systematic shelving and inventory tracking, the storage area is designed to maintain optimal conditions to preserve the quality of fabrics and garments. As the dispatch hub, this facility ensures the timely delivery of products to customers and distribution networks. Its strategic location on Batala Road, a key transport route in Amritsar, allows for seamless connectivity to major domestic markets and export logistics networks. The proximity to production units minimizes transit times, further streamlining the supply chain. This hub not only facilitates efficient distribution but also plays a critical role in enhancing customer satisfaction through reliable and prompt delivery services. This centralized setup strengthens the company's ability to meet the demands of the fast-paced textile industry, both domestically and internationally.

Warehousing:

- Two **godowns** for **raw material storage**, near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab. These are critical facilities for our company's raw material needs. These godowns are equipped to store essential inputs such as yarns, chemicals, dyes, inks, greige fabrics, etc. With ample space, these storage units ensure that materials are properly categorized and easily accessible, supporting the smooth flow of production operations. The materials remain in pristine condition, ready for use in the weaving, processing, and digital printing stages. Inventory management systems are implemented to monitor stock levels, minimize wastage, and ensure that raw materials are replenished on time to avoid disruptions in production. By housing raw materials close to the production units, these godowns help streamline operations, reducing transit times and improving efficiency. Their strategic location in Balkalan, Majitha, ensures easy connectivity to the company's manufacturing units and other facilities, supporting a seamless supply chain. These godowns are vital to the company's ability to meet production schedules and fulfil customer orders promptly. Their efficient management reinforces the company's commitment to quality, consistency, and reliability in the fast-paced textile manufacturing industry; and

- One **godown** at Gali Murgi Khana, Batala Road, Amritsar, Punjab. This space is utilized as a fabric storage area, a unit for producing corduroy fabrics, and a workshop for hand embroidery on ready-to-stitch garments. Part of the godown is dedicated to storing various types of fabrics, including processed and unfinished materials. This area is equipped with shelving and inventory management systems to ensure the fabrics are organized and easily accessible. Another section of the godown is used for the manufacturing of corduroy fabrics, which are known for their durability, unique texture, and aesthetic appeal. The facility is equipped with specialized machinery and skilled workers who produce quality corduroy fabrics tailored to meet market demands. The godown also houses a dedicated area for tailors and artisans specializing in hand embroidery. This section is focused on adding detailed, quality embellishments to ready-to-stitch garments. Skilled tailors and embroidery experts work on creating traditional and contemporary patterns, adding artistic value and uniqueness to the garments. This setup allows the company to cater to niche markets where hand-crafted details are highly valued.

This extensive network of facilities underlines our company's robust manufacturing capabilities, covering end-to-end textile production processes from raw material storage to weaving, embroidery, printing, and fabric packing and dispatch.

Further, our Company had installed rooftop solar project at packing and despatch unit with a capacity of 35 KW and has taken on lease a rooftop solar project at weaving, jacquards, embroidery, and design unit with a capacity of 450 KW from our group company, Kandhari Textile Mills Private Limited. Our first rooftop solar project became operational from the calendar year 2023. The energy used from renewable resources at these units for the Fiscal 2025, Fiscal 2024 and Fiscal 2023 is as follows:

Solar Power Generation Summary	**(in Kilowatt)**	
	Weaving, Jacquards, Embroidery, and Design Unit	**Packing and Despatch Unit**
Fiscal 2025	4,84,178	33,798
Fiscal 2024	-	33,851
Fiscal 2023	-	22,570

As of March 31, 2025, the manufacturing facilities have a production capacity of 158.77 MPA. Set out in the table below are our installed capacity and capacity utilization details of our Company's manufacturing facility for the periods indicated below:

Installed capacity:

Particulars	**As on**		
	Fiscal 2025 (MPA)	**Fiscal 2024 (MPA)**	**Fiscal 2023 (MPA)**
Digital printing	92,16,318	43,53,169	14,24,541
Jacquards	44,02,944	44,02,944	36,16,704
Others such as dobby and corduroy	22,57,920	22,57,920	30,48,192
Total	**1,58,77,182**	**1,10,14,033**	**80,89,437**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

We have installed additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have installed HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is a solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. The machinery, once fully operational, is expected to increase our digital printing capacity to 140.00 lakhs MPA.

Actual production and capacity utilisation at our units:

Particulars	Actual production					
	Fiscal 2025 (MPA)	Capacity utilization (%)	Fiscal 2024 (MPA)	Capacity utilization (%)	Fiscal 2023 (MPA)	Capacity utilization (%)
Digital printing	54,28,505	58.90%	33,16,502	76.19%	7,93,906	55.73%
Jacquards	34,83,749	79.12%	34,32,578	77.96%	18,92,240	52.32%
Others	20,18,997	89.42%	20,16,201	89.29%	16,41,264	53.84%
Total	**1,09,31,251**	**68.85%**	**87,65,281**	**79.58%**	**43,27,410**	**53.49%**

As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.

Notes:

1. *Dobby and jacquard weaving capacity is based on a certain picks per inch ("PPI") which depends on the underlying fabric quality/designs hence the installed capacity can vary between years.*
2. *Dobby and jacquard weaving capacity also depends on width of the underlying fabric being manufactured hence the installed capacity or production can vary between years however we have taken consistent assumptions across years for comparison purposes.*
3. *All weaving capacity is represented in running metres of fabric, any fabrics or ready-to-stitch garments manufactured and sold as pieces have been converted to running metres using best estimates.*
4. *Digital printing capacity calculated on the basis of narrow width (44") fabrics for consistency however the actual production does include bigger width fabrics as well hence the actual capacity utilization % could be higher than presented here.*
5. *Installed capacity for digital printing calculated based on commissioning a de-commissioning date for respective machines.*
6. *Installed capacity for jacquards and dobby/other fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
7. *Installed capacity for Jacquards and Dobby/Other Fabrics calculated based on total machines installed in the specific year as the specific dates for commissioning and de-commissioning of each machine is not possible to ascertain with an acceptable level of accuracy.*
8. *New Printing Machine (Homer) put to use on 26/02/2025, we have taken into account the full capacity for the relevant period. However limited production as the machine is still in trial phase.*

Manufacturing Process

We manufacture a range of fabrics using different technologies such as jacquard, weaving, digital printing, etc. An illustrative flow chart of our production processes is illustrated below:

Fabric Manufacturing Process:

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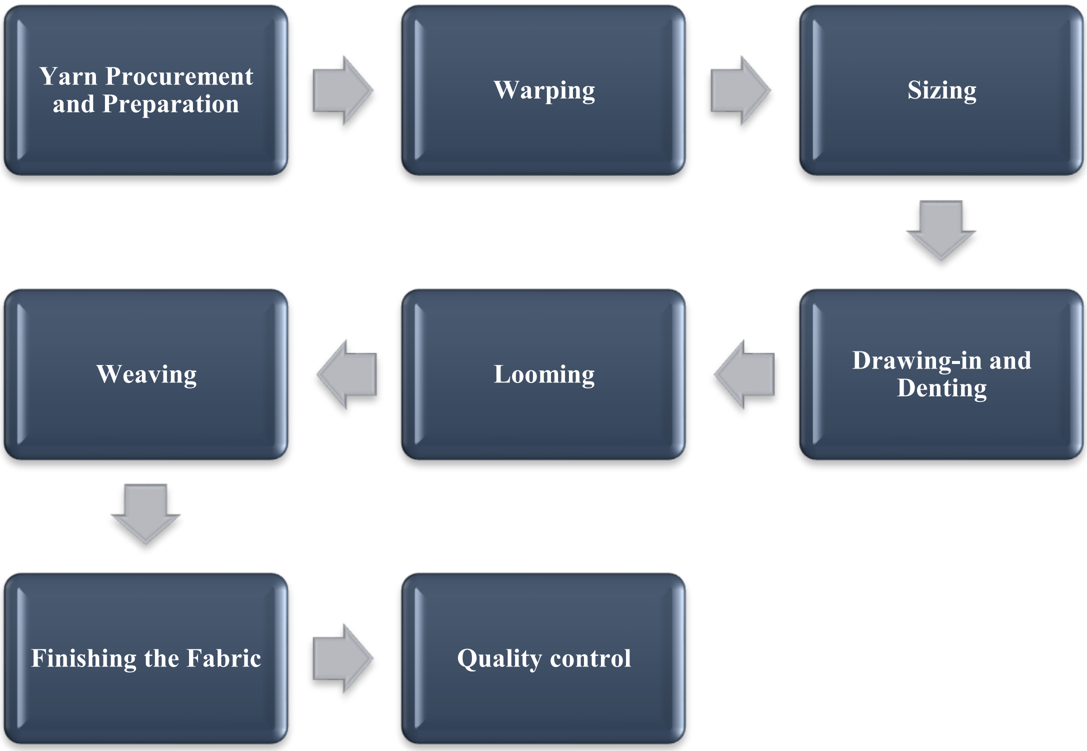


Yarn Procurement and Preparation: We source high-quality yarn from our suppliers. The selected yarns undergo preparation, which may include winding the yarn onto cones or beams and applying a sizing agent to increase its strength and reduce breakage during weaving. Sizing improves the abrasion resistance and weave ability of the yarn.

Warping: Warping is the process of arranging the warp yarns in parallel and winding them onto a warp beam. This beam is then set up on the loom. Warping ensures that the yarns are aligned and prepared for the weaving process.

Sizing: In the sizing process, an adhesive substance is applied to the warp yarns to enhance their strength and resistance to friction during weaving. This step is crucial to prevent yarn breakage and ensure smooth weaving.

Drawing-in and Denting: During drawing-in, the warp yarns are threaded through the heddles of the loom. Denting follows, where these yarns are passed through the dents of the reed. These processes help in controlling the yarns' movement during weaving and ensure the correct spacing of the threads.

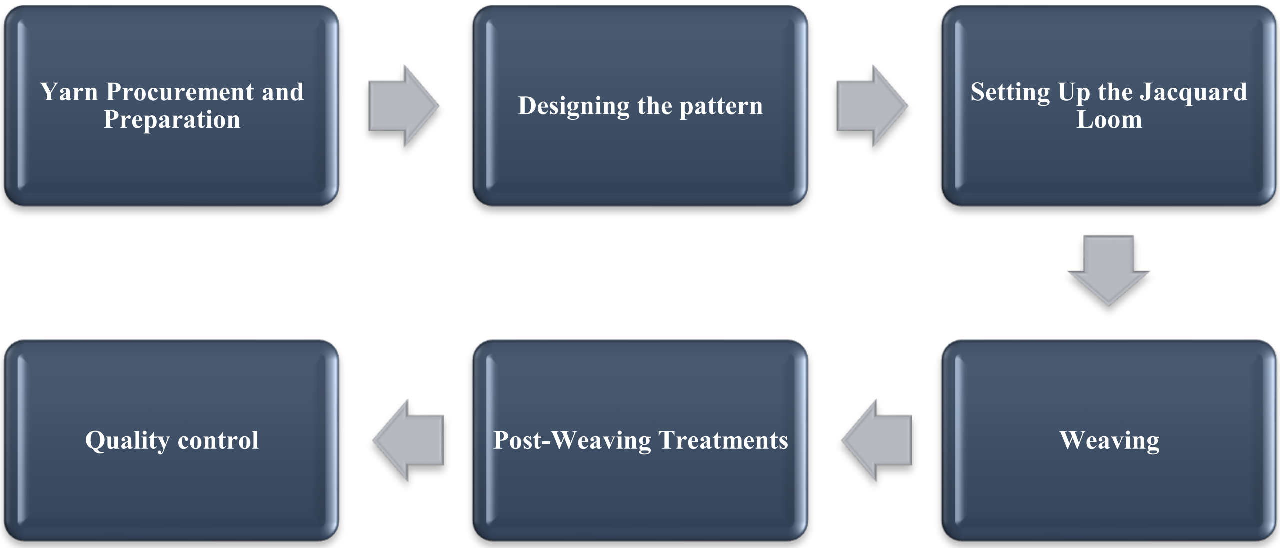
Looming: Looming involves setting up the loom for weaving. This includes tying-in new warp threads to the existing threads, ensuring the loom is correctly threaded, and adjusting the tension of the yarns. The loom is then ready for weaving.

Weaving: Weaving is the core process where the fabric is formed. The warp yarns are held under tension on the loom, and the weft yarns are interlaced through them. This interlacing can be done using various weaving patterns such as plain, twill, or satin weave. The shuttle, which carries the weft yarn, moves back and forth across the loom, interlacing the weft with the warp to create the fabric.

Finishing the Fabric: After the weaving process, the fabric undergoes several finishing steps to enhance its quality and usability. This includes washing and scouring to remove impurities and any remaining sizing agents, ensuring a clean and smooth base. Next, bleaching is performed to eliminate natural colour impurities, achieving a uniform appearance. The fabric is then treated with dyeing and printing, where vibrant colours and intricate patterns are added to bring it to life. To ensure durability and stability, sanforising is carried out to pre-shrink the fabric, preventing further shrinkage during use. Finally, heat setting and pressing are applied to stabilize the fabric, improve its texture, and enhance its overall appearance, making it ready for end-use or further processing.

Quality Control: The final stage involves quality control checks. The woven fabric is inspected for defects, ensuring it meets the specified standards. Only fabric that passes these checks is packaged and shipped to customers. This detailed process ensures that the woven fabrics produced are of high quality and meet the specific requirements of our clients.

Jacquard Fabrics Manufacturing Process:



<u>Yarn Procurement and Preparation:</u> Instead of spinning our own yarn, we source quality yarn from our suppliers. The selected yarns are then prepared for the weaving process. Preparation may include dyeing the yarns to achieve the desired colours and treating them to enhance their strength and weave ability.

<u>Designing the Pattern:</u> The detailed patterns of Jacquard fabrics are created using CAD software. Designers develop detailed patterns that are programmed into the Jacquard loom. The design determines which threads will be lifted during the weaving process to create the pattern.

<u>Setting Up the Jacquard Loom:</u> The Jacquard loom is a highly specialized loom equipped with a mechanism to control individual warp threads. The loom is set up with the prepared yarn, and the design program is loaded into the loom's computer system. The loom's ability to lift individual warp threads allows it to create complex patterns that would be impossible on a standard loom.

<u>Weaving:</u> The actual weaving process begins with the Jacquard loom lifting and lowering the warp threads according to the programmed design. The weft threads are then interlaced through the warp threads to form the fabric. This process is repeated, row by row, to weave the intricate patterns directly into the fabric. The use of computer-controlled looms ensures precision and consistency in the pattern.

<u>Post-Weaving Treatments:</u> Once the fabric is woven, it undergoes several post-weaving treatments to enhance its properties. These treatments can include washing, heat setting, and chemical finishing to improve the fabric's durability, feel, and appearance. For example, heat setting stabilizes the fabric, while chemical treatments can enhance its softness or add special properties such as water resistance.

<u>Quality Control:</u> The final step involves rigorous quality control checks to ensure the fabric meets the required standards. The woven fabric is inspected for defects in the weave, colour consistency, and overall quality. Any imperfections are rectified to ensure that only the highest quality fabric is delivered to customers.

Digital Printing Process:

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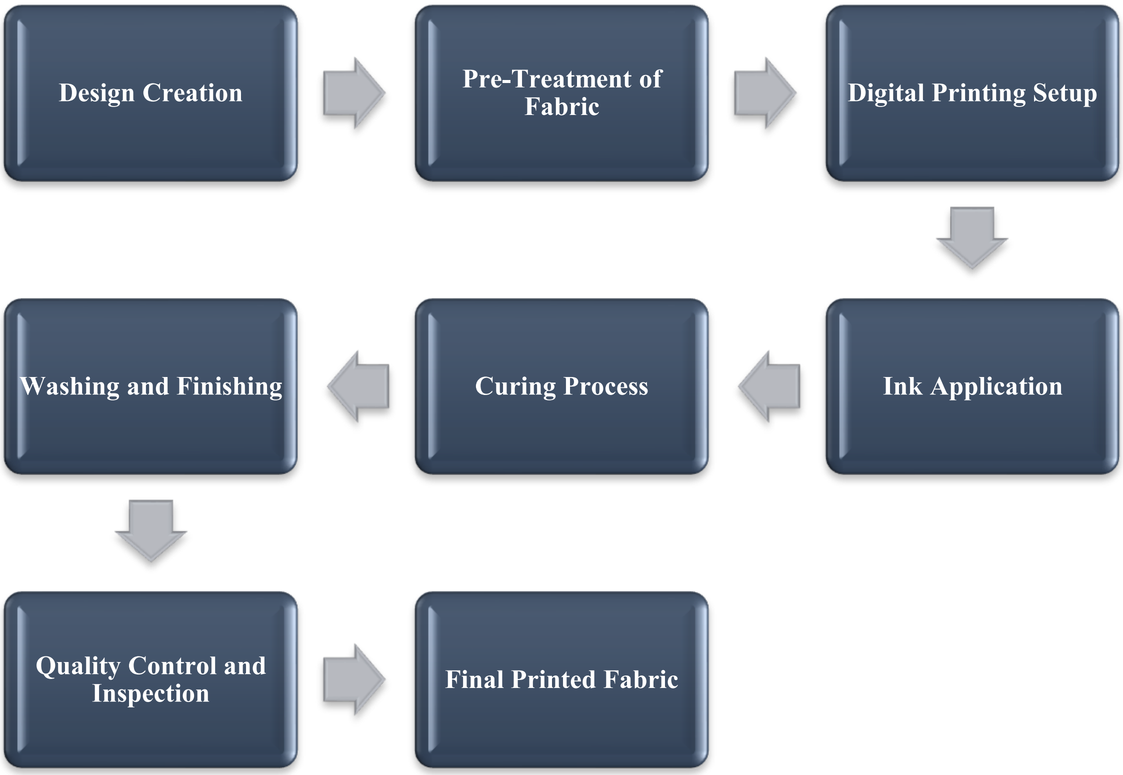

Design Creation: The process begins with the creation or selection of a digital design. Designers use graphic design software such as Adobe Photoshop or Illustrator to craft patterns, images, or motifs. These designs are saved in formats compatible with digital printing machines, typically JPEG, PNG, or TIFF files.

Pre-Treatment of Fabric: Before printing, the fabric undergoes pre-treatment to ensure better ink absorption and colour vibrancy. This involves applying a chemical solution to the fabric, which helps in fixing the design onto the fabric and enhancing its durability. The pre-treatment process also aids in achieving accurate and consistent colours.

Digital Printing Setup: Once the fabric is pre-treated, it is fed into the digital printer. These printers operate similarly to large-scale inkjet printers. The fabric is carefully placed onto the printing bed or rollers, and the digital file containing the design is sent to the printer.

Ink Application: The printer uses specialized textile inks, such as water-based or pigment-based inks, to ensure optimal adhesion to the fabric. The printer precisely applies the ink onto the fabric according to the design file, layer by layer. This step allows for high-resolution prints with fine details and vibrant colours.

Curing Process: After printing, the fabric undergoes a curing process to fix the colours permanently. This can involve heat curing, where the fabric is exposed to heat to bond the ink with the fabric fibres, or UV curing, where ultraviolet light is used to cure the ink instantly. The curing process ensures that the print is durable and resistant to washing and fading.

Washing and Finishing: Post-printing, the fabric is washed to remove excess ink and any remaining pre-treatment chemicals. This step also softens the fabric and enhances its overall feel. Additional finishing processes, such as drying, steaming, or ironing, may be applied to give the fabric a polished appearance.

Quality Control and Inspection: Once the fabric is printed and processed, it undergoes rigorous quality control checks. This involves inspecting the fabric for colour accuracy, print resolution, and overall quality. Any imperfections are rectified to ensure the final product meets high standards.

Final Printed Fabric: The digitally printed fabric is now ready for various applications, including fashion apparel, home textiles, upholstery, and accessories. The vibrant, custom-printed fabrics are used by designers and manufacturers to create unique and personalized products for consumers.

Raw Materials

The primary raw materials used in our manufacturing process are yarns, chemicals, dyes, inks and greige fabrics as raw materials and are purchased domestically. The break-up of the raw materials sourced domestically for the Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on our Restated Financial Information, is as follows:

(₹ in Lakhs)

Particulars	As on					
	Fiscal 2025	*% of Total purchases of raw materials*	Fiscal 2024	*% of Total purchases of raw materials*	Fiscal 2023	*% of Total purchases of raw materials*
Domestically	6,955.99	*100.00%*	6,297.71	*100.00%*	4,437.41	*100.00%*
Imports	-	-	-	-	-	-
Total	**6,955.99**	***100.00%***	**6,297.71**	***100.00%***	**4,437.41**	***100.00%***

**As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.*

Please find below of state wise domestic purchases of raw materials as per restated financials for the past 3 financial years:

(₹ in Lakhs)

Particulars	March 31, 2025	*% of total Purchases*	March 31, 2024	*% of total Purchases*	March 31, 2023	*% of total Purchases*
Punjab	3,032.56	*43.60%*	2,748.68	*43.65%*	2,708.10	*61.03%*
Haryana	57.42	*0.83%*	103.20	*1.64%*	2.37	*0.05%*
Delhi	17.41	*0.25%*	70.59	*1.12%*	38.40	*0.87%*
Chandigarh	0.26	*0.00%*	0.41	*0.01%*	0.03	*0.00%*
Maharashtra	106.85	*1.54%*	134.23	*2.13%*	105.22	*2.37%*
Gujarat	1,357.49	*19.52%*	1,094.51	*17.38%*	290.70	*6.55%*
Tamil Nadu	1,463.87	*21.04%*	1,143.14	*18.15%*	201.81	*4.55%*
Uttar Pradesh	455.37	*6.55%*	355.26	*5.64%*	187.22	*4.22%*
Rajasthan	373.74	*5.37%*	567.98	*9.02%*	863.74	*19.46%*
Karnataka	45.69	*0.66%*	54.97	*0.87%*	9.62	*0.22%*
Dadra and Nagar Haveli	42.94	*0.62%*	24.74	*0.39%*	24.96	*0.56%*
Andhra Pradesh	-	-	0.01	*0.00%*	-	-
Himachal Pradesh	2.38	*0.03%*	-	-	0.87	*0.02%*
Jammu and Kashmir	-	-	-	-	0.33	*0.01%*
Telangana	-	-	-	-	4.05	*0.09%*
Madhya Pradesh	-	-	-	-	-	-
Total	**6955.97**	***100.00%***	**6297.71**	***100.00%***	**4437.42**	***100.00%***

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

- *Yarns* form the foundation of our fabric manufacturing process and play a crucial role in producing quality fabrics and ready-to-stitch garments. We use a wide range of yarns, including cotton, polyester, viscose, modal, acrylic and blended yarns, to meet diverse customer requirements. These yarns are selected based on the specific needs of each fabric type, such as jacquard, dobby, corduroy, and digitally printed fabrics, ensuring durability, strength, and superior finish. Yarns used in jacquard weaving are chosen for their ability to create intricate patterns, while those used in corduroy help achieve the distinct ribbed texture. For digital printing, we use yarns that ensure fabrics absorb colours evenly and retain vibrant prints. We source our yarns from domestic suppliers, maintaining partnerships with vendors in textile hubs across India, such as Punjab, Tamil Nadu and Gujarat. Additionally, we also source recycled yarns and eco-friendly options such as organic cotton and recycled polyester to meet the customers' specific requirements. The quality of the yarns we use is largely dependent on our relationships with our vendors. Over time, we have built a network of reliable suppliers who consistently deliver yarns that meet our production requirements. Our team has knowledge of each vendor's capabilities and the specific quality of yarn they supply, ensuring that we procure the right yarn for different fabric types without the need for separate inspections. This familiarity with our vendors allows us to streamline the sourcing process, minimizing delays and ensuring consistency in the quality of yarns used across our product range. Our focus on sourcing high-quality yarns enables us to produce fabrics that meet domestic and international standards, ensuring customer satisfaction while supporting efficient production processes and long-term growth in the industry.

- *Chemicals, dyes, inks* play a crucial role in our fabric manufacturing process, particularly in dyeing, scouring, printing, and finishing stages, to ensure that our fabrics meet the required quality standards for colourfastness, durability, and overall appearance. Chemicals such as dyes, softeners, fixing agents, bleaching agents, scouring agents, and printing inks are essential for enhancing fabric properties like texture, brightness, and strength. Scouring agents are used in the pre-treatment stage to remove impurities from raw fabrics, ensuring better absorption of dyes and inks. Bleaching agents help achieve a uniform base colour before dyeing, while dyes and inks provide vibrant, long-lasting colours in both solid and digitally printed fabrics. Fixing agents are used to ensure colour stability, preventing fading or bleeding during washing, and softeners improve the fabric's touch and feel, making it more appealing to end consumers. We source our chemicals from reliable suppliers who provide high-quality, industry-approved formulations to ensure consistency and compliance with domestic and international quality standards. Our sourcing network includes domestic suppliers from Punjab, Tamil Nadau and Gujarat, where specialized textile chemicals are widely produced. Our long-term relationships with these suppliers allow us to secure consistent supply at competitive prices, minimizing delays and ensuring that our production processes run smoothly.

- *Greige fabrics*, also known as unfinished or raw fabrics, are an essential raw material in our digital printing process. These fabrics, which come directly from the weaving or knitting process without any dyeing, printing, or finishing, serve as the foundation for a wide range of value-added processes such as digital printing, embroidery, and finishing treatments. We use greige fabrics to create customized products tailored to the specific needs of our customers across different segments, including ready-to-stitch garments, shawls, stoles, scarves, and home furnishings. Greige fabrics provide flexibility in terms of customization, allowing us to apply a variety of dyes, patterns, textures, and finishes to meet both traditional and contemporary design preferences. We source greige fabrics from domestic suppliers who specialize in producing a variety of fabric bases, including cotton, polyester, viscose, modal, linen, and blends. Our domestic suppliers are primarily based in Punjab, Gujarat and Tamil Nadu where the textile industry is well-established. The selection of greige fabrics depends on factors such as yarn quality, fabric weight, texture, and weave type, which influence the final product's performance and appearance. By maintaining strong relationships with trusted suppliers, we ensure a consistent supply of high-quality greige fabrics that meet our production needs. These relationships allow us to source greige fabrics efficiently, ensuring timely availability for our weaving, dyeing, digital printing, and processing units.

Utilities

We have adequate facilities and infrastructure to source and store raw materials and have existing connections for utilities like water, power etc. for the existing facilities.

Power: All our units in Amritsar have adequate power supply to carry out manufacturing operations. The units receive power from Punjab State Power Corporation Limited and from our captive roof top solar installation. We have installed DG sets in our weaving, jacquards, embroidery, and design unit, printing, dyeing and processing unit and packing and despatch unit cum registered and corporate office for contingencies occurring due to power outage. Our Mumbai office uses electricity from Brihanmumbai Electricity Supply and Transport Undertaking.

Water: All our manufacturing units, packing and dispatch units and warehouses use ground water for our manufacturing operations and printing, dyeing and processing unit uses water supplied by Punjab Water Regulation & Development Authority.

Waste Management: We have installed effluent treatment in our printing, dyeing and processing unit for treatment of wastewater generated during the manufacturing process. We use final treated recycled water for cooling water, irrigation purpose, which complies all pollution control board norms. We have verbal arrangements with third parties for disposal and processing of waste generated in all our manufacturing units.

Our Products

Our company can produce a wide variety of fabrics, depending on capabilities, technology, and customer demands. Our product range can include hundreds of variations depending on the combination of fibre, weave, texture, finish, and application. Following are few types of fabrics we produce currently at our manufacturing units:

- ***Digital Printed Fabrics:*** We specialize in digitally printed fabrics, offering a wide range of products designed to meet the diverse needs of our customers. Our digitally printed fabrics are available in vibrant colours, different patterns, and high-resolution designs, catering to industries such as fashion apparel, home textiles (curtains, upholstery, and bed linens), etc. Using advanced digital printing technology, we ensure precision, customization, and eco-friendly production, delivering fabrics with quality, sharp details, and durability.

 

- ***Jacquard Fabrics:*** We specialize in manufacturing high-quality jacquard fabrics, including detail designed shawls and stoles, tailored to meet the diverse needs of our customers. Our jacquard fabrics are known for their patterns, textures, and durability, making them ideal for industries such as fashion apparel, home textiles, and accessories. With advanced jacquard weaving technology, we create intricate and multi-coloured designs directly into the fabric, offering a blend of tradition and modernity.

  

- ***Corduroy Fabrics:*** Our corduroy fabrics are manufactured to meet the diverse needs of our customers across various industries. Known for their distinctive ribbed texture, durability, and versatility, our corduroy fabrics are ideal for applications in fashion apparel, including jackets, trousers, as well as home textiles like upholstery and cushion covers. Using advanced manufacturing techniques, we produce corduroy fabrics in a variety of weights and patterns.

- ***Dobby Fabrics:*** Our dobby fabrics are known for their unique geometric patterns, rich textures, and durability and ideal for a wide range of applications, including fashion apparel such as shirts, dresses, and ethnic wear, as well as home textiles like upholstery, curtains, and table linens. Produced using dobby weaving technology, these fabrics feature intricate, raised designs that add depth and sophistication to the material. Available in various fibres, colours, and finishes, our dobby fabrics are crafted offer a balance of style, functionality, and quality.

➢ ***Garments:*** Our garment section offers ready-to-stitch womenswear such as suits, co-ord sets and accessories such as shawls, scarves and stoles. Our ready-to-stitch garments are made from quality fabrics with modern designs, patterns, and a wide range of colours. They are perfect for traditional wear, casual occasions, and formal events, giving customers the flexibility to tailor garments to their personal style. By combining current fashion trends with craftsmanship, our ready-to-stitch garments offer style, comfort, and great value, in semi urban and rural markets of North India.

The usage of the fabrics that we manufacture can be detailed as under:

Our fabrics and textile products cater to a wide range of applications across diverse categories. For womenswear, they are used to create elegant and versatile garments such as dresses, tops, shirts, kurtis, co-ord sets, printed suits, jacquard suits, embroidered suits, sarees, shawls, and stoles or scarves. In the menswear segment, our fabrics are ideal for crafting high-quality shirts, pants, and jackets. For kids wear, they are used to produce shirts, pants, shorts, and jackets that combine comfort and durability. Additionally, our fabrics are suitable for uniforms, offering a blend of functionality and style, as well as for home furnishings, including curtains, upholstery, and other decorative textiles. This versatility reflects our commitment to meeting the diverse needs of the fashion and textile industries.

Marketing

Our company employs a well-rounded and multifaceted marketing strategy to effectively engage diverse customer segments across Tier 1, Tier 2, Tier 3, and Tier 4 cities, as well as semi-urban and rural areas. In Tier 1 and Tier 2 cities, we act as a brand enabler by partnering with established apparel brands, offering fabrics and solutions tailored to their needs. For Tier 3, Tier 4 cities, and semi-urban and rural areas, we focus on promoting our own brands and supplying fabrics and ready-to-stitch garments, ensuring accessibility and affordability for a wider audience. Our sales team plays an important role in building relationships with clients, while agent networks help expand our reach in various markets.

Our distribution network ensures that our products are available across diverse regions, particularly in semi-urban and rural markets, by collaborating with wholesalers and retailers. To strengthen our brand identity, we produce professional brochures, catalogues, and promotional materials that highlight the quality, design, and versatility of our fabrics and garments. This integrated approach, combining tailored engagement for different regions and customer types, positions us for sustained growth, enhancing customer loyalty and expanding our market presence across all segments.

Details of distributors in the past 3 financial years along with the geographic location:

State	Fiscal 2025	Fiscal 2024	Fiscal 2023
Punjab	80	84	79
Haryana	15	11	11
Delhi	27	16	11
Uttar Pradesh	13	8	9
Himachal Pradesh	1	1	-
Jammu and Kashmir	14	11	10
Madhya Pradesh	-	-	-
Rajasthan	2	1	1
Gujarat	-	-	2
Chandigarh	1	-	-
Uttarakhand	1	-	-
Total	**154**	**132**	**123**

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Our customers

We serve a diverse and extensive customer base, encompassing both institutional and individual buyers. Our customer portfolio spans multiple industries, including fashion, home textiles, etc., reflecting our commitment to catering to a wide range of market needs.

- ***Corporate and Institutional Clients:*** We collaborate with apparel brands, fashion houses, and wholesalers, acting as a trusted partner and brand enabler. For Tier 1 and Tier 2 cities, we supply high-quality fabrics and tailored solutions that align with the unique requirements of premium brands. Our offerings include customized designs, innovative patterns, and specialized materials that empower brands to create standout collections.

- ***Retail and Distribution Networks:*** In Tier 3 and Tier 4 cities, as well as semi-urban and rural areas, we work closely with wholesalers, retailers, and independent stores. Through these partnerships, we ensure the availability of our own branded and non-branded fabrics, as well as ready-to-stitch garments. These customers value our ability to deliver affordable, high-quality products that resonate with their local market preferences.

- ***End Consumers:*** Our ready-to-stitch garments and fabrics directly cater to individual consumers who seek personalized clothing options. By offering trendy, high-quality materials at competitive prices, we meet the needs of fashion-conscious buyers in urban centres and budget-driven customers in rural markets.

- ***Export Markets:*** With our recent foray into international markets, we now cater to global customers who value the craftsmanship, quality, and versatility of Indian textiles. Our growing export clientele includes importers, and distributors seeking high-quality fabrics and garments for their overseas markets.

- ***Specialized Industries:*** We also supply fabrics for niche applications such as home textiles, and uniforms. Customers in these sectors value our expertise in delivering durable, functional, and visually appealing materials.

From April 1, 2023 to March 31, 2025, we catered to 497 customers out of which 268 customers were new customers. We have strong and long-established relationships with a number of our customers. We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups.

Sales and Distribution

Our sales and distribution network are a crucial element of our business, allowing us to effectively reach and serve a diverse customer base across multiple market segments. We have developed a robust and structured distribution system that caters to both domestic and international markets, ensuring efficient delivery of our fabric and garment products. Our sales strategy is designed to maximize market penetration, enhance customer engagement, and strengthen brand presence across different geographical regions.

As a brand enabler, we supply high-quality fabrics such as digitally printed, jacquard fabrics to various fashion brands, apparel manufacturers, and retailers, enabling them to create unique, trend-driven collections. Through this, we maintain strong partnerships with established and emerging brands, supporting their product development and manufacturing processes. In addition, we have launched our own brands, such as *Rasiya* and *Darbaar-e-Khaas*, which specialize in fabrics and ready-to-stitch garments, jacquard suits, shawls, and stoles. These brands cater to the increasing demand for ethnic and contemporary wear, particularly in Tier 2, Tier 3, and Tier 4 cities, where consumers seek modern designs with traditional craftsmanship. Through these efforts, we connect directly with end customers, strengthening brand recall and increasing our presence in the organized retail textile market. Furthermore, we operate in the non-branded segment, supplying bulk fabrics and ready-to-stitch garments to wholesalers, distributors, and retailers, ensuring our products reach a broad market, including independent retailers, multi-brand stores, and fabric traders.

Our distribution network is supported by a network of dealers, distributors, brokers, and agents who facilitate the sales and movement of our products across various regions. In Tier 1 and Tier 2 cities, we primarily act as a brand enabler, supplying fabrics and solutions to apparel brands, manufacturers, and organized retail players. Meanwhile, in Tier 3 and Tier 4 cities, semi-urban, and rural areas, we distribute both our own branded products and non-branded fabrics and garments, ensuring accessibility to a broader customer base. Our dealer and distributor network plays a vital role in expanding our market reach by connecting us with retailers and end consumers, further enabling the growth of our product offerings. As on March 31, 2025, we had 154 distributors in India. Our revenue from our top 20 distributors for the Fiscal 2025, Fiscal 2024 and Fiscal 2023 was ₹4,733.99 lakhs, ₹4,161.17 lakhs and ₹2,544.12 lakhs representing 30.98%, 33.30% and 25.65%, respectively, of our total revenue from operations. Such a distribution network is instrumental in an effective supply-chain management as well minimizes risks that may emanate from any geographical concentration.

As part of our expansion strategy, we have recently entered export markets, capitalizing on the growing global demand for Indian textiles. Our digitally printed fabrics, jacquard textiles, and ethnic garments have gained traction internationally, especially in regions with a strong Indian diaspora and a preference for quality, customizable fabrics. We aim to further strengthen our export sales by expanding our international distribution network and enhancing our presence in key global fashion and textile markets.

Recognizing the growing influence of digital sales channels, we are actively exploring e-commerce and online platforms to extend our direct-to-consumer reach. By leveraging digital marketing, social media engagement, and online sales partnerships, we aim to tap into the rapidly growing online textile retail market and reach a wider audience.

Our sales and distribution strategy are structured to maximize market reach, strengthen customer relationships, and drive business growth. Through a multi-channel approach, including B2B partnerships, in-house brands, wholesale distribution, and export markets, we ensure that our products remain accessible to a diverse and expanding customer base. As we continue to scale our operations and enhance our market presence, our focus remains on expanding our sales network, improving customer experience, and driving sustainable business growth in the textile and apparel industry.

Digital Textile Printing Industry growth drivers

- **Sustainability Considerations:** Growing awareness of environmental issues has led consumers to prefer sustainable practices in textile production. Digital textile printing is often seen as an eco-friendlier option due to its lower water and energy consumption compared to traditional methods, aligning with the increasing demand for sustainable fashion. (*Source: D&B Report*)

- **Government Initiatives:** The Indian government's support for the textile sector, including subsidies and incentives for adopting modern technologies, encourages the growth of digital textile printing. PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks across the country and Production Linked Incentive (PLI) scheme are two prominent government initiatives influencing digital textile printing market. This support helps manufacturers upgrade their capabilities and improve production efficiencies. (*Source: D&B Report*)

- **Option of Customization:** There is a notable shift towards customization and personalization in consumer behaviour, particularly among younger demographics who seek unique designs that reflect their individual tastes. Digital textile printing allows for on-demand production, catering to this demand effectively. (*Source: D&B Report*)

- **Reduction in Overstock and Warehousing:** Digital textile printing allows textile companies to get the printed clothing as needed rather than in bulk order, preventing such companies to spend less on inventory that may or may not sell. Thus, digital textile printing has resulted in a new type of fabric supplier – On-Demand manufacturers. Such companies use a Purchase Activated Manufacturing business model, whereby production process commence only after an order is confirmed and paid for in advance. Digital textile printing is thus transforming textile business with better workflow and shortened and improved inventory planning that prevents overstocking and reduces warehousing needs. (*Source: D&B Report*)

- **Technological Advancements:** Today, advanced, and specialized Inkjet technology is available that allows direct digital textile printing on textiles for bulk production that too on most of the fabrics. Thermal inkjet, continuous inkjet, piezoelectric inkjet, thermal transfer, electrostatic and electrophotography are some of the developments in inkjet technology which has revolutionized the digital textile printing industry. Moreover, advances in digital textile printing equipment such as printheads, ink dispersion techniques, ink supply systems and components and automated nozzle maintenance etc. has benefitted the growth of digital textile printing industry. Improvement in pigment dispersion techniques and printheads has accompanied the development of pigment-based ink in digital textile printing. This along with advanced colour management software has helped the industry to produce complex design in multiple colours. Today, digital textile printing has evolved to provide novel printing solution that includes shimmering, shadow, reflection, blurring, layering, and superimposing. Innovations in digital textile printing technology has allowed to deliver environmentally sustainable output at high-speed and shortening the overall supply chain cycle which is likely to drive the digital textile printing technology. (*Source: D&B Report*)

- **Market Structure:** A significant portion of the Indian textile market comprises unorganized sector players and MSMEs (Micro, Small, and Medium Enterprises). Digital textile printing offers these smaller players an opportunity to enhance their production capabilities with lower setup costs and the ability to handle small order quantities efficiently. (*Source: D&B Report*)

- **E-commerce Expansion:** The growing popularity of e-commerce and the rise of online retail platforms are providing new avenues for growth. Online platforms offer a convenient and accessible channel for Indian consumers to purchase digitally printed fabrics and products, while also providing manufacturers with a wider reach and access to new markets. This trend is expected to continue to drive the growth of the digital textile printing market in India. (*Source: D&B Report*)

- **Global Fashion Influence:** The growing influence of global fashion trends and the increasing exposure of Indian consumers to international brands are driving the demand for high-quality and innovative printing technologies. Digital textile printing technology enables the creation of high-quality prints that can compete with international brands, thereby enhancing the competitiveness of Indian textile manufacturers in the global market. (*Source: D&B Report*)

Health and safety

Our manufacturing activities are subject to a number of laws and regulations, including, regulations on technical safety and environment protection, including, restrictions on air and noise pollution, discharge of effluents and other occupational health and safety regulations.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our manufacturing facilities or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We also believe that all our manufacturing facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution.

Employees and Human Resources

We believe our employees and personnel are one of our most important assets and critical to maintaining our competitive position in our industry. Our human resource policies focus on recruiting qualified and talented personnel, whom we believe integrate well with our current workforce. We develop and train our employees in order to facilitate the growth of our operations and have instituted programmes for the employees which aid in their personal development and enhances their productivity. As of June 30, 2025, we had 612 permanent employees and workers, as set forth below, by function:

Department / Function	No. of Personnel
Key Managerial Personnel	3
Weaving, Jacquards, Embroidery, and Design Unit	317
Printing, Dyeing and Processing Unit	218
Packing, Dispatch and Registered Office	74
Total	**612**

Details of personnel in the company's in-house design team in the last 3 financial years:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Designers (1)	36	29	22

(1) Permanent employees of the company receiving a fixed monthly salary.
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Further, to efficiently manage our production processes and meet the demands of our growing business, we engage contract workers on a job work basis who operate within our manufacturing facilities. These workers play a crucial role in various aspects of our fabric and garment production, including weaving, jacquard, embroidery, dyeing, digital printing, fabric finishing, and stitching for ready-to-stitch garments. By employing a flexible workforce model, we optimize our manufacturing efficiency, scale production based on demand fluctuations, and maintain cost-effectiveness without compromising on quality and delivery timelines.

These contract workers are engaged through third-party contractors, who ensure that the required workforce is available based on our production schedules. They are deployed across various stages of the manufacturing process, allowing us to streamline operations, improve turnaround times, and enhance overall productivity. This arrangement helps us manage seasonal demand fluctuations, particularly during peak production cycles, while also providing employment opportunities to skilled and semi-skilled workers in the textile sector. Since these workers operate within our manufacturing facilities, they are integrated into our quality control and process management systems, ensuring that all products meet our stringent quality standards. They undergo on-site training and supervision to align with our manufacturing protocols, safety guidelines, and operational efficiency standards. Additionally, we ensure that all contract workers adhere to statutory labour compliances, including wages, working conditions, and safety regulations, in line with applicable labour laws.

Intellectual property

Trademarks registered/objected/opposed/abandoned in the name of our Company:

S. No.	Brand Name/Logo Trademark	Class	Nature of Trademark and Application Number	Owner	Date of Application	Validity/Renewed up to	Current Status
1.	Rasiya	24	DEVICE 4413464	Kaytex Fabrics Pvt Ltd	January 20, 2020	January 20, 2030	Registered
2.	Saiyra Simply Elegant	25	DEVICE 4673357	Kaytex Fabrics Pvt Ltd	September 25, 2020	September 25, 2030	Registered
3.	Darbaar e-khaas	24	DEVICE 6236294	Kaytex Fabrics Pvt Ltd	December 27, 2023	December 27, 2033	Registered
4.	** **KAYTEX**	24	WORD 543554	Kandhari Textile Mills Private Limited	January 14, 1991	January 04, 2035	Registered

***The said trademark is in the name of "Kandhari Textile Mills Private Limited" and we have received NOC on the date December 5, 2024 for the use of said Trademark.*

Competition

We operate in a competitive industry which is highly fragmented with a large number of small players. Our key competitors are described below:

Digital Textile Printing:

Shrijee Lifestyle Private Limited, based in Mumbai, India, specializes in the production of various fabrics and home textiles. With a strong emphasis on quality and innovation, it caters to both domestic and international markets. It is also involved in garment production, conventional and digital printing services, dyeing processes and embroidery services. Its product range includes woven fabrics for shirting and home textiles, ready-to-wear clothing items and home textile products such as curtains, bed linens, and upholstery. With a focus on quality and customer satisfaction, it serves a diverse clientele both domestically and internationally and is committed to sustainable practices, focusing on waste management and resource utilization to minimize environmental impact. (*Source: D&B Report*)

Krishna Alkali (Bombay) Private Limited specializes in digital textile printing, boasting an installed capacity of over 20,000 metres per day. All processes from fabric processing to printing and dispatch are managed in-house. Supported by over 25 graphic and fashion designers, advanced machinery and over 150 tonnes of ductable air conditioning in the facility, Krishna Alkali has established collaborations with design studios across Europe (Italy, France, UK) to stay updated with the latest trends and provide clients with innovative concepts. It has become a reliable partner for businesses seeking high-quality printed fabrics. The company's focus on eco-friendly practices and customization aligns well with current market trends favouring sustainability. (*Source: D&B Report*)

Kankariya Textile Industries Private Limited is a significant player in the textile manufacturing sector in India, known for its production of various fabric types and garments. Backed by over two decades of experience in grey cloth trading, processing, and export of textiles, it has been involved in the manufacturing of sarongs and processing fabrics for shirts on a job-work basis. It operates a processing facility located in Ahmedabad with an installed capacity of 23 million meters per annum as of March 31, 2021. With in-house design capabilities and exports to Indonesia, Malaysia, Singapore, Thailand, and Dubai, it mitigates risks associated with domestic market fluctuations. (*Source: D&B Report*)

Fabrics:

Raymond Lifestyle Limited is a leading Indian fashion and retail company. Formerly a part of Raymond Consumer Care Limited, it was formed after the demerger of the lifestyle business from the parent company in September 2024. It offers a diverse range of men's fashion products and services. It has a dominant position in the worsted suiting business and a strong presence in branded apparel, garmenting, and high-value cotton shirting. It boasts a vast retail network across India and overseas and its integrated operations across the textile value chain, from yarn manufacturing to retailing, offer operational flexibility and opportunities for cost optimization. (*Source: D&B Report*)

Donear Industries Limited specializes in the production of high-quality fabrics for suiting and shirting under various brand names such as Donear, Mayur, Ferrino Mizzoni and Eurico, with innovative finishes like wrinkle resistance and moisture absorbency. Its ready-to-wear collection, Donear NXG and D'cot, cater to the youth with stylish ready-to-wear apparel. It also specializes in dyed polyester, cotton and space-dyed yarns. With a network of over 1 million retailers in India, including 30+ agents and 250 dealers, it has significant presence in North and West regions of India and exports to more than 20 countries, with an annual export volume of approximately 6 million metre. It caters to various industries, including automotive, aviation, defense, government bodies, and educational institutions providing customized solutions for corporate clients and ensuring quality uniforms. (*Source: D&B Report*)

Garments:

Kewal Kiran Clothing Limited, headquartered in Mumbai, India, is a branded apparel manufacturer in India. It is renowned for its diverse range of clothing brands, including Killer, Lawman, Easies, and Integriti, which cater to both men and women. The business segments include branded jeans and casual wear specializing in denim and semi-formal wear, as well as women's apparel including stylish kurtis and tops, along with innovative fabrics. It boasts robust manufacturing facilities across Mumbai, Vapi (Gujarat), and Daman. It produces over 3 million apparel pieces annually and the facilities are ISO 9000 certified, ensuring adherence to international quality standards. (*Source: D&B Report*)

Pearl Global Industries Limited is a garment exporter, specializing in the manufacturing, sourcing, distribution, and export of ready-to-wear apparel. Headquartered in Gurgaon, India, it provides end-to-end supply chain solutions to global fashion brands and corporate customers. It operates in segments such as knits and woven garments, denim and outerwear, activewear and athleisure and children's wear and workwear. It has manufacturing facilities in India, Bangladesh, Vietnam, and China, fabric development centers in China and India, along with design teams in UK, US, and Hong Kong. It has a combined capacity to handle approximately two million garments per month through its warehousing and processing units in the UK and US. (*Source: D&B Report*)

Insurance

Our operations are subject to risks inherent to manufacturing operations, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We may also be subject to product liability claims if the products that we manufacture are not in terms of our contractual arrangements. Our principal types of insurance coverage include a fire industrial all risk insurance policy with respect to our manufacturing facilities, insurance policies for our workmen, fire and special peril policies for the stock in our unit and godowns, vehicles and machineries.

Property Insurance:

(₹ in Lakhs)

Sr. No.	Insured Address	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
1	Near Piller No 95 Main Batala Road Amritsar, Amritsar, Punjab, Pin-143001	United Value Udyam Suraksha Policy	United India Insurance Company Limited	5003001124P120403961	0.18	288.00	12/03/2026
2	Vill Bal Kalan Majitha Road, Amritsar, Punjab, Pin-143104	United Bharat Sooksham Udyam Suraksha Policy	United India Insurance Company Limited	5003001124P119479300	1.07	607.00	04/03/2026
3	Vill Balkalan Majitha Road Amritsar (Cloth Processing House), Amritsar, Punjab, Amritsar, Punjab, Pin- 143001	United Bharat Laghu Udyam Suraksha Policy	United India Insurance Company Limited	5003001125P103804745	5.43	200.00 for Building 2,184.82 for Plant and Machinery	02/06/2026

Machinery Insurance:

(₹ in Lakhs)

Sr. No.	Insured Address	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
1	Vill Balkalan Majitha Road Amritsar, Amritsar, Punjab, Pin-143001	United Value Udyam Suraksha Policy	United India Insurance Company Limited	5003001125P100389708	3.06	1741.00	02/04/2026
2	Vill Balkalan Majitha Road Amritsar, Amritsar, Punjab, Pin- 143001	United Bharat Sooksham Udyam Suraksha Policy	United India Insurance Company Limited	5003001125P100638888	0.90	509.5	02/04/2026

Car Insurance:

(₹ in Lakhs)

Sr. No.	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
1	Private Car Package Policy	ICICI Lombard General Insurance Company Limited	3001/396543130/00/000	0.05	2.22	08/06/2026
2	Private Car Package Policy	Bajaj Allianz General Insurance Company Ltd.	OG-25-1934-1801-00009972	1.01	13.11	18/03/2026
3	Private Car - Package Policy	Edme Insurance Brokers Limited	0404003124P119396468	0.19	13.59	03/05/2026

Sr. No.	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
4	Private Car - Package Policy	United India Insurance Company Limited	2020013123P1164 06487	0.22	15.30	03/10/2025
5	Digit Private Car Policy	Go Digit General Insurance Ltd	D168320494 / 08102024	0.05	2.34	15/10/2025
6	Digit Private Car Policy	Go Digit General Insurance Ltd	D168323870 / 08102024	0.12	4.32	13/10/2025
7	Commercial Vehicle Certificate of Insurance	IFFCO-Tokio General Insurance Co. Ltd	1-3T2UU17L	0.17	1.94	22/09/2025
8	Commercial Vehicle Certificate of Insurance	IFFCO-Tokio General Insurance Co. Ltd	1-3T2P6S9T	0.16	2.29	24/09/2025

Burglary Insurance:

(*₹ in Lakhs*)

Sr. No.	Insured Address	Policy Type	Insurance Company	Policy No	Premium	Sum Insured	Insurance Valid Up to
1	After Suncity Park, Batala Road, Kaytex Fabrics Private Limited, P.O Khanna Nagar., Amritsar 143001 Amritsar Punjab	Burglary Standard Policy	United India Insurance Company Limited	5003001224P 107847754	0.24	3,770.00	18/08/2025
2	After Suncity Park, Batala Road, Kaytex Fabrics Private Limited, P.O Khanna Nagar., Amritsar 143001 Amritsar Punjab	United Value Udyam Suraksha Policy	United India Insurance Company Limited	5003001124P 107846981	3.56	3,770.00	18/08/2025

We believe that our insurance coverage is consistent with industry standards. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See "*Risk Factors - Other Risks - An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*" on page 71.

Corporate Social Responsibility

We have constituted a corporate and social responsibility committee and have adopted and implemented a CSR Policy pursuant to which we carry out CSR activities. In terms of our CSR policy our CSR expenditure may be towards, amongst others, eradicating hunger, poverty and malnutrition, promoting health care, promoting education, promoting gender equality, empowering women, ensuring environmental sustainability, ecological balance etc. In Fiscal 2025, we spent ₹20.00 lakhs towards CSR activities in compliance with applicable laws.

Properties

Set out below are the details of the properties owned by us:

Sr No.	Nature of the property	Address of the property	Area of the property	Ownership Status
1.	Registered Office, Corporate Office, Packing and Despatch unit	Khasra No. 926, 927, 960, 961, 2445/930, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India	Approx. 2,041.63 sq. yards	Owned
2.	Proposed Sales Office in Amritsar	Khasra No. 960, 961, Khata Khatoni 151/249, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India	Approx. 400 sq. yards	Owned
3.		Khasra No. 926, Khata Khatoni 66/74, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India	Approx. 276.88 sq. yards	Owned
4.	Manufacturing unit: weaving, jacquards, embroidery & design	Khasra No. 137 // 12, Khata Khatoni 141/268, Khasra No. 144/ 11/2 (0-15), Khasra No. 144/ 11/2, Khata Khatoni 286/501 (2-0), Khasra No. 144/ 11/2 (3-12), Khewat Khatoni no. 286/504, Khasra no. 144/11/1 (4-9), 11/2/1 (0-1), 144/11/1 (0-15), 144/12/2 (0-1), Khewat Khatoni 286/501, 503, Village Balkalan, Majitha, Amritsar, Punjab	Approx. 9,903.25 sq. yards	Owned
5.	Printing, Dyeing & Processing Unit	Khasra No. 137/12 (7-14), Khata Khatoni No. 141/268, Khasra NO. 137//17/2/1 (0-7), 18/2/1 (0-3) Khata Khatoni No. 136/263, Khasra No. 137|/ 13/ 1/2 (0-15), 18/1 (0-8), 14/2 (2-4), 13/2/2 (1-1), 15/2 (1-6), 17/1 (1-13), Khata Khatoni No. 140/267 and Khasra No. 137//26 (4-5), Khata Khatoni No. 150/281, Village Balkalan, Majitha, Amritsar, Punjab	Approx. 3,267 sq. yards	Owned
6.	Proposed Warehousing Facility	Khasra No. 10//25/2 (0-18), 16//1/2 (3-16), 16/20 (8-0), 16/21/1 (1-2), 16//10/2 (5-0), 16//11/1 (5-2), 17//5 (8-0), 16//10/1 (3-0), 16//11/2 (2-18), 16//1/1 (3-8) 16//21/2 (1-3), 16//21/3 (5-6), Village Balkalan, Majitha, Amritsar, Punjab, India	Approx. 2167.921 sq. yards	Owned
7.	Expansion for Printing, Dyeing & Processing Unit	Khasra No. 137//19/1 (0-1), 137//19/2 (0-4), 137//19/3(5-4), 137//27 (1-0) Sole, 137//26 94-5), Village Balkalan, Tehsil & District Amritsar, Amritsar, Punjab, India	Approx. 4552.625 sq. yards	Owned

Following properties are taken on lease / sub-lease / leave & license by our company:

Sr No.	Date of the agreement	Name of owner	Area of the property	Address of the property	Period of agreement	Rent (amount in ₹)	Purpose
1.	April 01, 2024	Priti Kandhari and Shelly Kandhari*	Approx. 1,102 sq. yards	Khasra No. 927, 2954/2443/922, 2956/925, Khata Khatauni No. 2627,	2 years 11 months 29 days	₹ 3.00 Lakhs per month	Packing and Despatch unit

<table>
<tr><th>Sr No.</th><th>Date of the agreement</th><th>Name of owner</th><th>Area of the property</th><th>Address of the property</th><th>Period of agreement</th><th>Rent (amount in ₹)</th><th>Purpose</th></tr>
<tr><td></td><td></td><td></td><td></td><td>51/58, 1730/2638, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India</td><td></td><td></td><td></td></tr>
<tr><td>2.</td><td>November 21, 2019</td><td rowspan="2">Karan Madaan and Umesh Madaan</td><td>Approx 1,900 sq. fts.</td><td rowspan="2">Near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, India</td><td rowspan="2">Renewed up to March 31, 2026</td><td>₹ 0.85 Lakhs per month</td><td rowspan="2">Warehouses</td></tr>
<tr><td>3.</td><td>November 21, 2019</td><td>Approx 800 sq. fts.</td><td>₹ 0.75 Lakhs per month</td></tr>
<tr><td>4.</td><td>March 27, 2025</td><td>Kandhari Textile Mills Private Limited*</td><td>Approx 1,700 sq. fts.</td><td>Khasra No: 1445/1198/416-417, Gali Murgi Khana, Batala Road, Amritsar, Punjab, India</td><td>Up to March 31, 2026</td><td>₹0.05 Lakhs per month</td><td>Warehouse cum Corduroy and other fabrics production</td></tr>
<tr><td>5.</td><td>June 25, 2025</td><td>Sanjay Beri, Ajay Beri and Raju Kailash Chand Beri</td><td>Approx. 4,000 sq. yards</td><td>Village Balkalan, Majitha Road, Amritsar, Punjab</td><td>11 months</td><td>₹1.15 Lakhs per month</td><td>Sizing Unit</td></tr>
<tr><td>6.</td><td>May 16, 2024</td><td>Sachin Arvind Mehta and Smita Sachin Mehta</td><td>Approx. 2,305 sq. feet.</td><td>Flat No. W1301, “Lodha World Crest”, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India</td><td>24 months</td><td>₹4.50 Lakhs per month for 1st year

₹4.725 Lakhs for 2nd year</td><td>Guest House</td></tr>
<tr><td>7.</td><td>June 10, 2024</td><td>Ami Sanjay Shah</td><td>Approx. 757 sq. feet.</td><td>454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India</td><td>36 months</td><td>₹0.90 Lakhs per month for 1st year

₹0.945 Lakhs for 2nd year

₹0.99225 Lakhs for 3rd year</td><td>Mumbai Sales and Marketing Office</td></tr>
</table>

**The rent agreement with the related parties is at arms' length price. The Company has ensured that the rental value aligns with fair market value, taking into account location, property size, amenities, and comparable rental transactions in the area, thereby ensuring compliance with arm's length principles in accordance with applicable accounting and regulatory standards.*

KEY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring Prospectus we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.

Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of manufacturing new fabrics and innovative designs, digital printing, processing of fabrics and personalized service. Taxation statutes such as the I.T. Act, GST and applicable Labor laws, contractual laws, and intellectual property laws, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

Approvals

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "*Government and Other Approvals*" beginning on page 318.

Applicable Laws and Regulations

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company. The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars, and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Business and/or Key Industry and/or Trade Related Laws and Regulations:

The Textiles Committee Act, 1963

The Textiles Committee Act, 1963, as amended, has established the Textiles Committee with the primary objective of ensuring standard quality of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. Its functions include the promotion of textiles and textile exports, research in technical and economic fields, establishing standards for textiles and textile machinery and setting up of laboratories for the testing of textile.

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978

The Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, as amended, provides for the levy and collection of an additional duty of excise on certain textiles and textile related articles.

The National Textile Policy 2000 (NTxP-2000)

The policy was announced to prepare the textile industry to meet the challenges of integration with the global textile market. The policy aimed to ensure the industry's global competitiveness and create global champions in exports. The NTxP-2000 also focused on modernizing the handloom, sericulture, handicrafts, and jute sectors. The policy's objective was to facilitate the industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The NTxP-2000 aimed to help the textile industry reach a standing in the global market by equipping the industry to compete with imports and achieve a leading position in the global market. The policy also aimed to mitigate the problems of displaced workers by reviewing the existing Textile Workers' Rehabilitation Fund Scheme.

Amended Technology Upgradation Fund Scheme

The Ministry of Textiles introduced the Amended Technology Upgradation Fund Scheme (ATUFS). This scheme aims to facilitate investment, employment, productivity, quality, and import and export substitution in the textile industry. It also indirectly promotes investments in the manufacturing of machinery for textiles. It is a credit-linked subsidy scheme for capital investment in textile manufacturing under the Government of India's Make in India and Zero Defect and Zero Effect initiatives. This scheme generates export and employment especially to women, by encouraging the garment and apparel industry and increasing India's share in global exports. It promotes technical textiles for export and employment and improves quality and productivity by converting existing looms to better technology looms. It encourages better quality in the processing industry and check the need for the import of fabrics by the garment sector.

The Micro, Small and Medium Enterprises Development Act, 2006

To promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out. The Legal Metrology (Packaged Commodities) Rules, 2011 ("Legal Metrology Rules") The Legal Metrology Rules are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

The Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer's compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

The Bureau of Indian Standards Rules, 2018 ("BIS Rules")

The Bureau of Indian Standards Rules have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

The Textile Development and Regulation Order, 2001

The Textile Development and Regulation Order, 2001 is a significant legislative framework in India aimed at regulating the textile industry to ensure its orderly development. This Order establishes guidelines for the production, distribution, and marketing of textiles, focusing on enhancing the quality and competitiveness of Indian textiles in both domestic and international markets. It empowers the Textiles Commissioner to oversee various aspects of the industry, including the registration of textile manufacturers and the enforcement of standards. The Order also addresses issues related to the pricing and distribution of essential textiles, ensuring that they are available to consumers at reasonable rates. By promoting sustainable practices and encouraging innovation, the Textile Order plays a crucial role in supporting the growth of the textile sector, which is vital for India's economy and employment. Overall, it aims to create a balanced environment that fosters both industry growth and consumer protection.

The Electricity Act, 2003

The Electricity Act, 2003, is a crucial piece of legislation in India that aims to bring together all the laws related to the generation, transmission, distribution, trading, and use of electricity. This act is designed to promote competition in the electricity sector by introducing measures like open access to transmission networks and establishing a regulatory framework. It also focuses on protecting consumer interests by guaranteeing reliable electricity supply and fair pricing. The act includes special provisions for rural electrification, addressing the need for improved access to electricity in less developed regions. The Electricity Act, 2003, establishes the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs) to effectively oversee and regulate the sector. Furthermore, it introduces the concept of power trading, allowing for the buying and selling of electricity, which enhances market efficiency. In conclusion, the Electricity Act, 2003, serves as a comprehensive framework to modernize the electricity sector in India, ensuring sustainable development and improved service delivery.

Laws relating to specific state where establishment is situated

Shops and establishments laws in various states as per the provisions of local Shops and Establishments laws applicable in Punjab and Maharashtra, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017

The Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 modernizes the regulation of employment practices and working conditions in shops, commercial establishments, residential hotels, restaurants, and similar workplaces. It focuses on streamlining compliance while protecting employee rights. Key provisions include flexibility in working hours, ensuring proper holidays, paid leave, and rest intervals, along with safeguards for overtime compensation and protection against unfair dismissal. The act introduces mandatory digital registration for establishments and emphasizes maintaining updated records electronically. It also includes welfare measures like a crèche facility for establishments employing 50 or more workers and provisions to ensure a safe and conducive work environment, particularly for women. The act aims to balance the interests of employers and employees in a dynamic business environment.

Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018

It governs the employment and working conditions in shops, commercial establishments, and other businesses in Maharashtra. These rules provide for registration, define working hours, rest intervals, holidays, overtime, wages, and leave entitlements. They emphasize employee welfare, safety, and grievance mechanisms while mandating the maintenance of records such as employee registers and wage details. The rules also allow for flexible working arrangements, including night shifts for women, with safeguards in place. Compliance with these regulations ensures fair treatment and promotes the well-being of employees while balancing business interests.

The Punjab Shops and Commercial Establishments Act, 1958

The Punjab Shops and Commercial Establishments Act, 1958 is a state law that regulates working conditions in shops and commercial establishments in Punjab. It came into effect on June 1st, 1958. The Act covers various aspects of employment, including payment of wages, terms of service, work hours, rest intervals, overtime work, opening and closing hours, closed days, and holidays. Its primary purpose is to ensure fair and safe working conditions for employees in these establishments.

East Punjab Cotton (Statistics) Act, 1948

To gather and consolidate data about the cotton industry in the area, the East Punjab Cotton (Statistics) Act, 1948, was passed. The Act gives the government the authority to gather data on cotton prices, production, consumption, and other activities. Accurate data as stated by the government must be provided by cotton producers, merchants, and other stakeholders. Creates a structure for routine statistical reporting to support policymaking and boost the productivity of the cotton sector. Outlines sanctions for noncompliance or fraudulent reporting in order to protect the accuracy of the information gathered. intends to make it easier for the cotton business to plan and grow while making sure the government has accurate data to assist farmers and the sector. Act seeks to enhance the understanding and management of the cotton industry in East Punjab through comprehensive statistical analysis.

The Punjab Factories Act, 1982

Aimed at regulating the working conditions in factories in the Punjab region of India. It focuses on ensuring the health, safety, and welfare of workers employed in factories, along with establishing guidelines for working hours, leave, and the rights of workers. Defines what constitutes a factory and outlines the types of establishments covered under the Act. Mandates the registration of factories and the issuance of licenses for operation. Sets standards for health and safety measures, including sanitation, ventilation, and machinery safety. Regulates working hours, rest intervals, and overtime to ensure fair treatment of workers. Includes provisions for welfare amenities such as drinking water, canteens, and first aid facilities. Establishes the framework for factory inspections and penalties for non-compliance with the Act. Addresses the rights of workers, including provisions for employment of women and children. The Act aims to create a safe and healthy work environment and protect the rights of workers, promoting overall industrial welfare.

The Punjab Factory Rules, 1982

It sets out comprehensive guidelines to ensure health, safety, welfare, and fair working conditions in factories across Punjab, India. The rules mandate cleanliness, proper lighting, ventilation, safe drinking water, and safety measures such as machinery maintenance, protective guards, and fire safety. They also provide welfare facilities like restrooms, canteens, first aid, and crèches, especially where female workers are employed. Regulations govern working hours, overtime pay, weekly holidays, and annual leave with wages. Medical examinations, accident reporting, record-keeping, and regular inspections by authorities are also required to promote a safe and healthy work environment.

The Punjab Industrial and Business Development Policy 2022

Policy aims to create a welcoming environment for investors in the manufacturing and services sectors. The policy outlines various incentives, subsidies, and infrastructure development plans to make it easier to do business in Punjab. The policy provides 100% exemption for 10 years from the date of commercial production for businesses operating in Thrust Sectors. It also includes additional fiscal incentives for industrial parks (minimum of 25 acres) and mega projects (investment between ₹1,500 and ₹2500 crore). The policy aims to establish an effective and efficient logistics ecosystem to support the vision set forth in the Punjab Industrial and Business Development Policy 2022. The policy also focuses on promoting green manufacturing and sustainable development by encouraging the use of renewable energy sources and promoting energy efficiency. The Punjab Industrial and Business Development Policy 2022 is a comprehensive policy that aims to make Punjab a leading industrial hub in India. The policy is expected to attract significant investment and create new jobs in the state.

The Punjab Municipal Act, 1911

The Punjab Municipal Act, 1911, is a cornerstone of local governance in Punjab, India. This legislation was enacted to improve the administration of municipalities, ensuring efficient public service delivery and better governance. It outlines the establishment of different types of municipal bodies, including Municipal Councils for larger urban areas and Nagar Panchayats for smaller urban or transitional areas. The Act defines the powers and responsibilities of these bodies, encompassing essential functions like public health and sanitation regulation, maintenance of public infrastructure, and collection of taxes and fees. It also emphasizes democratic participation by providing guidelines for the election of municipal representatives. Over the years, the Act has been amended to adapt to changing needs and improve municipal governance, including provisions for better financial management and accountability. The Act's focus on local self-governance empowers municipalities to operate independently while remaining accountable to the state government. Ultimately, the Punjab Municipal Act, 1911, plays a vital role in shaping the governance of urban areas in Punjab, facilitating local administration and enhancing the quality of life for residents.

General Corporate Laws

Companies Act, 2013

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Registration Act, 1908

The act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 (Contract Act) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

Sale of Goods Act, 1930

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

Information Technology Act, 2002 ("Information Technology Act")

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Intermediaries Rules") on February 25, 2021, requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

The Consumer Protection Act, 2019

The Consumer Protection Act, 2019 is a significant legislation in India designed to safeguard the interests of consumers and enhance their rights. This Act establishes the Central Consumer Protection Authority (CCPA) which is empowered to regulate matters related to the violation of consumer rights and to promote consumer welfare. It expands the definition of a consumer to include individuals who purchase goods or services online or through other means, thereby addressing the growing digital marketplace. The Act introduces provisions for the protection against unfair trade practices, defective goods, and deficient services, ensuring that consumers have access to timely redressal mechanisms. Additionally, it allows for the establishment of Consumer Disputes Redressal Commissions at the district, state, and national levels, facilitating quicker resolution of grievances. Overall, the Consumer Protection Act, 2019 aims to create a more robust framework for consumer rights and protection in India, promoting transparency and accountability in the marketplace.

Employment And Labour Laws

The Code on Wages, 2019 (the "Code")

The Code received the assent of the President of India on August 8, 2019. The Code is yet to be notified in the Official Gazette. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage. In pursuance of the Code, the Code on Wages (Central Advisory Board) Rules, 2021 have been notified, which prescribe, inter alia, the constitution and functions of the Central Advisory Board set up under the Code on Wages, 2019.
The four existing laws are as follows:

- **The Payment of Wages Act, 1936:** Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948:** The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the "PoB Act"):** The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976:** The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The Act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution of India.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months fifty or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

The Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 is a significant piece of legislation in India aimed at promoting and regulating various industries for the overall economic development of the country. The Act empowers the government to take control of certain industries deemed essential for public interest, allowing for the establishment and management of these industries under government oversight. It also includes provisions for the reservation of specific products for exclusive production in the small-scale sector, thereby supporting small businesses. The Act serves as a framework for industrial policy, ensuring that industrial development aligns with national priorities and contributes to economic growth. Overall, it plays a crucial role in shaping the industrial landscape of India by balancing public interest with private enterprise.

Code on Social Security, 2020

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act,1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows:

- **Employee's Compensation Act, 1923:** The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

- **Employee's State Insurance Act, 1948:** It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952:** The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961:** The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972:** The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Employees' Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is a member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")

The "CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

Tax Related Legislations

Income Tax Act, 1961 (the "IT Act")

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017 (the "GST Act")

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017, and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

Environmental Laws

The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

National Environmental Policy, 2006

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Air Act is an act to provide for the prevention, control and abatement of air pollution, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. With a view to ensuring that the standards for emission of air pollutants from automobiles laid down by the State Board tinder clause (g) of subsection (1) of section 17 of the Air Act are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority in charge of registration of motor vehicles under the Motor Vehicles Act, 1939 (Act 4 of 1939), and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

It is a central piece of legislation in India aimed at preventing, controlling, and reducing water pollution. It empowers Central and State Pollution Control Boards to establish standards and monitor water quality in rivers, lakes, streams, and groundwater sources. The Act prohibits the discharge of pollutants into water bodies beyond permissible limits and requires industries to obtain consent before releasing effluents. It allows for setting up water testing laboratories, inspecting industrial facilities, and enforcing penalties for violations, including fines and imprisonment. The Act promotes awareness and engagement of the public in pollution control and provides guidelines for sewage and industrial wastewater treatment to ensure safe water for drinking, agriculture, and industrial use.

Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules")

The Noise Pollution Rules were enacted to regulate and decrease the ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (firecrackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices which have deleterious effects on human health and the psychological well-being of the people. The State Government shall take measures for abatement of noise including noise emanating from vehicular movements, (blowing of horns, bursting of sound emitting fire crackers, use of loud speakers or public address system and sound producing instruments) and ensure that the existing noise levels do not exceed the ambient air quality standards specified under these rules.

The Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016

Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final notification of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 in supersession of former notification. The Rules lay down corresponding duties of various authorities such as MoEF, CPCB, State/UT Govts., SPCBs/PCCs, DGFT, Port Authority and Custom Authority while State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handing and their disposal.

Intellectual Property Legislations

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

The Trademarks Act, 1999

The Trademarks Act, 1999, aims to protect trademarks and prevent their fraudulent use. It consolidates and amends the law related to trademarks, providing for their registration and better protection. The Act's objective is to safeguard the rights of individuals who manufacture and sell goods with distinct trademarks against infringement by others. The Act also introduced stricter penalties for trademark infringement, offering stronger legal recourse for trademark owners.

The Copyright Act, 1957

The Copyright Act of 1957 in India is a comprehensive law designed to safeguard the rights of creators and ensure they have control over their original works. This act encompasses a wide range of creative expressions, including literary, dramatic, musical, and artistic works, as well as cinematograph films and sound recordings. The Act grants creators exclusive rights to reproduce, distribute, perform, and adapt their creations, ensuring they reap the benefits of their hard work. The duration of copyright protection varies depending on the type of work, with most works protected for the author's lifetime plus 60 years after their death. The Act also outlines the legal consequences of copyright infringement, providing remedies like injunctions and monetary damages for unauthorized use of copyrighted material. While copyright protection is automatically granted upon creation, registration with the Copyright Office can provide additional legal benefits in case of disputes. The Copyright Act of 1957 is a cornerstone of intellectual property law in India, promoting creativity and fostering a thriving artistic and cultural landscape.

The Design Act, 2000

The Design Act of 2000 in India is a crucial law that protects the visual aspects of industrial designs, going beyond purely functional elements. It aims to promote innovation and creativity in the field of design by granting legal protection to original and new designs. The Act defines a design as the unique features of shape, configuration, pattern, ornamentation, or composition of lines or colours applied to an article, as long as it's not purely functional. While registration is not mandatory, it offers significant legal advantages, including the right to sue for infringement. A registered design is protected for 10 years, with the possibility of extending it for another 5 years, totalling 15 years of protection. The Act clearly outlines what constitutes infringement, such as unauthorized copying or imitation of a registered design, allowing the owner to pursue legal remedies. However, certain exceptions exist, like designs that are not registrable, such as those that are contrary to public order or morality. The Act also addresses the issue of piracy of registered designs, providing legal tools to combat unauthorized use. The Design Act of 2000 plays a vital role in fostering a thriving industrial design landscape in India by safeguarding the rights of designers and encouraging creativity.

Other Laws

Foreign Trade (Development and Regulation) Act, 1992

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code ("IEC") number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Foreign Exchange Management Act, 1999 & Rules thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10% of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24% of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% shall be called the individual and aggregate limit, respectively.

India's FDI Policy 2023

India's FDI Policy 2023 continues to promote an investor-friendly environment while safeguarding national interests through a balanced regulatory framework. Most sectors are open to 100% FDI under the automatic route, with sensitive areas such as defence, telecommunications, and digital media requiring government approval. Notable updates include enhanced limits in manufacturing, telecom, and space sectors, while e-commerce and financial services maintain existing caps. Restrictions on investments from neighbouring countries remain in place to ensure security. The policy aligns with initiatives like Make in India and Production Linked Incentive schemes, emphasizing manufacturing, renewable energy, and sustainability. Streamlined processes and digital platforms for approvals aim to improve ease of doing business, making India a key destination for global investments.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our company was incorporated as a private limited company under the name "*Kaytex Fabrics Private Limited*" under the provisions of the Companies Act, 1956 vide certificate of incorporation dated June 29, 1996 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on December 05, 2024 and the name of our Company was changed to "*Kaytex Fabrics Limited*" with a fresh certificate of incorporation dated December 19, 2024, issued to our Company by the Assistant Registrar of Companies/Deputy Registrar of Companies/ Registrar of Companies, Central Registration Centre.

Changes in the Registered Office of our Company

Except as stated below, our Company has not changed its registered office since its incorporation:

Date of change	Details of change	Reasons for change
December 30, 2005	Registered office of our Company was changed from 292A, Police Line, Amritsar – 143 001, Punjab, India to Batala Road, Post Office Khanna Nagar, Amritsar – 143 006, Punjab, India	Operational convenience
January 03, 2025	Registered office of our Company was changed from Batala Road, Post Office Khanna Nagar, Amritsar – 143 006, Punjab, India to Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India	Rectification of pin code

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To carry on the business manufacturers, importers and exporters, wholesale and retail dealers of textile goods, fabrics, hosiery goods and in men 's women's and children's clothing, readymade garments, knitwears , cloth, blankets, bed sheets, tracksuits, T-shirts , muffles, socks, under garments accessories like ties made of all kinds and description of woolen, cotton, acrylic, silk, jute, angora, nylon, shoddy mohair polyster and fabrics whether textile felted nelted and looped and other kinds of blends and suits vests, underwears, suits, pants workmen's clothes, uniforms for the Army, navy , air force and other personnel , foundation garments for ladies dresses, brassieres, maternity belts, knee caps, coats, panties, nights and other readymade garments.*

2. *To carry on the business manufacturers, importers and exporters, wholesale and retail dealers of and in hosiery goods of every kind, nature and description for men, women, and children including vests, underwears, socks, stockings, sweaters, laces and or all or anything which is used in hosiery goods.*

3. *To carry on all or any of the business of dealers and manufacturers of all kinds of carpets durries, mats, rugs, namdas, blankets, shawls, tweeds, linens, flannels and other articles of woolen and wrosted materials and all articles similar to the foregoing or any of the connected therewith.*

4. *To carry on all or any of the business spinning, weaving, knitting, twisting, combing, dyeing and coloring finishing, processing, fabricating, darning, bleaching, manufacturing, buying selling and dealing of all kinds and description of fabrics , tops, worsted, angora, shoddy, cotton synthetics, woolen silk, jute, rayon, artificial silk, nylon, polyster, mohair and other fibre including waste wool, raw wool, wool-tops and wollen rags and to act as importers, exporters, agents, stockists and distributors of above items.*

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Red Herring Prospectus:

Date of Shareholders' resolution	Nature of Amendment
August 31, 2024	Clause V. of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹50,00,000 consisting 5,00,000 Equity Shares of ₹10/- each to ₹18,00,00,000 consisting 1,80,00,000 Equity Shares of ₹10/- each

December 05, 2024	Clause I. of our Memorandum of Association was amended to reflect the change in name of our Company from 'Kaytex Fabrics Private Limited 'to 'Kaytex Fabrics Limited', pursuant to the conversion of our Company into a public limited Company

Major Events and Milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Key Events/Milestones/Achievements
1996	Incorporation as private limited company and commencement of our business operations at Gali Murgi Khana, Batala Road, Amritsar, Punjab
1998	Commenced operations with seven shuttle-less rapier looms for dobby fabrics with manufacturing capacity less than 5.00 lakhs metres per annum
1999	Established a separate and dedicated weaving looms unit at Village Balkalan, Majitha, Amritsar, Punjab, enhancing our fabric production capabilities
2001	Our Company's revenue from operations crossed ₹1,000 Lakhs
2003	Established packing and dispatch unit at Batala Road, Post Office Khanna Nagar, Amritsar, Punjab
2004	Started production of shirting fabrics, expanding our product portfolio for apparel markets
	Reached manufacturing capacity for dobby fabrics to 10.00 lakhs metres per annum
2008	Introduced a state-of-the-art jacquard unit in Village Balkalan, Majitha, Amritsar, Punjab, enabling the production of jacquard fabrics with manufacturing capacity of less than 2.00 lakhs metres per annum
	Our Company's revenue from operations crossed ₹2,500 Lakhs
2009	Established a separate fabric processing unit in Village Balkalan, Majitha, Amritsar, Punjab, enhancing fabric finishing and value addition capabilities
	Reached manufacturing capacity for dobby fabrics to 20.00 lakhs metres per annum
	Reached manufacturing capacity for jacquard fabrics to 4.00 lakhs metres per annum
2010	Evolved into a fully integrated composite unit, streamlining end-to-end textile manufacturing processes
	Introduced dyeing and finishing processes in the existing processing unit in Village Balkalan, Majitha, Amritsar, Punjab, elevating fabric quality and customization options
2013	Reached manufacturing capacity for jacquard fabrics to 10.00 lakhs metres per annum
2014	Our Company's revenue from operations crossed ₹5,000 Lakhs
2017	Reached manufacturing capacity for dobby fabrics to 40.00 lakhs metres per annum
2019	Reached manufacturing capacity for jacquard fabrics to 25.00 lakhs metres per annum
2020	Commenced digital printing operations, revolutionizing fabric design and customization capabilities with digital printing capacity of 3.00 lakhs metres per annum
2021	Launched the *Rasiya* brand, marking our entry into the fashion segment, delivering digitally printed fabrics and ready-to-stitch suits
	Reached manufacturing capacity for digitally printed fabrics to 10.00 lakhs metres per annum
2022	Our Company's revenue from operations crossed ₹7,500 Lakhs
2023	Our Company's revenue from operations crossed ₹9,500 Lakhs
	Reached manufacturing capacity for jacquard fabrics to 50.00 lakhs metres per annum
	Reached manufacturing capacity for digitally printed fabrics to 50.00 lakhs metres per annum
2024	Our Company's revenue from operations crossed ₹12,000 Lakhs
	Launched the *Darbaar-e-khaas* brand, specializing in jacquard ready-to-stitch suits, accessories like shawls and stoles
	Established Sales office in Mumbai, to expand our product offerings by entering the menswear segment
	Reached manufacturing capacity for digitally printed fabrics to 85.00 lakhs metres per annum
	Conversion from Private Limited to Public Limited Company
2025	Expansion for the digital printing capacity from 85.00 lakhs metres per annum to 140.00 lakhs metres per annum

Awards, Accreditations or Recognition

Our Company has not received any awards, accreditations or recognition as on date of this Red Herring Prospectus.

Launch of Key Products or Services, Entry or Exit in new geographies

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see "- *Major Events and Milestones of our Company*" and "*Our Business*" on pages 249 and 203, respectively.

Financial or Strategic Partners

Our Company does not have any financial or strategic partners as on the date of filing this Red Herring Prospectus.

Time or Cost Overruns

There has been no time and cost overruns in the setting up of projects by our Company since incorporation.

Defaults or Rescheduling / Restructuring of Borrowings with Financial Institutions / Banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Revaluation of Assets

Our Company has not revalued its assets in the 10 years preceding the date of this Red Herring Prospectus.

Details regarding acquisition or divestment of Business or Undertakings

There have been no material acquisitions or divestments of business or undertakings by our Company in the last 10 years.

Mergers or Amalgamations

Our Company has not been party to any merger or amalgamation in the 10 years preceding the date of this Red Herring Prospectus.

Shareholders' Agreements

There are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters and/or our Shareholders, agreements of like nature and clauses / covenants which are material to our Company. Further, there are no clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company.

Agreements with Key Managerial Personnel, Senior Management, Director, Promoters or any other Employee

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Guarantees provided by our promoters and Directors in relation to loans availed by our Company

As on the date of this Red Herring Prospectus, our Promoters and our directors, Sanjeev Kandhari and Amit Kandhari have provided personal guarantees to HDFC Bank Limited in relation to the borrowings availed by our Company.

Other Material Agreements

Our Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business.

Our Holding Company, Associates and Joint Ventures

As on the date of this Red Herring Prospectus, our Company does not have any holding company, associate or joint venture.

Our Subsidiaries

As on the date of this Red Herring Prospectus, our Company does not have any Subsidiary.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting. As on the date of filing this Red Herring Prospectus, our Company has six Directors on the Board, two are Executive Directors, two are non-executive woman directors and two are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Red Herring Prospectus:

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other Directorships
Sanjeev Kandhari *Designation:* Chairman and Managing Director *Date of Birth:* July 07, 1964 *Age:* 61 years *Address:* H. No. 292A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India *Occupation:* Business *Current Term:* For a period of five years with effect from September 01, 2024 *Period of directorship:* Director since incorporation of our Company *DIN:* 01412837	*Indian Companies:* 1. Kandhari Textile Mills Private Limited 2. Sai Lakshay Prints Private Limited* 3. AKA Propbuild LLP *Foreign Companies:* Nil
Amit Kandhari *Designation:* Wholetime Director and Chief Financial Officer *Date of Birth:* December 06, 1972 *Age:* 52 years *Address:* H. No. 293A, Police Line, Near Doordarshan Kendar, Lawrence Road, Amritsar – 143 001, Punjab, India *Occupation:* Business *Current Term:* For a period of five years with effect from September 01, 2024 *Period of directorship:* Director since incorporation of our Company *DIN:* 01412828	*Indian Companies:* 1. Kandhari Textile Mills Private Limited 2. Sai Lakshay Prints Private Limited* 3. AKA Propbuild LLP *Foreign Companies:* Nil

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other Directorships
Shelly Kandhari *Designation:* Non-Executive Director *Date of Birth:* April 09, 1966 *Age:* 59 years *Address:* H. No. 292A, Police Line, Lawrence Road, Amritsar – 143 001, Punjab, India *Occupation:* Business *Current Term:* With effect from August 24, 2024 and liable to retire by rotation *Period of directorship:* Since August 24, 2024 *DIN:* 10752302	*Indian Companies:* Nil *Foreign Companies:* Nil
Priti Kandhari *Designation:* Non-Executive Director *Date of Birth:* February 20, 1973 *Age:* 52 years *Address:* H. No. 293A, Police Line, Near Doordarshan Kendar, Lawrence Road, Amritsar – 143 001, Punjab, India *Occupation:* Business *Current Term:* With effect from August 24, 2024 and liable to retire by rotation *Period of directorship:* Since August 24, 2024 *DIN:* 10752385	*Indian Companies:* Nil *Foreign Companies:* Nil
Rahul Tandon *Designation:* Independent Director *Date of Birth:* September 13, 1986 *Age:* 38 years *Address:* H No. 24, Braham Nagar, Lawrence Road, Amritsar – 143 001, Punjab, India *Occupation:* Salaried *Current Term:* For a period of five years with effect from September 27, 2024	*Indian Companies:* 1. Thgrands Private Limited 2. Vozaf Fashion Private Limited 3. Peachy Patronum Private Limited *Foreign Companies:* Nil

Name, designation, date of birth, age, address, occupation, current term, period of directorship and DIN	Other Directorships
Period of directorship: Since September 27, 2024 *DIN:* 06372536	
Rajiv Arora *Designation:* Independent Director *Date of Birth:* December 03, 1965 *Age:* 59 years *Address:* 321-A, Medical Enclave, Civil Line, Amritsar – 143 001, Amritsar, Punjab, India *Occupation:* Professional *Current Term:* For a period of five years with effect from September 27, 2024 *Period of directorship:* Since September 27, 2024 *DIN:* 01522045	*Indian Companies:* 1. Omato Excellence Consultants Private Limited *Foreign Companies:* Nil

**Sai Lakshay Prints Private Limited has filed for voluntary liquidation w.e.f March 30, 2024, under Section 59 of the Insolvency and Bankruptcy Code (IBC), 2016, following a resolution passed by its Directors and Shareholders dated March 30, 2024. As the objective for which the Company was incorporated has been achieved, and no further business activities are planned, the Company has opted for an orderly closure in compliance with regulatory provisions.*

Brief Profile of our Directors

Sanjeev Kandhari is the Chairman and Managing Director on the Board of our Company. He has completed his pre-university examinations (commerce group) from Guru Nanak Dev University, Amritsar. He has been on the Board of our Company since incorporation. He has approximately thirty years of experience in textile manufacturing industry. He is responsible for supervision of overall performance of our Company. He contributes in formulating strategies for the growth of our Company and provides guidance and direction to our Key Managerial Personnel and members of Senior Management.

Amit Kandhari is the Wholetime Director and Chief Financial Officer on the Board of our Company. He holds a Bachelors' degree in Commerce from the Punjab University, Chandigarh. He has approximately thirty years of experience in textile manufacturing industry. He has been on the Board of our Company since incorporation and is responsible for managing the operations and expansion of finance division. He also supervises the various functions in our Company *inter alia* finance, production and compliance.

Shelly Kandhari is the Non-Executive Director on the Board of our Company. She has completed her Bachelors in Arts from the Guru Nanak Dev University, Amritsar. She has been on the Board of our Company since August 24, 2024 and has been previously associated with us since 2009 in various roles. Her responsibilities include overseeing various functions of our Company *inter alia* designing, procurement and administration in the Company. She has around fifteen years of experience in textile manufacturing industry.

Priti Kandhari is the Non-Executive Director on the Board of our Company. She holds Bachelors' degree in Commerce from the University of Mumbai. She has been on the Board of our Company since August 24, 2024 and has been previously associated with us since 2009 in various roles. Her responsibilities include overseeing various functions of our Company *inter alia* accounts, finance, procurement and human resource in the Company. She has around fifteen years of experience in textile manufacturing industry.

Rahul Tandon is an Independent Director on the Board of our Company. He has completed his Bachelor of Technology in Production and Industrial Engineering from Indian Institute of Technology, New Delhi. His experience extends across product development, operational optimization, and global market expansion. He is currently CEO of Naturis Cosmetics Private Limited and was previously associated as Vice President – Operations with Socomo Technologies Pvt Ltd (jugnoo.in) and as Project Engineer with Schlumberger Asia Services Ltd.

Rajiv Arora is an Independent Director on the Board of our Company. He is a qualified Chartered Accountant and holds a graduate degree in commerce from the Punjab University, Chandigarh. Since 1987, he has been a Practicing Chartered Accountant under his firm name M/s Rajiv Arora & Co. He has around thirty-five years of experience in bank audits, tax audits, income tax, GST, forensic audits, etc.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Red Herring Prospectus, during the term of their directorship in such company.

Further, none of our directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Relationships between our Directors and the Key Managerial Personnel or Senior Management

Except for Sanjeev Kandhari and Amit Kandhari, being brothers to each other, and Sanjeev Kandhari and Shelly Kandhari, being spouses to each other, Amit Kandhari and Priti Kandhari, being spouses to each other, Amit Kandhari and Sahil Kandhari being father-son, Shelly Kandhari and Devika Arora being mother-daughter, Priti Kandhari and Sahil Kandhari being mother-son and Sanjeev Kandhari and Devika Arora being father-daughter, none of our other directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers

In accordance with our Articles of Association, the applicable provisions of the Companies Act, and pursuant to a resolution passed by our Board in its meeting held on December 23, 2024, and a resolution passed by our Shareholders at their extra ordinary general meeting held on December 27, 2024, our Board is authorised to borrow, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers) exceeding the aggregate of the paid-up share capital, free reserves and securities premium provided that the total amount so borrowed by the Board shall not at any time exceed ₹20,000.00 Lakhs or the aggregate of the paid-up share capital, free reserves and securities premium of the Company or as may be specified in the applicable provisions of law, whichever is higher.

Terms of Appointment of our Directors

a) Terms of employment of our Executive Director

Sanjeev Kandhari, Chairman and Managing Director

Sanjeev Kandhari was appointed as the Director of our company since incorporation. His designation was changed to Chairman and Managing Director of our Company pursuant to a resolution passed by our Directors in their Board meeting held on August 24, 2024, for a period of five years with effect from September 01, 2024 and by passing the resolution, the same was ratified by our Shareholders at their extraordinary general meeting held on August 31, 2024 on such terms and remuneration as provided in the appointment letter provided by our Company.

The details of the remuneration that Sandeep Kandhari is entitled to and the other terms of his employment are enumerated below:

1. ***Remuneration:*** Remuneration of ₹60.00 Lakhs p.a. as decided by the Board of Directors. Any increment in salary, as may be determined by the Board shall be within the threshold specified as per the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

2. ***Reimbursement of Expenses:*** Reimbursement of actual entertainment expenses, expenses incurred for travelling, boarding and lodging; and provision to use cars for the Company's business and fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.

Amit Kandhari, Executive Director

Amit Kandhari was appointed as the Director of our company since incorporation. His designation was changed to Wholetime Director of our Company pursuant to a resolution passed by our Directors in their Board meeting held on August 24, 2024, for a period of five years with effect from September 01, 2024 and by passing the resolution, the same was ratified by our Shareholders at their extraordinary general meeting held on August 31, 2024 on such terms and remuneration as provided in the appointment letter provided by our Company.

The details of the remuneration as ratified by our Shareholders at their extraordinary general meeting held on August 31, 2024 that Amit Kandhari is entitled to and the other terms of his employment are enumerated below:

1. ***Remuneration:*** Remuneration of ₹48.00 Lakhs p.a. as decided by the Board of Directors. Any increment in salary, as may be determined by the Board shall be within the threshold specified as per the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

2. ***Reimbursement of Expenses:*** Reimbursement of actual entertainment expenses, expenses incurred for travelling, boarding and lodging; and provision to use cars for the Company's business and fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered at perquisites.

b) Sitting fees to Non-Executive and Independent Directors

Pursuant to a resolution passed by our Board of Directors dated January 03, 2025, our Non-Executive and Independent Directors are entitled to receive sitting fees of ₹0.10 lakhs and ₹0.05 lakhs for attending each meeting of our Board and the committees constituted by our Board, respectively. Further, our Non-Executive and Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI LODR Regulations.

Except as disclosed above, our Company has not entered into any contract appointing or fixing the remuneration of a director, Whole-time Director or manager in the two years preceding the date of this Red Herring Prospectus.

Payments or Benefits to our Directors

a) Sanjeev Kandhari, Chairman and Managing Director

In Fiscal 2025, he received salary of ₹60.00 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR Regulations. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

b) Amit Kandhari, Wholetime Director

In Fiscal 2025, he received salary of ₹60.00 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR regulations. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

c) Shelly Kandhari, Non-Executive Director

In Fiscal 2025, she received salary of ₹5.25 lakhs and sitting fees of ₹0.70 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR Regulations.

d) Priti Kandhari, Non-Executive Director

In Fiscal 2025, she received salary of ₹5.25 lakhs and sitting fees of ₹0.80 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR Regulations.

e) Rahul Tandon, Independent Director

In Fiscal 2025, he received sitting fees of ₹0.85 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR Regulations.

f) Rajiv Arora, Independent Director

In Fiscal 2025, he received sitting fees of ₹0.80 lakhs from our Company as disclosed in related party transactions in accordance with AS 18 read with the SEBI ICDR Regulations.

Remuneration paid or payable to our Directors by our Subsidiary or Associate

Our company does not have any subsidiary or associate as on date of filing this Red Herring Prospectus.

Contingent and deferred compensation payable to Directors

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or Profit-Sharing Plan for the Directors

Except as set out in "– *Terms of appointment of our directors*" on page 254, our Company does not have any performance linked bonus or a profit-sharing plan in which our directors have participated.

Shareholding of our Directors

The table below sets forth details of Equity Shares held by the Directors as on date of this Red Herring Prospectus:

Name of the shareholder	No. of Equity Shares	% of the pre-Offer paid up share capital	% of the post-Offer paid up share capital
Sanjeev Kandhari	57,49,975	49.99%	[●]%
Amit Kandhari	57,49,975	49.99%	[●]%
Total	**1,14,99,950**	**99.98%**	**[●]%**

Our Articles of Association do not require our directors to hold qualification shares.

Interest of Directors

All our directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. Sanjeev Kandhari and Amit Kandhari may be deemed to be interested to the extent of remuneration paid to them for services rendered as officers of our Company. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 33.

Our directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. For further details regarding the shareholding of our directors, see "– *Shareholding of our Directors*" on page 256.

Further, our directors may also be directors on the boards, or are shareholders, of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 33.

Our directors, Sanjeev Kandhari and Amit Kandhari who are also Promoter Selling Shareholders will receive respective portion of the proceeds from the Offer of the Offered Shares in the Offer for Sale.

Interest in promotion of the Company

As on the date of this Red Herring Prospectus, except for Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari who are the Promoters of our Company, none of our other directors are interested in the promotion of our Company. For further details, see "*Our Promoters and Promoter Group*" on page 268.

Interest in land and property

Our directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Further, our directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Red Herring Prospectus.

Loans to Directors

As on the date of this Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Other Confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce such Director to become or to help such Director qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our directors in the last three years.

Name	Designation (at the time of appointment / change in designation / cessation)	Date of appointment / change in designation / cessation	Reason
Sanjeev Kandhari	Chairman and Managing Director	August 24, 2024	Change in Designation as Chairman and Managing Director
Amit Kandhari	Whole Time Director	August 24, 2024	Change in Designation as Wholetime Director
Shelly Kandhari	Non-Executive Director	August 24, 2024	Appointment as Non-Executive Director
Priti Kandhari	Non-Executive Director	August 24, 2024	Appointment as Non-Executive Director
Rahul Tandon	Independent Director	September 27, 2024	Appointment as Independent Director
Rajiv Arora	Independent Director	September 27, 2024	Appointment as Independent Director

Note: This table does not include details of regularisations of Additional Directors.

Corporate Governance

In accordance with the Regulation 15 (2) (b) of SEBI LODR Regulations, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of Regulation 46 (2) of SEBI LODR Regulations and Para C, D and E of Schedule V of SEBI LODR Regulations shall not apply in respect of listed company which has listed its specified securities on the SME Exchange. Hence, only the provisions of the Companies Act, 2013 with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on SME Platform of NSE.

Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof. As on the date of this Red Herring Prospectus, we have six Directors on the Board, of whom two are Executive Directors, two are Non - Executive Woman Directors and two are Independent Directors.

Committees of our Board

In terms of the provisions of the Companies Act, 2013, our Company has constituted the following committees of our Board:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee

a) Audit Committee

The Audit Committee was constituted by our Board through its resolution dated January 03, 2025. It is in compliance with Section 177 of the Companies Act. The current constitution of the Audit committee is as follows:

Name of the Directors	Position in the Committee	Designation
Rajiv Arora	Chairman	Independent Director
Rahul Tandon	Member	Independent Director
Amit Kandhari	Member	Wholetime Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013. Its terms of reference are as follows:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee of the Company;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary and to seek their advice, whenever required; and

(5) such other powers as may be prescribed under the Companies Act.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for the appointment, re-appointment, replacement remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

   ii) Changes, if any, in accounting policies and practices and reasons for the same

   iii) Major accounting entries involving estimates based on the exercise of judgment by management

   iv) Significant adjustments made in the financial statements arising out of audit findings

   v) Compliance with listing and other legal requirements relating to financial statements

   vi) Disclosure of any related party transactions; and

   vii) Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the half yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / Bid 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, appointed if any, monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company;

Explanation: The term "related party transactions" shall have the same meaning provided in the Companies Act, 2013.

(11) approval of related party transactions to which the subsidiary of the Company is a party;

(12) scrutiny of inter-corporate loans and investments;

(13) valuation of undertakings or assets of the Company, and appointing a registered valuer in terms of Section 247 of the Companies Act, wherever it is necessary;

(14) evaluation of internal financial controls and risk management systems;

(15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(16) 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;

(17) discussion with internal auditors of any significant findings and follow up there on;

(18) 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;

(19) 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;

(20) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(21) 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;

(22) reviewing the functioning of the whistle blower mechanism;

(23) monitoring the end use of funds raised through public offers and related matters;

(24) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(25) approval of appointment of chief financial officer (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;

(26) to formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;

(27) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(28) approving the key performance indicators for disclosure in its offering documents;

(29) reviewing compliance with the provisions of the SEBI PIT Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

(30) carrying out any other functions required to be carried out by the Audit Committee as contained in the Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time; and

(31) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

(32) Such other matters as may be prescribed under the applicable laws from time to time.

(33) The aforesaid shall be governed by the applicable provisions/limits/threshold provided in Companies Act, 2013, as amended from time to time.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The Audit Committee is required to meet at least four times in a year. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the Audit Committee, whichever is greater, with at least two independent directors.

b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by our Board through its resolution dated January 03, 2025. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act. The current constitution of the Nomination and Remuneration committee is as follows:

Name of the Directors	Position in the Committee	Designation
Rajiv Arora	Chairman	Independent Director
Rahul Tandon	Member	Independent Director
Priti Kandhari	Member	Non-Executive Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. Its terms of reference 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 of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing 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 Nomination and Remuneration 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 independent directors and the Board;

(4) Devising a policy on Board diversity;

(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(6) Analysing, monitoring and reviewing various human resource and compensation matters;

(7) Deciding 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;

(8) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(9) Recommending to the board, all remuneration, in whatever form, payable to non-executive directors and the senior management, as may be deemed necessary;

(10) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the Companies Act, 2013 or any other applicable law, as and when amended from time to time;

(11) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(12) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

(13) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(14) Administering the ESOP Scheme including the following:

i. Determining the eligibility of employees to participate under the ESOP Scheme;

ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

iii. Date of grant;
iv. Determining the exercise price of the option under the ESOP Scheme;

v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

x. The grant, vest and exercise of option in case of employees who are on long leave;

xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;

xii. The procedure for cashless exercise of options;

xiii. Forfeiture/ cancellation of options granted

xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;

- for this purpose, global best practices in this area may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

(15) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the SEBI PIT Regulations;

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(c) SEBI LODR Regulations by the Company and its employees, as applicable.

(16) Specifying the manner for effective evaluation of performance of the Board and independent directors to be carried out by the Nomination and Remuneration Committee; and

(17) Perform such other activities as may be delegated by the Board or specified / provided under the Companies Act, 2013 to the extent notified and effective, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee is required to meet at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board through its resolution dated January 03, 2025. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Position in the Committee	Designation
Rahul Tandon	Chairman	Independent Director
Rajiv Arora	Member	Independent Director
Shelly Kandhari	Member	Non-Executive Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with the Companies Act. Its terms of reference are as follows:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(2) Review of measures taken for effective exercise of voting rights by shareholders;

(3) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(4) 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 of the Company and to recommend measures for overall improvement in the quality of Bidder services;

(5) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(6) To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

(7) To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

(8) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company;

(9) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s) or agent(s);

(10) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, or by any other regulatory authority; and

(11) Such terms of reference as may be prescribed under the Companies Act.

The Stakeholders' Relationship Committee is required to meet at least once in a year.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted by our Board through its resolution dated January 03, 2025. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Directors	Position in the Committee	Designation
Rahul Tandon	Chairman	Independent Director
Amit Kandhari	Member	Wholetime Director
Sanjeev Kandhari	Member	Managing Director

The scope and function of the Corporate Social Responsibility Committee is in accordance with section 135 of the Companies Act, 2013. Its terms of reference are as follows:

(1) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(2) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(3) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company. The amount spent pursuant to the corporate social responsibility policy of the Company shall be as prescribed under the applicable law from time to time or as may be approved by the Board of Directors;

(4) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(5) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(6) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

   (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;

(ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;

(iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(iv) monitoring and reporting mechanism for the projects or programmes; and

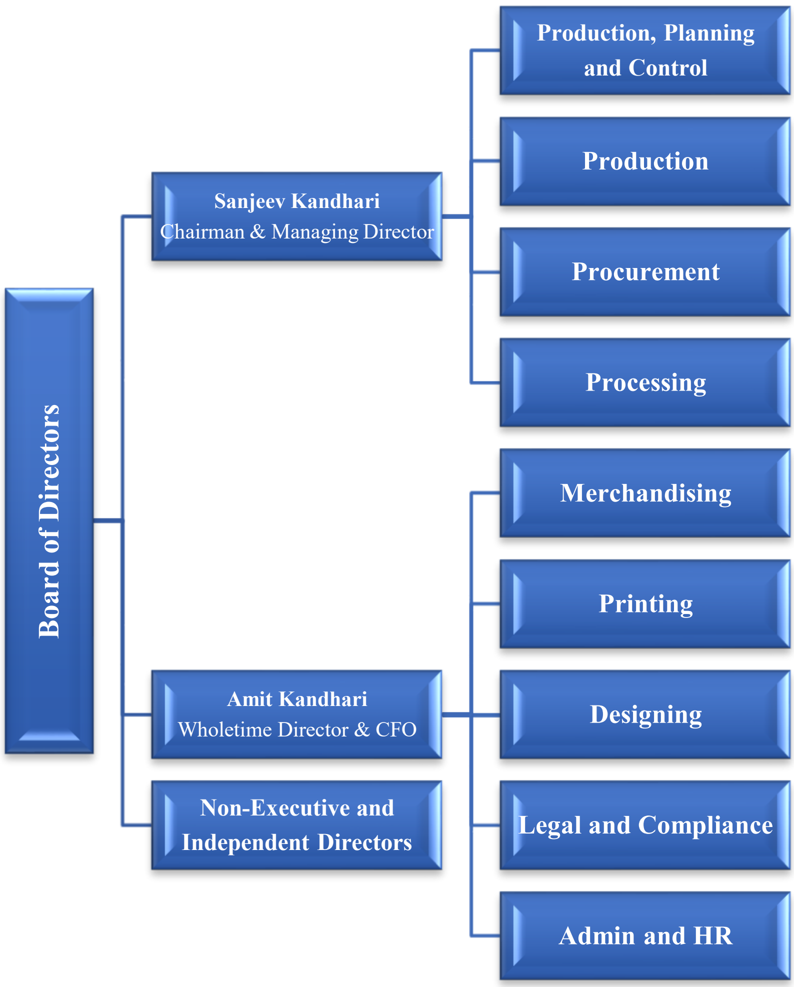
(v) details of need and impact assessment, if any, for the projects undertaken by the Company,

(7) to take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;

(8) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(9) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Management Organization Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Sanjeev Kandhari, the Chairman and Managing Director of our Company and Amit Kandhari, the Wholetime Director and Chief Financial Officer of our company, whose details are provided in "– *Brief profiles of our Directors*" on page 253, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

Rubina Mahajan is the Company Secretary and Compliance Officer of our Company from November, 2024. She has completed her Bachelor of Arts (Laws) and Bachelor of Laws (Integrated) from the Guru Nanak Dev University, Amritsar. She is an Associate member of the Institute of Company Secretaries of India. She is responsible for the Secretarial, Legal and Compliance division of our Company along with investor and other stakeholders' relationships. She has around seven years of experience in secretarial and compliance. Prior to joining our Company, she was associated with Punjab Riceland Private Limited, Shree Bala Ji Pigments Private Limited, Akhilesh Vyas and Associates and I.P Singh & Associates. In Fiscal 2025, she received salary of ₹1.00 lakh from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Senior Management

In addition to the Executive Directors of our Company and the Key Managerial Personnel, whose details are provided in "*– Brief profiles of our Directors*" and "*– Key Managerial Personnel*" on pages 253 and 264, respectively, the details of our Senior Management, as on the date of this Red Herring Prospectus, are as set forth below:

Devika Arora is the Head of Designing in our Company and is associated with us since 2017. She has completed her Bachelors of Arts in Fashion Design from Nottingham Trent University, Nottingham, England. She has over seven years of experience in textile and fashion design, specializing in creating innovative and trend-driven collections. Her leadership drives our design team's creativity, ensuring quality, market-relevant products tailored to diverse customer preferences. In Fiscal 2025, she received salary of ₹1.40 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Sahil Kandhari is the Head of Printing in our Company and is associated with us since 2020. He has completed his Bachelors of Commerce from University of Delhi. He has over four years of experience in textile and digital prints. He ensures timely and high-quality printing outputs, staying updated with advancements in digital printing technologies and integrating them into operations. In Fiscal 2025, he received salary of ₹18.00 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Harsimran Diwan is the Procurement Head of our Company. He holds a Bachelors' degree in Commerce from the Guru Nanak Dev University, Amritsar and a Master's in Business Administration from Lovely Professional University, Phagwara. He has been associated with our company since 2016. His responsibilities include procurement management, specializing in sourcing high-quality raw materials for our company. With a strong network of trusted suppliers and knowledge of market trends, he ensures timely procurement at competitive prices helping to maintain smooth operations and support to the company's commitment to quality and efficiency. In Fiscal 2025, he received salary of ₹7.04 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Kuldeep Singh is the Merchandising Manager of our Company. He holds a Bachelors' degree in Arts from the Guru Nanak Dev University, Amritsar. He has been associated with our company since 2023. He oversees the packing, scheduling, and shipment processes, ensuring that all orders are dispatched accurately and on time. In Fiscal 2025, he received salary of ₹3.03 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Lalit Kesar is the and Processing and Finishing Head of our Company. He has completed his Bachelors' degree in Business Administration from the MBAINS, Shahjapur. He has been associated with our company since 2007 until 2012 and rejoined us in 2023. With expertise in dyeing techniques and fabric finishing, he ensures seamless operations and adherence to the quality standards. In Fiscal 2025, he received salary of ₹21.00 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Niranjan Singh is the Production Manager of our Company. He joined our Company in 1999. He has completed his senior secondary from Sant Raghubir Das High School, Gaya. He has around twenty-five years of experience in textile industry. He is skilled in managing the entire production operations. His excellent organizational and problem-solving skills were instrumental in ensuring smooth operations and maintaining high customer satisfaction. In Fiscal 2025, he received salary of ₹7.80 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Ranjit Kumar is the Production Planner of our Company. He joined our Company as a Textile Designer in 2006. He has completed his Diploma in Textile Design from Punjab State Board of Technical Education and Industrial Training, Chandigarh. He is involved in planning, scheduling, and coordinating production activities to ensure timely delivery of products while maintaining quality standards contributing the smooth operations of our production processes. In Fiscal

2025, he received salary of ₹7.58 lakhs from our Company. These exclude provision for gratuity and compensated absences as these are determined on the basis of actuarial valuation for the company as a whole.

Relationships among Key Managerial Personnel, Senior Management and Directors

Except as specified in "– *Relationships between our Directors and Key Managerial Personnel or Senior Management*", none of our Key Managerial Personnel or the Senior Management are related to each other or to the Directors of our Company.

Arrangements or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Key Managerial Personnel or our Senior Management have been appointed pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel or the Senior Management in last three years

Except as mentioned below, and as specified in "– *Changes to our Board in the last three years*" on page 257, there have been no changes in the Key Managerial Personnel or Senior Management during the preceding three years:

Name	Date of Change	Reason for Change
Sanjeev Kandhari	August 24, 2024	Appointment as Chairman and Managing Director
Amit Kandhari	August 24, 2024	Appointment as Wholetime Director and Chief Financial Officer
Rubina Mahajan	November 09, 2024	Appointment as Company Secretary and Compliance Officer

The rate of attrition of our Key Managerial Personnel and our Senior Management is not high in comparison to the industry in which we operate. Set out below are the details of attrition rates, no. of employees resigned and total no. of employees for the periods indicated below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Attrition Rates (1)	6.64%	6.76%	4.86%
No. of employees who resigned during the period	42	35	23
Total as of the end of the period (2)(3)	633	518	473

Note:
(1) Attrition percentage = (Cumulative voluntary attrition during the period / average headcount during the period) x 100.
(2) Includes full-time employees of the company.
As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Status of our Key Managerial Personnel and Senior Management

As on the date of this Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Service Contracts and retirement or termination benefits

Other than statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, our Key Managerial Personnel or Senior Management is entitled to any benefits upon termination of employment, including under any service contract with our Company. Further, other than the respective employment agreements/appointment letters entered into by our Key Managerial Personnel or Senior Management with our Company, none of our Directors, Key Managerial Personnel or Senior Management have entered into a service contract/appointment letter with our Company pursuant to which they are entitled to such statutory benefits upon termination of their employment in our Company.

Shareholding of the Key Management Personnel and Senior Management

None of our KMPs or senior management holds any shares of our Company as on the date of this Red Herring Prospectus except as stated in the below table:

Key Managerial Personnel

Name	No. of Equity Shares	% of the pre-Offer paid up share capital	% of the post-Offer paid up share capital
Sanjeev Kandhari	57,49,975	49.99%	[●]%
Amit Kandhari	57,49,975	49.99%	[●]%

Name	No. of Equity Shares	% of the pre-Offer paid up share capital	% of the post-Offer paid up share capital
Total	**1,14,99,950**	**99.98%**	**[●]%**

Senior Management

Name	No. of Equity Shares	% of the pre-Offer paid up share capital	% of the post-Offer paid up share capital
Devika Arora	10	Negligible	[●]%
Sahil Kandhari	10	Negligible	[●]%
Total	**20**	**Negligible**	**[●]%**

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2025, which does not form part of their remuneration for such period.

Bonus or Profit-Sharing Plan of Key Management Personnel and Senior Management

Except as set out in "*– Terms of appointment of our Directors*" on page 254, our Company does not have any performance linked bonus or a profit-sharing plan in which our Key Managerial Personnel and the Senior Management participate. Our Company makes bonus payments to our Key Managerial Personnel or the Senior Management, in accordance with their terms of appointment.

Interest of Key Managerial Personnel and Senior Management

For further details of the interest of our Executive Directors in our Company, see "*–Interest of Directors*" on page 256.

Our Key Managerial Personnel and the Senior Management are interested in our Company to the extent of the remuneration (including any variable pay or sales-linked incentives), or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. For further details, see "*Summary of the Offer Document – Summary of Related Party Transactions*" on page 33.

Our Key Managerial Personnel and the Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company and any share-based employee benefit receivable by them.

None of our Key Managerial Personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration, except for Sahil Kandhari who has been paid incentive for ₹25.35 lakhs during the period ended March 31, 2025.

There are no other loans and advances which have been made by the Company to any of its Key Managerial Personnel or Senior Management, or person/entity related to them, except as stated in "*Other Financial Information - Related Party Transactions*" on page 276.

Employee Stock Option Plan

Our Company does not have an employee stock option scheme as on the date of this Red Herring Prospectus.

Payment or benefit to Officers of our Company (Non-Salary Related)

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, Senior Management, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as stated in "*– Interests of Directors*" on page 256, "*– Interest of Key Managerial Personnel and Senior Management*" on page 267 and as stated in "*Other Financial Information - Related Party Transactions*" on page 276, no amount or benefit in kind has been paid or given within the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given to any officer of our Company, including our Directors, Key Managerial Personnel and Senior Management except remuneration and re-imbursements for services rendered as Directors, officers or employees of our Company.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are our Individual Promoters, Sanjeev Kandhari and Amit Kandhari.

As on the date of this Red Herring Prospectus, our Promoters collectively hold 1,14,99,950 Equity Shares, representing 99.98% of the pre-offered, subscribed and paid-up Equity Share capital of our Company. For details on the shareholding of our Promoters and the members of Promoter Group in our Company, please see "*Capital Structure – Details of Shareholding of our Promoters and members of the Promoter Group in the Company – Build-up of the Promoters' shareholding in our Company*" on page 99.

Details of our Promoters

Individual Promoters

Sanjeev Kandhari

	**Sanjeev Kandhari,** aged 61 years, is the Promoter, Chairman and Managing Director of our Company. For the complete profile of Sanjeev Kandhari along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 251. His Permanent Account Number is AAWPK1787E. As on date of this Red Herring Prospectus, Sanjeev Kandhari holds 57,49,975 Equity Shares, representing 49.99% of the issued, subscribed and paid-up equity share capital of our Company.

Amit Kandhari

	**Amit Kandhari,** aged 52 years, is the Promoter, Wholetime Director and Chief Financial Officer of our Company. For the complete profile of Amit Kandhari along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 251. His Permanent Account Number is AATPK5861A. As on date of this Red Herring Prospectus, Amit Kandhari holds 57,49,975 Equity Shares, representing 49.99% of the issued, subscribed and paid-up equity share capital of our Company.

Shelly Kandhari

	**Shelly Kandhari,** aged 59 years, is the Promoter and Non-Executive Director of our Company. For the complete profile of Shelly Kandhari along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 251. Her Permanent Account Number is AAWPK1788M. As on date of this Red Herring Prospectus, Shelly Kandhari does not hold any equity share capital of our Company.

Priti Kandhari

	**Priti Kandhari,** aged 52 years, is the Promoter and Non-Executive Director of our Company. For the complete profile of Priti Kandhari along with details of her date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, see "*Our Management – Board of Directors*" on page 251. Her Permanent Account Number is ACWPK4852C. As on date of this Red Herring Prospectus, Priti Kandhari does not hold any equity share capital of our Company.

Our Company confirms that the permanent account number, Aadhaar card number, driving license number, bank account numbers and the passport number of Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari has been submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus.

Change in Control of our Company

Sanjeev Kandhari and Amit Kandhari are the original promoters of our Company. Additionally, Shelly Kandhari and Priti Kandhari have been identified as promoters of our company. There has not been any change in the control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

Interest of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company and the dividends payable, if any, and any other distributions in respect of their respective shareholding in our Company, the shareholding of their relatives in our Company, or the shareholding of entities in which our Promoters are interested, in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" on page 96.

Further, our Individual Promoters may also be director on the boards, or a shareholder, of entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to these entities. For further details of interest of our Promoters in our Company, see "*Other Financial Information – Related Party Transactions*" on page 276.

Our Individual Promoters may also be deemed to be interested to the extent of remuneration, benefits, reimbursements of expenses, sitting fees and commission payable to them as Directors on our Board. For further details, see "*Our Management – Payments or Benefits to our Directors*" and "*Our Management – Interest of Directors*" on pages 255 and 256, respectively.

Our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify him as a director, or otherwise for services rendered by Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Companies or Firms from which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Red Herring Prospectus.

Payment or Benefits to Promoters or members of Promoter Group

Except as disclosed herein and as stated in "*Other Financial Information – Related Party Transactions*" at page 276, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural Persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our Promoters, are as follows:

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Sanjeev Kandhari	Late Krishan Kumar Kandhari	Father
	Janak Kandhari	Mother
	Shelly Kandhari	Spouse
	Amit Kandhari	Brother
	Sweety Ahuja	Sister
	Sagar Kandhari	Son
	Devika Arora	Daughter
	Late Inder Mohan Khanna	Spouse's Father
	Late Nirmal Khanna	Spouse's Mother
	Naveen Khanna	Spouse's Brother
	Meenakshi Khanna, Bindu Mehra	Spouse's Sister (s)

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Amit Kandhari	Late Krishan Kumar Kandhari	Father
	Janak Kandhari	Mother
	Priti Kandhari	Spouse
	Sanjeev Kandhari	Brother
	Sweety Ahuja	Sister
	Sahil Kandhari	Son
	Chahat Kandhari	Daughter
	Manohar Lal Grover	Spouse's Father
	Rita Grover	Spouse's Mother
	Neeraj Grover	Spouse's Brother

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Shelly Kandhari	Late Inder Khanna	Father
	Late Nirmal Khanna	Mother
	Sanjeev Kandhari	Spouse
	Naveen Khanna	Brother
	Meenakshi Khanna, Bindu Mehra	Sister
	Sagar Kandhari	Son
	Devika Arora	Daughter
	Late Krishan Kumar Kandhari	Spouse's Father
	Janak Kandhari	Spouse's Mother
	Amit Kandhari	Spouse's Brother
	Sweety Ahuja	Spouse's Sister (s)

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
	Manohar Lal Grover	Father
	Rita Grover	Mother

Name of the Promoter	Name of Promoter Group Member	Relationship with the Promoter
Priti Kandhari	Amit Kandhari	Spouse
	Neeraj Grover	Brother
	Sahil Kandhari	Son
	Chahat Kandhari	Daughter
	Late Krishan Kumar Kandhari	Spouse's Father
	Janak Kandhari	Spouse's Mother
	Sanjeev Kandhari	Spouse's Brother
	Sweety Ahuja	Spouse's Sister (s)

Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. Kandhari Textile Mills Private Limited
2. Sai Lakshay Prints Private Limited*
3. K M Industrial Fab (Partnership Firm)
4. Radha Krishna Trading Co. (Partnership Firm)
5. Kandhari Textile (Partnership Firm)
6. AKA Propbuild LLP
7. Sanjeev Kandhari HUF
8. Amit Kandhari HUF
9. Sudhir Ahuja HUF
10. Khanna Dyeing and Finishing Mills Private Limited
11. M. L Enterprises (Prop. Neeraj Grover)
12. Vikas Enterprises (Prop. Sweety Ahuja)
13. S. S Enterprises (Prop. Sudhir Ahuja HUF)
14. Ambassador Capital Partners 1 Limited (London, United Kingdom)
15. ACP IPC 1 Private Limited

**Sai Lakshay Prints Private Limited has filed for voluntary liquidation w.e.f March 30, 2024, under Section 59 of the Insolvency and Bankruptcy Code (IBC), 2016, following a resolution passed by its Directors and Shareholders dated March 30, 2024. As the objective for which the Company was incorporated has been achieved, and no further business activities are planned, the Company has opted for an orderly closure in compliance with regulatory provisions.*

DIVIDEND POLICY

Our Board of Directors, pursuant to a resolution dated January 03, 2025, have adopted a dividend distribution policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profitable growth of our Company and specifically profits earned during the financial year, earning stability and outlook, past dividend pattern, cash flow position of our Company, capital expenditure to be incurred by our Company, accumulated reserves, statutory requirements like transfer to statutory reserve fund, liquidity position of the company including its working capital requirements and debt servicing obligations. In addition, our ability to pay dividends may be impacted by a number of factors such as economic environment, changes in the Government policies, industry specific rulings and regulatory provisions, industry outlook for the future years, and inflation rate. Our Company may decide against paying dividend due to, inter alia, inadequacy of profits or whenever the Company has incurred losses, undertaking of or proposal to undertake a significant expansion project requiring higher allocation of capital, and undertaking of any acquisitions or joint arrangements requiring significant allocation of capital. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 305. Our Company may pay /dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – Risks Related to the Offer - We cannot assure payment of dividends on the Equity Shares in the future.*" on page 78.

SECTION VII – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

Sr No.	Particulars	Page No
1.	Restated Financial Information	F-1 to F-36

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S G U R & Co.

Formerly: SUD GUPTA & ASSOCIATES
Chartered Accountants
50-51 2nd Floor, Nehru Complex, Lawrence Road, AMRITSAR 143001
Phone +91-183-2212993 2211352 TeleFax +91-183- 2211352
E-mail sudguptaca@gmail.com,sajeevsud@gmail.com

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION
(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
KAYTEX FABRICS LIMITED
Batala Road, Post Office Khanna Nagar,
Amritsar – 143 001, Punjab, India

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Kaytex Fabrics Limited** (Formerly known as "**Kaytex Fabrics Private Limited**") comprising the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 & March 31, 2023, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the financial year ended March 31, 2025, March 31, 2024 & March 31, 2023, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the "**Restated Financial Information**") as approved by the Board of Directors in their meeting held on June 24, 2025 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares ("**IPO**") and prepared in terms of the requirement of: -

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "**Act**");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time ("**Guidance Note**").

Management's Responsibility for the Restated Financial Information

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Chandigarh in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the financial year ended March 31, 2025, March 31, 2024 & March 31, 2023 on the basis of preparation stated in **ANNEXURE – IV** to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control

relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 30, 2024 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

Restated Financial Information

4. These Restated Financial Information have been compiled by the management from:

   a) Audited Financial Statements of the Company audited by us for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 which have been prepared by the Company in accordance with Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division I of Schedule III to the Companies Act, 2013 (AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on June 03, 2025, September 04, 2024 and September 02, 2023 respectively.

Auditors Report

5. For the purpose of our examination, we have relied on:

   a) Auditors' Report dated June 03, 2025, September 04, 2024 and September 02, 2023 for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 respectively on the financial statements of the company as referred to in Paragraph 4 (b) above;

6. Based on our examination and according to the information and explanation given to us, we report that the Restated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

   b) have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments; and

   c) have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on March 31, 2025, March 31, 2024 & March 31, 2023 proposed to be included in the Draft Prospectus / Prospectus ("**Offer Document**") for the proposed IPO:

Restated Statement of Share Capital, Reserves and Surplus	Note – I.1 & I.2
Restated Statement of Long-Term Borrowings	Note – I.3
Restated Statement of Other Non-Current Liabilities	Note – I.4
Restated Statement of Deferred Tax Liabilities	Note – I.5
Restated Statement of Long-Term Provisions	Note – I.6
Restated Statement of Short-Term Borrowings	Note – I.7
Restated Statement of Trade Payables	Note – I.8
Restated Statement of Other Current Liabilities and Short-Term Provisions	Note – I.9 & Note – I.10
Restated Statement of Fixed Assets	Note – I.11
Restated Statement of Non-Current Investments	Note - I.12
Restated Statement of Long-Term Loans & Advances	Note – I.13
Restated Statement of Other Non-Current Assets	Note – I.14
Restated Statement of Inventories	Note – I.15
Restated Statement of Trade Receivables	Note – I.16
Restated Statement of Cash & Cash Equivalents	Note – I.17
Restated Statement of Short-Term Loans & Advances	Note – I.18
Restated Statement of Other Current Assets	Note – I.19
Restated Statement of Revenue from Operations	Note – II.1
Restated Statement of Other Income	Note – II.2
Restated Statement of Cost of Material Consumed	Note – II.3
Restated Statement of Purchase of Stock in Trade	Note – II.4
Restated Statement of Changes in Inventories of Finished goods, WIP & Stock in Trade	Note – II.5
Restated Statement of Employee Benefit Expenses	Note – II.6
Restated Statement of Finance Cost	Note – II.7
Restated Statement of Depreciation & Amortisation	Note – II.8
Restated Statement of Other Expenses	Note – II.9
Restated Statement of Deferred Tax Asset / Liabilities	Note – II.10
Restated Statement of Earnings per Share	Note -- II.11
Restated Statement of Other Disclosure to the Restated Financial	Note – V
Restated Statement of Statement of Accounting & Other Ratios	Note – VI
Restated Statement of Capitalization	Note – VII
Restated Statement of Tax Shelter	Note – VIII
Restated statement of Related party transaction	Note – IX
Restated statement of Dividend	Note – X
Restated statement of Change in Significant Accounting Policies	Note – XI
Restated statement of Contingent Liabilities	Note – XII

Opinion

8. In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts are prepared after providing appropriate adjustments and regroupings as considered appropriate.

9. We, M/s. S G U R & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. In our opinion, the above financial information read with the respective Significant Accounting Polices and Notes to Accounts are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Restriction on Use

14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed IPO of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For, M/s S G U R & Co.
Chartered Accountants
FRM: 005429N

Sd/-
CA Sanjeev Gupta
(Partner)
Membership No. 084210
UDIN**: 25084210BMJLVQ5261**
Date: 24.06.2025
Place: Amritsar

KAYTEX FABRICS LIMITED
ANNEXURE - I
STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

(₹ in Lakhs)

	Particulars	Note	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
I	**EQUITY AND LIABILITIES**				
	1. Shareholders' funds				
	(a) Share Capital	I.1	1,150.00	50.00	50.00
	(b) Reserves and surplus	I.2	3,857.20	3,304.73	2,063.65
	Sub Total Shareholders Funds (A)		**5,007.20**	**3,354.73**	**2,113.65**
	2. Non-current liabilities				
	(a) Long-term borrowings	I.3	1,528.68	1,846.92	1,556.04
	(b) Other Non-current Liabilities	I.4	-	-	-
	(c) Deferred Tax liability	I.5	-	-	-
	(d) Long-term provisions	I.6	433.74	352.48	279.00
	Sub Total Non Current Liabilities (B)		**1,962.42**	**2,199.40**	**1,835.04**
	3. Current liabilities				
	(a) Short-term borrowings	I.7	2,286.14	1,703.92	1,145.07
	(b) Trade payables	I.8			
	i) Total Outstanding dues of Micro & Small Enterprises		278.92	312.98	-
	ii) Total Outstanding dues Creditors other than Micro & Small Enterprises		1,978.11	1,229.15	1,555.76
	(c) Other current liabilities	I.9	379.57	340.79	276.07
	(d) Short-term provisions	I.10	634.28	450.61	372.36
	Sub Total Current Liabilities (C)		**5,557.02**	**4,037.45**	**3,349.26**
	TOTAL (A+B+C)		**12,526.64**	**9,591.58**	**7,297.95**
II.	**ASSETS**				
	1. Non-current assets				
	(a) Property, Plant and Equipment and Intangible assets				
	(i) Property, Plant and Equipment	I.11	2,836.81	2,229.21	1,720.71
	(ii) Intangible Asset	I.11	0.33	0.33	0.39
	(b) Non-current investments	I.12	72.38	37.20	237.22
	(c) Long-term loans and advances	I.13	-	-	-
	(d) Deferred Tax Assets	I.5	133.62	50.52	31.36
	(e) Other Non Current Assets	I.14	-	-	-
	Sub Total Non Current Assets (A)		**3,043.14**	**2,317.26**	**1,989.69**
	2. Current assets				
	(a) Current Investments	I.15	-	-	-
	(b) Inventories	I.16	4,020.45	3,120.88	1,551.91
	(c) Trade receivables	I.17	3,545.70	2,836.78	2,569.16
	(d) Cash and Bank Balances	I.18	82.46	21.33	116.07
	(e) Short-term loans and advances	I.19	68.03	110.18	206.75
	(f) Other Current Assets	I.20	1,766.86	1,185.15	864.38
	Sub Total Current Assets (B)		**9,483.50**	**7,274.32**	**5,308.27**
	TOTAL (A+B)		**12,526.64**	**9,591.58**	**7,297.95**

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For S G U R & Co.
Chartered Accountants
Firm's Registration No: 005429N

For and on behalf of the Board of Directors
KAYTEX FABRICS LIMITED

Sd/-
Sanjeev Gupta
Partner
M No.084210
UDIN: 25084210BMJLVQ5261

Sd/-
Amit Kandhari
Wholetime Director & CFO
(DIN : 01412828)

Sd/-
Sanjeev Kandhari
Managing Director
(DIN : 01412837)

Sd/-
Rubina Mahajan
Company Secretary
M No: 56080

Place: Amritsar
Date :24.06.2025

Place: Amritsar
Date :24.06.2025

KAYTEX FABRICS LIMITED
ANNEXURE - II
STATEMENT OF PROFIT & LOSS, AS RESTATED

(₹ in Lakhs)

	Particulars	Note	For the Year Ended On		
			March 31, 2025	March 31, 2024	March 31, 2023
I	Revenue from operations	II.1	15,278.73	12,494.14	9,918.84
II	Other Income	II.2	42.77	9.18	15.56
III	**Total Income (I+II)**		**15,321.50**	**12,503.323**	**9,934.40**
	Expenses:				
	(a) Cost of Material Consumed	II.3	11,184.75	10,693.21	7,756.74
	(b) Purchases of stock-in-trade	II.4	-	-	-
	(c) Changes in inventories of finished goods and work-in progress	II.5	(442.59)	(1,561.31)	24.10
	(d) Employee benefits expense	II.6	622.73	548.71	469.62
	(e) Finance costs	II.7	435.20	392.93	282.11
	(f) Depreciation and amortisation expense	I.11	422.55	338.68	192.08
	(g) Other expenses	II.8	907.62	570.93	389.55
IV	**Total expenses**		**13,130.26**	**10,983.15**	**9,114.20**
V	**Profit /(Loss) before tax and Exceptional Items (III-IV)**		**2,191.24**	**1,520.17**	**820.20**
VI	**Exceptional Items**			-	-
VII	**Profit /(Loss) before tax (V-VI)**		**2,191.24**	**1,520.17**	**820.20**
VIII	**Tax expense:**				
	(a) Current tax expense		583.87	408.53	217.66
	(b) Deferred tax charge/(credit)	II.9	(83.10)	(19.15)	43.40
			500.77	**389.37**	**261.05**
IX	**Profit after tax for the year (VII-VIII)**		**1,690.47**	**1,130.80**	**559.14**
XII	**Earnings per share (face value of ₹ 10/- each):**	II.10			
	(a) Basic (in ₹)		14.70	9.83	4.86
	(b) Diluted (in ₹)		14.70	9.83	4.86

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For S G U R & Co.
Chartered Accountants
Firm's Registration No: 005429N

Sd/-
Sanjeev Gupta
Partner
M No.084210
UDIN: 25084210BMJLVQ5261

Place: Amritsar
Date :24.06.2025

For and on behalf of the Board of Directors
KAYTEX FABRICS LIMITED

Sd/-
Amit Kandhari
Wholetime Director & CFO
(DIN : 01412828)

Place: Amritsar
Date :24.06.2025

Sd/-
Sanjeev Kandhari
Managing Director
(DIN : 01412837)

Sd/-
Rubina Mahajan
Company Secretary
M No: 56080

KAYTEX FABRICS LIMITED
ANNEXURE - III
STATEMENT OF CASH FLOW, AS RESTATED

(₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Exceptional Items	**2,191.24**	**1,520.17**	**820.20**
Adjustment For:			
(a) Depreciation and Amortization	422.55	338.68	192.08
(b) Finance Charges	435.20	392.93	282.11
(c) (Gain)/Loss on Sale of Investment & Fixed Assets	4.33	0.09	(7.72)
(d) Provision for Gratuity & Leave encashment	83.80	82.15	85.65
(e) Interest & Dividend income	(4.78)	(5.50)	(3.72)
(f) Prior Period Items/CSR Contribution	(20.00)	(11.00)	(0.18)
Operating Profit before Working Capital Changes	**3,112.34**	**2,317.52**	**1,368.42**
Adjustment For :			
(a) (Increase)/Decrease in Investments	-	-	-
(b) (Increase)/Decrease in Inventories	(899.57)	(1,568.97)	169.41
(c) (Increase)/Decrease in Trade Receivables	(708.92)	(267.62)	(346.68)
(d) (Increase)/Decrease in Loans & Advances	42.15	96.57	3.02
(e) (Increase)/Decrease in Other Current Assets	(581.71)	(320.78)	(317.97)
(f) Increase /(Decrease) in Trade Payables	714.90	(13.63)	(132.63)
(g) Increase /(Decrease) in Other Current Liabilities	38.78	64.72	42.08
(h) Increase /(Decrease) in Short Term Provisions	181.14	190.86	85.13
CASH GENERATED FROM OPERATIONS	**1,899.09**	**498.67**	**870.78**
Less : Direct Taxes paid (Net of Refund)	(601.87)	(408.53)	(217.66)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	**1,297.22**	**90.15**	**653.13**
NET CASH FROM OPERATING ACTIVITIES (A)	**1,297.22**	**90.15**	**653.13**
B. CASH FLOW FROM INVESTING ACTIVITIES			
(a) Purchase of Fixed Assets	(1,043.93)	(852.50)	(845.00)
(b) Sale of Fixed Assets	9.45	5.29	47.10
(c) (Increase) / Decrease in Investment	(35.18)	200.02	(179.71)
(d) (Increase) / Decrease in Long term Provisions	-	-	-
(e) (Increase) / Decrease in Non Current Assets	-	-	-
(f) Interest and other income	4.78	5.50	3.72
NET CASH FROM INVESTING ACTIVITIES (B)	**(1,064.88)**	**(641.68)**	**(973.89)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
(a) Increase/(Decrease) in Long Term Borrowing	(318.24)	290.88	374.54
(b) Increase/(Decrease) in Short Term Borrowing	582.22	558.85	168.42
(c) Increase / (Decrease) in Other Non Current Liabilities	-	-	-
(d) Interest Paid	(435.20)	(392.93)	(282.11)
(e) Dividend Paid			-
NET CASH FLOW IN FINANCING ACTIVITIES (C)	**(171.22)**	**456.80**	**260.85**
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	61.12	(94.74)	(59.92)
OPENING BALANCE – CASH & CASH EQUIVALENT	**21.33**	**116.07**	**175.98**
CLOSING BALANCE - CASH & CASH EQUIVALENT	**82.46**	**21.33**	**116.07**

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our Report of even date

For S G U R & Co.
Chartered Accountants
Firm's Registration No: 005429N

Sd/-
Sanjeev Gupta
M No.084210
UDIN: 25084210BMJLVQ5261

Place: Amritsar
Date :24.06.2025

For and on Behalf of the Board
KAYTEX FABRICS LIMITED

Sd/-
Amit Kandhari
Wholetime Director & CFO
(DIN : 01412828)

Sd/-
Sanjeev Kandhari
Managing Director
(DIN : 01412837)

Place: Amritsar
Date :24.06.2025

Sd/-
Rubina Mahajan
Company Secretary
M No: 56080

CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

1. Corporate Information

Kaytex Fabrics Limited ("Company") incorporated in 1996, is primarily engaged in the manufacturing of textiles and fashion products. The Company has been converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders held on December 05, 2024 with a fresh certificate of incorporation dated December 19, 2024, issued by the Assistant Registrar of Companies/Deputy Registrar of Companies/ Registrar of Companies, Central Registration Centre.

These Restated Financial Information were authorized for issue in accordance with a resolution of the Board of Directors on 24th, June, 2025.

This restated financial information is presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded to the nearest Lacs, except per share data and unless stated otherwise.

2. Summary of significant accounting policies

a) Basis of preparation of restated financial information

The Restated Financial Information of the company comprise of Restated Statement of Assets and Liabilities as March 31, 2025, March 31, 2024 and March 31, 2023, the related Restated Statement of Profit and Loss, Restated Statement of Changes in Equity and Restated Statement of Cash Flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, and the material accounting policies and explanatory notes (collectively, the "**Restated Financial Information**"), and have been prepared by the management specifically for inclusion in the Draft Red Herring Prospectus ("**DRHP**") to be filed by the Company with SME Platform of National Stock Exchange of India Limited ("**NSE Emerge**") in connection with proposed Initial public Offering ("**IPO**").

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**");

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"); and

(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended (the "**Guidance Note**").

The Restated Financial Information of the company have been prepared to comply in all material respects with the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Financial Information have been compiled by the Management from Audited Financial Statements of the Company audited by us for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 which have been prepared by the Company in accordance with Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division I of Schedule III to the Companies Act, 2013 (AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on September 04, 2024, September 02, 2023 and September 02, 2022 respectively.

The Restated Financial Information have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

i. Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

ii. Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the year ended March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022, in order to bring them in line with the groupings and the requirements of the SEBI ICDR Regulations, if any; and

iii. The resultant impact of tax due to the aforesaid adjustments, if any.

b) Use of estimates

The preparation of restated financial information in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment (if any). Cost consists of acquisition cost comprising purchase price (excluding rebates and discounts) and direct cost incurred to make the asset ready to use. All assets costing Rs. 5,000 or below are fully depreciated in the year of addition.

Subsequent expenditure related to an item of property plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items & Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation and Amortization

Depreciation on fixed assets is provided on written down value method at the rate arrived at based on the useful lives as estimated by the management which is in accordance with Schedule II to the Companies Act,2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

f) Government grants and subsidies

Government grants and subsidies relating to revenue are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

g) Leases

Where the Company is lessee:
Company has not taken any asset on leasehold basis

Where the company is lessor
Company has not given any asset on leasehold basis.

h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments/deposits with an original maturity of three months or less.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.

Revenue from sale of goods and services are recognised when control of the products being sold is transferred to our customer and then there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

m) Foreign currency translation

Initial recognition
Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences
Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

n) Retirement and other employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Defined benefit plans
For defined benefit plan in the form of gratuity, the cost of providing benefits is determined based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

While Company maintains systems and procedures to monitor and encourage client compliance, it may not have direct control over the actions and decisions made by the clients. Therefore, the possibility of unforeseen contingent liabilities arising from client non-compliance cannot be completely eliminated.

o) Segment reporting

The Company's business activity primarily falls within a single business segment. The Company mainly operates Indian domicile. Hence segment information as per AS 17 is not required to be disclosed.

p) Income taxes and Deferred Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

For Kaytex Fabrics Pvt. Ltd.

Amit Kandhari	***Sanjeev Kandhari***
Whole Time Director	***Mg. Director***

For S G U R & Co.
Chartered Accountants

Sanjeev Gupta
Partner
Membership No. 084210
Place :Amritsar
Date :24.06.2025
FRN: 005429N
UDIN No. 25084210BMJLVQ5261

Annexure - I.1

Restated Statement of Share Capital (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Authorised Capital*			
No. of Equity Shares of ₹ 10/- each	1,80,00,000	5,00,000	5,00,000
Authorised Equity Share Capital	1,800.00	50.00	50.00
Issued, Subscribed & Fully Paid up#			
No. of Equity Shares of ₹ 10/- each	1,15,00,000	5,00,000	5,00,000
Issued, Subscribed & Fully Paid up Share Capital	1,150.00	50.00	50.00
Total	**1,150.00**	**50.00**	**50.00**

*Company has increased authorised capital of the Company from Rs. 50 Lakh divided into 5 Lakhs Equity Shares of Rs. 10 each to Rs. 1800 Lakhs divided into 180 Lakhs Equity Shares of Rs. 10 Each in the extra-ordinary General Meeting of Shareholders of the company held on August 31, 2024

further Company has allotted 1,10,00,000 Bonus Equity Shares of Rs. 10 each on September 4, 2024 in the ratio of 22:1 i.e. for every equity share, 22 bonus shares were issued.

Reconciliation of the number of shares outstanding is set out below:-

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
	Number of Shares	Number of Shares	Number of Shares
Shares outstanding at the beginning of the year	5,00,000	5,00,000	5,00,000
Add:-Shares Issued during the year	-	-	-
Fresh Issue	-	-	-
Bonus Shares Issued#	1,10,00,000	-	-
Less: Shares bought back during the year			
Shares outstanding at the end of the year	**1,15,00,000**	**5,00,000**	**5,00,000**

*Company has increased authorised capital of the Company from Rs. 50 Lakh divided into 5 Lakhs Equity Shares of Rs. 10 each to Rs. 1800 Lakhs divided into 180 Lakhs Equity Shares of Rs. 10 Each in the extra-ordinary General Meeting of Shareholders of the company

further Company has allotted 1,10,00,000 Bonus Equity Shares of Rs. 10 each on September 4, 2024 in the ratio of 22:1 i.e. for every equity share, 22 bonus shares were issued.

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Details of Shareholders holding more than 5 % shares:-

Name of Shareholder	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Sanjeev Kandhari			
Number of Shares	57,49,475	2,50,000	2,19,875
% of Holding	50.00%	50.00%	43.98%
Amit Kandhari			
Number of Shares	57,49,475	2,50,000	2,19,875
% of Holding	50.00%	50.00%	43.98%
Janak Kandhari			
Number of Shares	-	-	60,100
% of Holding	0.00%	0.00%	12.02%

Details of promoters holding shares:-

Name of Shareholder	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Sanjeev Kandhari			
Number of Shares	57,49,475	2,50,000	2,19,875
% of Holding	50.00%	50.00%	43.98%
Amit Kandhari			
Number of Shares	57,49,475	2,50,000	2,19,875
% of Holding	50.00%	50.00%	43.98%

Changes in Promoters Holding During the year

Name of Shareholder	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Sanjeev Kandhari			
Number of Shares	54,99,475.00	30,125.00	-
% of Holding	50.00%	50.00%	0.00%
Amit Kandhari			
Number of Shares	54,99,475.00	30,125.00	-
% of Holding	50.00%	50.00%	0.00%

Annexure - I.2

Restated Statement of Reserves And Surplus (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
a. Securities Premium		-	-
Total Securities Premium		-	-
b. Surplus in Statement of Profit & Loss A/c			
Opening balance	2,000.12	1,061.85	683.55
(+) Net Profit For the current year	1,690.47	1,130.80	559.14
(+) Excess Provision for Taxation in Earlier years	-	121.28	-
(-)CSR Contributions	(20.00)	(11.00)	-
(-) Gratuity Provisions Earlier Year		-	-
(-) Provision for Income Tax	(18.00)	-	-
(-) Transfer to Reserves	(438.88)	(302.81)	(180.66)
(-) Writing off Balances (Bank account Closure)		-	(0.18)
Net Surplus in Statement of Profit and Loss	**3,213.71**	**2,000.12**	**1,061.85**
c. General Reserves			
(+) Opening Balance	1,304.61	1,001.80	821.15
(+) Current year transfer	438.88	302.81	180.65
(+) Bonus Shares Issued	(1,100.00)		
Total General Reserves	**643.49**	**1,304.61**	**1,001.80**
Total	**3,857.20**	**3,304.73**	**2,063.65**

Annexure - I.3

Restated Statement of Long Term Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured			
(a) Term loans			
Term Loans from Bank	1,004.91	968.82	636.16
(b) Unsecured Loans			
Related Parties	523.77	878.10	919.88
Total	**1,528.68**	**1,846.92**	**1,556.04**

ANNEXURE – A.3.1

Statement of principal terms of unsecured loans (amount in lacs)

Name of Lender	Purpose	Sanctioned Amount	Loan Amount availed	Securities offered	Rate of Interest	Re-Payment Schedule	Outstanding amount as on (as per Books) 31.03.2025
Amit Kandhari	Business	NA	NA	NIL	18.00%	On Demand	356.09
Sanjeev Kandhari	Business	NA	NA	NIL	18.00%	On Demand	167.68
Total							**523.77**

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Lacs)

Name of Lender	Purpose	Sanctioned Amount	Loan Amount availed	Securities offered	Rate of Interest	Re-Payment Schedule	Outstanding amount as on (as per Books) 31.03.2025
HDFC Bank Limited a/c No. 85098851	Machinery Term Loan	175.00	175.00	Machinery	8.55%	40 Installments of Rs. 305528 and 21 installments of Rs. 402321 and 1 Installment of Rs. 357853	45.86
HDFC Bank Limited a/c No. 85934372	Machinery Term Loan	240.00	240.00	Machinery	8.55%	1 Installment of Rs. 194069, 1 Installment of Rs. 452317 and 59 installments of Rs. 479600 and 1 Installment of Rs. 415882	97.37
HDFC Bank Limited a/c No. 86470376	Machinery Term Loan	200.00	200.00	Machinery	8.55%	6 Installment of Rs. 133009, 12 Installment of Rs. 352695 and 45 installments of Rs. 424213 and 1 Installment of Rs. 308105	110.56
HDFC Bank Limited a/c No. 87538285	Machinery Term Loan	400.00	395.13	Machinery	8.55%	4 Installment of Rs. 277049, 1 Installment of Rs. 566722, 10 installments of Rs. 628786, 67 Installment of Rs. 643370 and 1 installment of 308140	306.59
HDFC Bank Limited a/c No. 88988953	Machinery Term Loan	300.00	267.81	Machinery	8.55%	4 Installment of Rs. 204769, 55 Installment of Rs. 562394 and last Installment of Rs. 553757	215.04
HDFC Bank Limited a/c No. 99897960	Machinery Term Loan	300.00	89.61	Machinery	8.55%	1 Installment of Rs. 106713, 1 Installment of Rs. 145751, 57 installnent of Rs. 185662 and 1 Installment of Rs. 22377	79.03
HDFC Bank Limited a/c No. 135326433	Term Loan (Car)	20.41	20.41	Car	7.90%	39 Installment of Rs. 59044	6.29
HDFC Bank Limited a/c No. 454008868	GECL	255.00	255.00	Primary : Stock, Book Debts, Commercial & Industrial Property & Residential Property Colleteral : Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	9.25%	1 Installment of Rs. 154487, 1 Installment of Rs. 196562, 2 installnent of Rs. 188062, 20 installment of Rs. 196562, 36 installment of Rs. 803201 and 1 Installment of Rs. 471282	205.14
HDFC Bank Limited a/c No. 800294816	Machinery Term Loan	415.00	358.05	Machinery	8.55%	5 installments of 84146 and 54 installment of Rs. 788913 and 1 installment of 295630	344.73
HDFC Bank Limited a/c No.	WCDL	1000.00	1000.00	Primary : Stock, Book Debts, Commercial & Industrial Property & Residential Property Colleteral : Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	8.60%	Subject to Renew after One Year	1000.00
HDFC Bank Limited	cash credit Limit	1900.00	1900.00	Primary : Stock, Book Debts, Commercial & Industrial Property & Residential Property Colleteral : Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	8.60%	Subject to Renew after One Year	862.74
HDFC Bank Limited A/c No.159141504	Term Loan (Car)	17.93	17.93	Car	9.40%	60 Installment of Rs. 37569	17.69
Total		**5223.34**	**4918.94**				**3291.04**

Annexure - I.4

Restated Statement of Other Non-Current Liabilities **(₹ in Lakhs)**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Total		-	-

Annexure - I.5

Restated Statement of Deferred Tax Liability/(Assets) **(₹ in Lakhs)**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability			
On account of timing difference in Net block as per books & as per Income Tax	-	-	-
Deferred Tax Assets			
On account of timing difference in Net block as per books & as per Income Tax	133.62	50.52	31.36
Total	**133.62**	**50.52**	**31.36**

Annexure - I.6

Restated Statement of Long Term Provisions **(₹ in Lakhs)**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity	433.74	352.48	279.00
Total	**433.74**	**352.48**	**279.00**

Annexure - I.7

Restated Statement of Short Term Borrowings **(₹ in Lakhs)**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured Borrowings			
(a) Cash credit facility from Bank	862.74	1,413.58	799.36
(b) Term Loan Repayable in 12 months	1423.4	290.34	345.71
Unsecured			
Total	**2,286.14**	**1,703.92**	**1,145.07**

Annexure - I.8

Restated Statement of Trade Payable (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Total Outstanding Due of Micro, Small and Medium Enterprises	278.92	312.98	-
Total Outstanding Due other than Micro, Small and Medium Enterprises	1,978.11	1,229.15	1,555.76
Total	**2,257.03**	**1,542.13**	**1,555.76**

(a) Ageing schedule:

Balance as at 31st March 2025 (₹ in Lakhs)

Particulars	Less Than 1 Years	1-2 years	2-3 years	More then 3 years
(i) MSME	278.92	-	-	
(ii) Others	1,937.04	2.60	3.25	35.22
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	**2,215.96**	**2.60**	**3.25**	**35.22**

Balance as at 31st March 2024 (₹ in Lakhs)

Particulars	Less Than 1 Years	1-2 years	2-3 years	More then 3 years
(i) MSME	312.98	-	-	-
(ii) Others	1,098.25	6.32	9.58	114.99
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	**1,411.23**	**6.32**	**9.58**	**114.99**

Balance as at 31st March 2023 (₹ in Lakhs)

Particulars	Less Than 1 Years	1-2 years	2-3 years	More then 3 years
(i) MSME	-	-	-	-
(ii) Others	1,421.11	17.43	6.50	110.72
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Total	**1,421.11**	**17.43**	**6.50**	**110.72**

(b) Dues payable to Micro and Small Enterprises: (₹ in Lakhs)

Particulars		As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the year end		278.92	312.98	-
Interest due on the above mention principal amount remaining unpaid to any		-	-	-
Amount of the interest paid by the Company in terms of Section 16		-	-	-
Amount of the interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act		-	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year		-	-	-

Annexure - I.9

Restated Statement of Other Current Liabilities

Particulars		As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Cheque In Transit		31.55	13.21	54.26
Statutory Dues Payable		39.31	49.27	45.53
Expenses Payable		290.89	270.85	166.27
Advance from Customers		17.82	7.46	10.01
Total		**379.57**	**340.79**	**276.07**

Annexure - I.10

Restated Statement Short Term Provisions

Particulars		As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity		43.58	41.04	32.37
Provision for taxation		590.70	409.57	339.99
Total		**634.28**	**450.61**	**372.36**

Annexure - I.11
Restated Statement of Property Plant & Equipment

As at March 31, 2025

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		As At 01-Apr-2024	Purchase during the period	Disposals	As At 31-Mar-2025	As At 01-Apr-2024	For the period	Disposals	Upto 31-Mar-2025	As At 31-Mar-2025	As At 31-Mar-24
1	Land	105.95	129.60	-	235.55	-	-	-	-	235.55	105.95
2	Building	210.97	82.68	-	293.65	74.75	17.81	-	92.56	201.09	136.22
3	Plant & Equipment	3,432.41	784.89	87.52	4,129.78	1,504.23	382.86	73.82	1,813.28	2,316.50	1,928.18
4	Furniture and Fixtures	20.65	15.40	-	36.05	10.48	3.99		14.47	21.58	10.17
5	Vehicles	239.90	20.82	0.55	260.17	209.16	7.70	0.48	216.38	43.78	30.73
6	Office Equipment	11.81	0.76	-	12.57	8.85	0.86	-	9.71	2.86	2.96
7	Computer & Printers	103.58	9.78	-	113.36	88.59	9.33		97.92	15.44	14.99
	Total Tangible Assets	**4,125.27**	**1,043.93**	**88.07**	**5,081.13**	**1,896.07**	**422.55**	**74.30**	**2,244.33**	**2,836.81**	**2,229.21**
	Previous Year	**3,287.76**	**852.50**	**14.98**	**4,125.27**	**1,567.05**	**338.62**	**9.60**	**1,896.07**	**2,229.21**	**1,720.71**
	Intangible asset										
	Software	6.79	-	-	6.79	6.45	-		6.45	0.33	0.33
	Total Intangible Assets	**6.79**	**-**	**-**	**6.79**	**6.45**	**-**	**-**	**6.45**	**0.33**	**0.33**
	Previous Year figures	**6.79**	**-**	**-**	**6.79**	**6.39**	**0.06**	**-**	**6.45**	**0.33**	**0.39**
	Total	**4,132.06**	**1,043.93**	**88.07**	**5,087.92**	**1,902.52**	**422.55**	**74.30**	**2,250.78**	**2,837.14**	**2,229.54**

As at March 31, 2024

(₹ in Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		As At 01-Apr-2023	Purchase during the period	Disposals	As At 31-Mar-24	Upto 01-Apr-2023	For the period	Disposals	Upto 31-Mar-24	As At 31-Mar-24	As At 31-Mar-2023
1	Land	105.95	-	-	105.95	-	-	-	-	105.95	105.95
2	Building	116.14	94.83	-	210.97	67.53	7.22	-	74.75	136.22	48.61
3	Plant & Equipment	2,700.72	741.46	9.77	3,432.41	1,202.59	306.29	4.64	1,504.23	1,928.18	1,498.14
4	Furniture and Fixtures	16.20	4.45	-	20.65	8.20	2.28	-	10.48	10.17	8.00
5	Vehicles	244.22	0.89	5.21	239.90	203.46	10.66	4.95	209.16	30.73	40.76
6	Office Equipment	10.68	1.13	-	11.81	8.03	0.83	-	8.85	2.96	2.66
7	Computer & Printers	93.83	9.75	-	103.58	77.24	11.35	-	88.59	14.99	16.59
	Total Tangible Assets	**3,287.76**	**852.50**	**14.98**	**4,125.27**	**1,567.05**	**338.62**	**9.60**	**1,896.07**	**2,229.21**	**1,720.71**
	Previous Year figures	**2,522.85**	**845.00**	**80.10**	**3,287.76**	**1,415.95**	**191.81**	**40.71**	**1,567.05**	**1,720.71**	**1,106.91**
	Intangible asset										
	Software	6.79	-		6.79	6.39	0.06		6.45	0.33	0.39
	Total Intangible Assets	**6.79**	**-**	**-**	**6.79**	**6.39**	**0.06**	**-**	**6.45**	**0.33**	**0.39**
	Previous Year figures	**6.79**	**-**	**-**	**6.79**	**6.13**	**0.27**	**-**	**6.39**	**0.39**	**0.66**
	Total	**3,294.54**	**852.50**	**14.98**	**4,132.06**	**1,573.44**	**338.68**	**9.60**	**1,902.52**	**2,229.54**	**1,721.10**

As at March 31, 2023

(₹ in Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		As At 01-Apr-2022	Purchase during the period	Disposals	As At 31-Mar-23	Upto 01-Apr-2022	For the period	Disposals	Upto 31-Mar-23	As At 31-Mar-23	As At 31-Mar-2022
1	Land	105.95	-	-	105.95	-	-	-	-	105.95	105.95
2	Building	103.08	13.06	-	116.14	63.17	4.37	-	67.53	48.61	39.92
3	Plant & Equipment	1,977.74	798.69	75.70	2,700.72	1,083.91	155.21	36.54	1,202.59	1,498.14	893.83
4	Furniture and Fixtures	13.02	3.19	-	16.20	6.31	1.89	-	8.20	8.00	6.71
5	Vehicles	225.97	22.64	4.39	244.22	200.10	7.53	4.17	203.46	40.76	25.88
6	Office Equipment	9.36	1.32	-	10.68	7.43	0.60	-	8.03	2.66	1.93
7	Computer & Printers	87.73	6.10	-	93.83	55.03	22.21	-	77.24	16.59	32.70
	Total Tangible Assets	**2,522.85**	**845.00**	**80.10**	**3,287.76**	**1,415.95**	**191.81**	**40.71**	**1,567.05**	**1,720.71**	**1,106.91**
	Previous Year figures	**2,276.84**	**306.16**	**60.15**	**2,522.85**	**1,253.31**	**187.22**	**24.58**	**1,415.95**	**1,106.91**	**1,023.53**
	Intangible asset										
	Software	6.79	-		6.79	6.13	0.27		6.39	0.39	0.66
	Total Intangible Assets	**6.79**	**-**	**-**	**6.79**	**6.13**	**0.27**	**-**	**6.39**	**0.39**	**0.66**
	Previous Year figures	**6.57**	**0.22**	**-**	**6.79**	**5.57**	**0.55**	**-**	**6.13**	**0.66**	**0.99**
	Total	**2,529.64**	**845.00**	**80.10**	**3,294.54**	**1,422.07**	**192.08**	**40.71**	**1,573.44**	**1,721.10**	**1,107.57**

Annexure - I.12

Restated Statement of Non-Current Investments (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Security Deposits	72.38	37.20	34.72
Fixed Deposits with Bank (Mortgaged with Bank)		-	202.50
Total	**72.38**	**37.20**	**237.22**

Annexure - I.13

Restated Statement of Long-term loans and advances (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Unsecured-Considered good		-	-
Total		**-**	**-**

Annexure - I.14

Restated Statement of Other Non Current Asset (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Others		-	-
Total		**-**	**-**

Annexure - I.15

Restated Statement of Current Investments

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
		-	-
Total		**-**	**-**

Annexure - I.16

Restated Statement of Inventories (Valued at Cost or NRV which ever is lower) (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Yarn	697.68	287.89	304.78
Fabric	3,206.58	2,763.99	1,202.68
Accessories & Mill Store	6.50	4.50	2.70
Diesel Fuel, oil & lubricants	8.19	4.00	2.75
Dyes & Chemicals	88.00	40.00	25.00
Pet Coke	9.00	16.50	12.00
Packing Material	4.50	4.00	2.00
Total	**4,020.45**	**3,120.88**	**1,551.91**

Annexure - I.17

Restated Statement of Trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Secured Considered Goods	3,530.37	2,821.45	2,569.16
Unsecured considered goods	15.33	15.33	-
Doubtful		-	-
Total	**3,545.70**	**2,836.78**	**2,569.16**

Aging of receivables

As at 31/03/2025

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed					
Trade receivables - Considered good	3,445.48	29.64	36.74	0.65	17.81
Trade receivables - doubtful debt	-	-	-	-	-
Disputed					
Trade receivables - Considered good	-	-	-	-	15.33
Trade receivables - doubtful debt	-	-	-	-	-
Total	**3,445.48**	**29.64**	**36.74**	**0.65**	**33.14**

As at 31/03/2024

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed					
Trade receivables - Considered good	2,664.86	131.91	1.03	1.11	22.54
Trade receivables - doubtful debt	-	-	-	-	-
Disputed					
Trade receivables - Considered good	-	-	-	15.33	-
Trade receivables - doubtful debt	-	-	-	-	-
Total	**2,664.86**	**131.91**	**1.03**	**16.44**	**22.54**

As at 31/03/2023

(₹ in Lakhs)

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed					
Trade receivables - Considered good	2,409.96	105.93	26.58	3.30	23.39
Trade receivables - doubtful debt	-	-	-	-	-
Disputed					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
Total	**2,409.96**	**105.93**	**26.58**	**3.30**	**23.39**

Annexure - I.18

Restated Statement of Cash and Bank Balance **(₹ in Lakhs)**

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Cash and Cash Equivalents			
(i) In current accounts	75.15	5.46	102.60
Cash on Hand	7.31	15.87	13.47
Total	**82.46**	**21.33**	**116.07**

Annexure - I.19

Restated Statement of Short Term Loans And Advances **(₹ in Lakhs)**

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Advance To Worker	11.69	10.02	5.06
Advance to Suppliers	56.34	100.16	201.69
Total	**68.03**	**110.18**	**206.75**

Annexure - I.19.1

Loans And Advances granted to Promoter, Director, KMP & Related Parties **(₹ in Lakhs)**

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Promoters	-	-	-
Directors	-	-	-
KMPS	-	-	-
Related Parties	-	-	-
Total	**-**	**-**	**-**

Annexure - I.20

Restated Statement of Other current assets **(₹ in Lakhs)**

Particulars	**As at March 31, 2025**	**As at March 31, 2024**	**As at March 31, 2023**
Prepaid Expenses	16.82	1.28	0.21
Stock-in-transit	186.37		
Balances with Revenue authroties	1,563.67	1,183.87	864.17
Total	**1,766.86**	**1,185.15**	**864.38**

Annexure - II.1

Restated Statement of Revenue from operations (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Sale of Products	13,943.07	10,615.86	8,253.19
Sale of Services	1,241.01	1,802.10	1,602.10
Sale of Others	94.65	76.18	63.55
Total	**15,278.73**	**12,494.14**	**9,918.84**

Annexure - II.2

Restated Statement of Other income (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Interest Income			
On FDR		0.27	2.46
On PCPCL	4.18	2.26	1.26
On Others	0.60	2.98	-
Exchange Rate Difference	9.44	-	0.54
Profit on Sale of Fixed Assets/Scrap	-	-	7.72
Rent	3.67	3.67	3.55
Round Off		0.01	0.01
Excess & Short Recovery		-	0.02
Rodtap	15.30		
Duty Drawbacks	9.58		
Total	**42.77**	**9.18**	**15.56**

Annexure - II.3

Restated Statement of Cost of Material Consumed (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Raw Material at the end of the year:			
Raw Material	785.68	327.89	329.78
	785.68	**327.89**	**329.78**
Add: Purchases during the year	6,955.99	6,297.71	4,437.41
Add: Direct Expenses			
Wages	1,580.22	1,354.27	945.08
Accessories Consumed	216.00	165.02	179.52
Clipping & Mending Charges	197.61	135.30	86.04
Cord Cutting Expenses	14.42	21.37	5.45
Cutting & Twisting	-	13.95	10.81
Diesel, Fuel, Oil & Lubricants Consumed	90.74	102.18	88.50
Dyeing & Finishing	558.12	558.53	340.14
Electrical equipment consumed	22.65	16.26	17.95
Electricity	632.31	659.20	489.27
Embroidery	305.75	194.01	142.75
Fire Fighting Exp	1.59	1.32	1.35
Custom Duty	-	-	1.44
Duty Drawback	-	0.72	-
Freight; Freight Outward & Cartage	140.45	153.52	87.25
Fabrication	32.04	147.43	2.84
Pet Coke Consumed	629.97	702.39	663.40
Custom Clearing & Forwarding	23.94	0.59	1.18
Designing	12.19	10.91	10.23
Sorting & Grading	68.91	38.25	25.40
Testing Charges	1.35	0.23	-
Warping Expenses	5.00	9.87	-
Packing Material Consumed	153.29	108.31	75.32
	4,686.55	**4,393.61**	**3,173.90**
Raw Material at the beginning of the year:			
Raw Material	327.89	329.78	475.21
	327.89	**329.78**	**475.21**
Total	**11,184.75**	**10,693.21**	**7,756.74**

Annexure - II.4

Restated Statement of Stock in Trade (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Purchases		-	-
Total		**-**	**-**

Annexure - II.5

Restated Statement of Changes in inventories of finished goods and work-in-progress **(₹ in Lakhs)**

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Inventories at the end of the year:			
Finished Goods	3,206.58	2,763.99	1,202.68
	3,206.58	**2,763.99**	**1,202.68**
Inventories at the beginning of the year:			
Finished Goods	2,763.99	1,202.68	1,226.78
	2,763.99	**1,202.68**	**1,226.78**
Net (increase) / decrease	**(442.59)**	**(1,561.31)**	**24.10**

Annexure - II.6

Restated Statement of Employee benefits expense **(₹ in Lakhs)**

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Staff Welfare Expense	7.90	8.54	6.23
Contribution to Statutory Fund	34.95	33.39	24.83
Salary (Director)	120.00	120.00	120.00
Salary (Others)	187.68	162.17	131.03
Annual Leave with Wages	58.92	51.17	39.14
Bonus	88.57	77.43	58.59
Gratuity Account	95.72	95.52	89.28
Incentive	25.35	-	-
Punjab Labour Welfare Exp (Employer)	0.49	0.50	0.52
Board and Committee Meeting Fees	3.15		
Total	**622.73**	**548.71**	**469.62**

Annexure - II.7

Restated Statement of Finance costs **(₹ in Lakhs)**

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Interest Expense	401.96	383.84	276.41
Bank Charges	33.24	9.09	5.70
Total	**435.20**	**392.93**	**282.11**

Annexure - II.8

Restated Statement of Other expenses (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Annual Maintenance Charges	2.86	1.32	1.47
Conveyance Allowance; Vehicle Running & Travelling Exp	38.38	29.03	26.31
Donation	2.28	1.40	1.59
GST Demand	-	0.29	-
Fees & Taxation; Property Tax & Pollution A/c	20.15	12.74	6.37
Loss on Sale of Assets	4.33	0.09	-
Intt on Late Deposit on TDS, TCS & GST	1.23	0.10	0.10
Insurance	12.62	9.65	6.85
Diwali & Misc. Expense	17.86	8.80	7.62
Postage	8.41	3.24	2.20
Printing & Stationery	14.86	13.04	11.97
Legal & Professional Charges	9.80	2.55	2.53
Repair & Maintenance	85.42	57.17	50.51
Security Agency Services	41.60	26.69	23.40
Software Development Charges & Domain charges	0.69	0.54	0.40
Brokerage	191.96	136.57	97.45
Claims paid for Damaged Goods	13.64	8.56	3.50
Rebate & Discount & Rate Diff.	234.56	197.83	91.47
Telephone & Internet & mobile Exp	1.90	1.99	1.31
Rent Paid	172.40	55.57	53.34
Exhibition &Sale Promotion	16.12	3.78	1.17
Ground Water Charges	16.55		
Total	**907.62**	**570.93**	**389.55**

Annexure - II.9

Restated Statement of Deferred Tax Liabilities/(Assets) (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
WDV as per Companies Act, 2013 (A)	2,837.14	2,229.54	1,721.10
WDV as per Income tax Act, 1961 (B)	2,890.73	2,036.74	1,534.35
Difference in WDV (A-B)	-53.59	192.80	186.75
Timing Difference due to Provision for Gratuity & Leave Encashment	477.32	393.52	311.37
Total Timing Difference	-530.91	-200.72	-124.62
Deferred Tax (Asset)/ Liability '(C)	-133.62	-50.52	-31.36
Restated Closing Balance of Deferred Tax (Asset)/ Liability	-133.62	-50.52	-31.36
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	-50.52	-31.36	-74.76
Deferred Tax (Assets)/ Liability charged to Profit & Loss	-83.10	-19.15	43.40

Annexure - II.10

Restated Statement of Earning Per Equity Share (₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
Before Exceptional Items			
1.Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	1,690.47	1,130.80	559.14
2. Weighted Average number of equity shares used as denominator for calculating EPS	1,15,00,000	5,00,000	5,00,000
3. Weighted Average number of equity shares used as denominator for calculating EPS Post Bonus and Split	1,15,00,000	1,15,00,000	1,15,00,000
4. Basic and Diluted Earning per Share (On Face value of Rs. 10/ per share)	**14.70**	**9.83**	**4.86**

ANNEXURE –V

Notes to the Re-stated Standalone Financial Statements:

I. Additional Information to the Financial Statements:- **(₹ in Lakhs)**

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
1. CIF Value of Imports			
Raw Material		-	-
Raw Material (Payment Made)		-	-
Traded Goods		-	-
Capital Goods/ Stores & Spare Parts	69.72	153.30	406.17
2. Expenditure in Foreign Currency			
In respect of Business Promotion, Repair & Maintenance & Profession Consultancy & Other Misce Expenses		-	-
- In respect of Foreign Travelling.	12.42	-	-
- Exibitions	6.63		
- Container Freight			
3. Earnings in Foreign Currency			
Exports (FOB Value)	664.82	-	-
Exports Realisation	477.54	-	-

II. Segment Information

The Company is primarily engaged in the business of "Manufacturing of Fabrics", which in terms of AS -17 on "Segment Reporting" constitutes a single reporting segment.

III. Details of CSR

(₹ in Lakhs)

Particulars	For the Year Ended On		
	March 31, 2025	March 31, 2024	March 31, 2023
a). Amount Required to be spent during the year	18.69	10.68	N/A
b). Total of previous years shortfall/(Excess)	(0.32)	-	N/A
b). Amount of expenditure incurred,	20.00	11.00	N/A
c). Shortfall at the end of the year,	0	-	N/A
d). Excess at the end of the year	1.63	0.32	N/A
e). Reasons for shortfall	0		
f). Nature of CSR Activities	Blood donation	For Tree Plantation in various Are	

IV. Additional regulatory information

(a) Details of crypto currency or virtual currency

The Company has neither traded nor invested in Crypto currency or Virtual Currency for the year ended on March 31, 2025, March 31, 2024, March 31, 2023, 2022 . Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

(b) Compliance with approved scheme of arrangements

Company is not engaged in any scheme of arrangements.

(c) Undisclosed income

During the year ended March 31, 2025, 2024, 2023, 2022., the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(d) Relationship with struck off companies

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended on March 31, 2025, 2024, 2023, 2022.

(e) Compliance with numbers of layers of companies

The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the year ended on March 31,2025, 2024, 2023, 2022.

(f) Utilisation of borrowed funds and share premium

During the year ended on March 31, 2025, March 31, 2024, March 31, 2023 & 2022, the Company has not advanced or Loans or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the year ended on March 31, 2025, 2024, March 31, 2023 & 2022, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

(g) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(h) No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(i) There has been no shares Buyback during last five years.

V. Non-adjustment Items:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

VI. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

VII. Material Adjustments in Restated Profit & Loss Account:

(₹ in Lakhs)

Particulars	**For the Year Ended**		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Profit After Tax as per Books of Accounts	**1,616.77**	**1,114.89**	**705.57**
Adjustment for Gratuity Provision & Leave Encashment	-	0.00	(85.65)
Adjustment on Account of Prepaid & Prior Period Items	-	6.11	2.59
Adjustment for provision of Income Tax	0.02	(5.81)	(6.11)
Adjustment for provision of Deferred Tax	73.78	15.60	(57.25)
Total Adjustments	**73.80**	**15.91**	**(146.43)**
Profit After Tax as per Restated	**1,690.57**	**1,130.80**	**559.14**

Reconciliation of Equity

(₹ in Lakhs)

Particulars	**As at**		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Balance of Equity (Networth) as per Audited Financial Statement	**4973.88**	3,395.12	2,481.32
Adjustment on account of Adjustment to Reserves	82.79	82.78	(228.58)
Adjustment related to Profit and Loss account	(49.37)	(123.17)	(139.08)
Balance of Equity (Networth) as per Restated Financial Statement	**5,007.30**	**3,354.73**	**2,113.65**

VIII. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) and as confirmed to us there are no delays in payment of dues to such enterprise during the year**.**

The identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises

I. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

II.The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation.

IX. As required under SEBI (ICDR) Regulations, the statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions. Company has not revalued any of its assets and liabilities during the year ended on March 31, 2025, 2024, 2023, 2022.

X. Long Term Employee Benefits [AS-15]

Accounting Standard (AS) – 15 issued by ICAI is Mandatory. The Company has accounted for Long Term employee Benefits based on Actuarial Valuation report. The nature of Employee Benefits are non funded.

Assumption used by Actuarial for Gratuity Provision

Particulars	For the Year ended on March 31, 2025		
	March 31, 2025	March 31, 2024	March 31, 2023
Discount Rate	7.00%	7.25%	7.25%
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	Mortality	Mortality	Mortality
Expected rate of return	**NA**	**NA**	**NA**
Normal Retirement Age	70 Years	70 Years	70 Years
Salary	Last drawn Qualifying Salary	Last drawn Qualifying Salary	Last drawn Qualifying Salary
Vesting Period	5 Years of Continuous service	5 Years of Continuous service	5 Years of Continuous service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	Rs. 20 Lakhs	Rs. 20 Lakhs	Rs. 20 Lakhs

(Source: Based on Valuation reports from Ashok Kumar Garg (Fellow Member of Institute of Actuaries of India) dated October 22, 2024 for period upto March 31, 2022; March 31, 2023; March 31, 2024, and report dated May 19, 2025 for the year ended on March 31, 2025.

XI. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

XII. Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary.

XIII. Examination of Books of Accounts& Contingent Liability

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

XIV. Director Personal Expenses

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

XV. Deferred Tax Asset / Liability: [AS-22]

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

XVI. Pending registration / satisfaction of charges with ROC

There are no charges registration/satisfactions are pending with ROC for the Financial Year ended on March 31,2025, 2024, 2023 & 2(

XVII Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, following need to be noted:

(a) That the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

ANNEXURE –VI

Statement of Accounting & Other Ratios, As Restated **(₹ in Lakhs)**

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Net Profit as Restated (A)	1,690.47	1,130.80	559.14
Add: Depreciation	422.55	338.68	192.08
Add: Finance Cost	435.20	392.93	282.11
Add: Income Tax/ Deferred Tax	500.77	389.37	261.05
Less: Other Income	(42.77)	(9.18)	(15.56)
EBITDA	3,006.22	2,242.60	1,278.83
EBITDA Margin (%)	19.68%	17.95%	12.89%
Annualized Net Profit	N/A	N/A	N/A
Net Worth as Restated (B)	5,007.20	3,354.73	2,113.65
Return on Net worth (%) as Restated (A/B)	33.76%	33.71%	26.45%
Equity Share at the end of year (in Nos.) (C)	1,15,00,000	5,00,000	5,00,000
Weighted No. of Equity Shares (in Nos.) (D)	1,15,00,000	5,00,000	5,00,000
Weighted No. of Equity Shares Considering Bonus & Split Impact (E)	1,15,00,000	1,15,00,000	1,15,00,000
(Post Bonus after restated period with retrospective effect)			
Basic & Diluted Earnings per Equity Share as Restated (A/D)	14.70	226.16	111.83
Basic & Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)	14.70	9.83	4.86
Net Asset Value per Equity share as Restated (B/C)	43.54	670.95	422.73
Net Asset Value per Equity share as Restated after considering Bonus & Split Impact with retrospective effect (B/E)	43.54	29.17	18.38

Note:-

EBITDA Margin = EBITDA/Total Revenues
Networth= Paid up share capital plus reserves and surplus less miscellaneous expenditure to the extent not written off
Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year
Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
Net asset value/Book value per share (₹) = Net worth / No. of equity shares
The Company does not have any revaluation reserves or extra-ordinary items.

The Company has allotted 1,10,00,000 Bonus Equity Shares of Rs. 10 each on September 04, 2024 in the ratio of 22:1 i.e. for every equity share, 22 bonus shares were issued.

Accounting Ratio

Sr. No.	Particulars	March 31, 2025	March 31, 2024	March 31, 2023	Comments#
1	Current Assets	9,483.50	7,274.32	5,308.27	Variation is not more than 25%.
	Current Liabilities	5,557.02	4,037.45	3,349.26	
	Current Ratio (In Times)	**1.71**	**1.80**	**1.58**	
	Variation	-5.28%	13.68%	3.27%	
2	Total Debt (Short Term + Long Term)	3,814.82	3,550.84	2,701.11	Due to increase in profitability higher than increase in debt
	Equity	5,007.20	3,354.73	2,113.65	
	Debt Equity Ratio	**0.76**	**1.06**	**1.28**	
	Variation	-28.02%	-17.17%	-7.94%	
3	Earnings available for debt service	2,583.67	1,903.92	1,086.75	Due to increase in Long Term Debt as well as Increase in Profitability during the year
	Debt Service	699.18	1,242.66	825.07	
	Debt Service Coverage Ratio	**3.70**	**1.53**	**1.32**	
	Variation	141.19%	16.32%	-27.66%	
4	Net Profits after taxes – Preference Dividend (if any	1,690.47	1,130.80	559.14	Due to Increase in Profits of the company over the years
	Average Shareholder's Equity	4,180.97	2,734.19	1,834.18	
	Return on Equity (ROE):	**40.43%**	**41.36%**	**30.48%**	
	Variation	-2.24%	35.67%	14.49%	
5	Cost of Goods Sold	10,742.16	9,131.90	7,780.84	Due to higher stocks of raw materials and finished goods for faster turnaround
	Average Inventory	3,570.67	2,336.40	1,636.62	
	Inventory Turnover ratio	**3.01**	**3.91**	**4.75**	
	Variation	-23.03%	-17.79%	22.55%	
6	Net Credit Sales	15,278.73	12,494.14	9,918.84	Due to increasing sales to corporates and better credit collection policies
	Average Accounts Receivable	3,191.24	2,702.97	2,395.82	
	Trade receivables turnover ratio	**4.79**	**4.62**	**4.14**	
	Variation	3.58%	11.65%	7.33%	
7	Cost of Goods Sold	10,742.16	9,131.90	7,780.84	Due to payment to MSME creditors in less than 45 days
	Average Trade Payables	1,899.58	1,548.94	1,622.08	
	Trade payables turnover ratio	**5.66**	**5.90**	**4.80**	
	Variation	-4.08%	22.91%	17.14%	
8	Net Sales	15,278.73	12,494.14	9,918.84	Due to higher stocks of raw materials and finished goods for faster turnaround
	Average Working Capital	4,862.33	3,490.42	2,410.36	
	Net capital turnover ratio	**3.14**	**3.58**	**4.12**	
	Variation	-12.22%	-13.01%	11.20%	
9	Net Profit	1,690.47	1,130.80	559.14	Due to increase in Profit Margin on Sales the ratio has increased.
	Net Sales	15,278.73	12,494.14	9,918.84	
	Net profit ratio	**11.06**	**9.05**	**5.64**	
	Variation	22.25%	60.55%	18.24%	
10	Earning before interest and taxes (EBIT)	2,583.67	1,903.92	1,086.75	Due to increase in Profit Margin on Sales the ratio has increased.
	Capital Employed	7,771.39	5,818.86	4,210.21	
	Return on capital employed (ROCE)	33.25%	32.72%	25.81%	
	Variation	1.61%	26.76%	32.36%	
11	**Return on investment**	NA	NA	NA	NA

ANNEXURE –VII

Statement of Capitalization, As Restated

(₹ in Lakhs)

Particulars	**Pre-Issue**	**Post Issue***
	As at March 31, 2025	
Debt :		
Long Term Debt	1,528.68	1,528.68
Short Term Debt	2,286.14	2,286.14
Total Debt	**3,814.82**	**3,814.82**
Shareholders Funds		
Equity Share Capital	1,150.00	[●]
Reserves and Surplus	3,857.20	[●]
Less: Misc. Expenditure	-	-
Total Shareholders' Funds	**5,007.20**	[●]
Long Term Debt/ Shareholders' Funds	***0.31***	***[●]***
Total Debt / Shareholders Fund	***0.76***	***[●]***
* Assuming Full Allotment of IPO shares		

ANNEXURE –VIII

Statement of Tax Shelter, As Restated

Particulars		As At	
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Profit Before Tax as per books of accounts (A)	**2,191.24**	**1,520.17**	**820.20**
-- Normal Tax rate	25.17%	25.17%	25.17%
-- Minimum Alternative Tax rate	17.28%	17.28%	17.28%
-- STCG Tax Rate	15.00%	15.00%	15.00%
-- LTCG Tax Rate	10.00%	10.00%	10.00%
Income from Capital Gain (Chargeable at Special Rate)	-	-	-
Income Chargeable at normal Tax Rate	**2,191.24**	**1,520.17**	**820.20**
Permanent differences			
Other adjustments			
Other Disallowances			
Loss on sale of Fixed Assets	4.33	-	(7.72)
Total (B)	**4.33**	**-**	**(7.72)**
Timing Differences			
Depreciation as per Books of Accounts	422.55	338.68	192.08
Depreciation as per Income Tax	385.52	335.13	247.09
Difference between tax depreciation and book depreciation	37.03	3.55	(55.01)
Bonus / Gratuity / Leave Encashment Provision in Books	83.80	95.52	89.28
Expenses Disallowed under Income Tax Act	3.50	3.95	2.54
Deduction under chapter VI-A	-	-	-
Total (C)	**124.33**	**103.02**	**36.81**
Net Adjustments (D = B+C)	**128.66**	**103.02**	**29.10**
Total Income (E = A+D)	**2,319.90**	**1,623.19**	**849.29**
Taxable Income at Special Rate (F)		-	-
Taxable Income/ (Loss) for the year/period (E+F)	**2,319.90**	**1,623.19**	**849.29**
Tax Payable for the year	583.87	408.53	213.75
Tax Chargeable at Special Rate of Tax	-	-	-
Interest Expenses	-	-	3.91
Total Tax Expense	583.87	408.53	217.66
Tax payable as per MAT	401.00	281.00	147.00
Tax payable as per normal rates or MAT (whichever is higher)	**Income Tax**	**Income Tax**	**Income Tax**

ANNEXURE –IX

Statement of Related Party & Transactions :

List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1	Amit Kandhari	Director
2	Sanjeev Kandhari	Director
3	Priti Kandhari	Director
4	Shelly Kandhari	Director
5	Sahil Kandhari	Relative to Director
6	Sweety Ahuja	Relative to Director
7	Chahat Kandhari	Relative to Director
8	Janak Kandhari	Relative to Director
9	Sanjeev Kandhari HUF	Relative to Director
10	Estate of Krishan Kumar Kandhari	Relative to Director
11	Amit Kandhari HUF	Relative to Director
12	Vikas Enterprises	Sister Concern
13	S S Enterprises	Sister Concern
13	Kandhari Textiles Private Limited	Associate Company
14	Radhey Krishna Trading Co	Sister Concern
15	Sai Lakshay Prints Private Limited	Sister Concern
16	Manohar Lal Grover	Relative to Director
17	Neeraj Grover (M.L enterprises)	Relative to Director
18	Khanna Dyeing and Finishing Mills Pvt Ltd	Sister Concern
19	K.M Industrial Fab	Sister Concern
20	Rubina Mahajan	Company Secretary
21	Rajiv Arora	Independent Director
22	Rahul Tandon	Independent Director

(₹ in Lakhs)

Transactions during the year:	For the Year Ended on		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Salary Paid			
Amit Kandhari	60.00	60.00	60.00
Sanjeev Kandhari	60.00	60.00	60.00
Priti Kandhari	5.25	12.60	12.60
Shelly Kandhari	5.25	12.60	12.60
Sahil Kandhari	18.00	12.00	12.00
Sweety Ahuja	5.45	4.80	-
Devika Arora	1.40	1.48	-
Rubina Mahajan	1.00		
Rent Paid			
Kandhari Textiles Private Limited	48.60	37.60	36.60
Priti Kandhari	18.00	-	-
Shelly Kandhari	18.00	-	-
Rent Received			
Radhey Krishna Trading Co	1.27	1.27	1.15
Kandhari Textiles Private Limited	2.40	2.40	2.40
Purchases			
Radhey Krishna Trading Co	1,801.39	1,210.43	1,316.79
Neeraj Grover (M.L enterprises)	-	0.63	
K.M Industrial Fab	-	-	1.54
Incentive			
Sahil Kandhari	25.35	-	-

Interest Paid			
Chahat Kandhari	1.19	2.66	2.36
Sahil Kandhari	0.15	3.37	3.54
Priti Kandhari	3.94	13.92	13.82
Janak Kandhari	6.37	15.80	13.02
Sanjeev Kandhari HUF	17.92	32.32	27.26
Shelly Kandhari	0.41	8.12	8.91
Estate of Krishan Kumar Kandhari	7.51	15.25	13.08
Amit Kandhari	45.47	29.80	28.32
Sanjeev Kandhari	18.52	5.25	8.09
Amit Kandhari HUF	10.67	19.95	15.70
Vikas Enterprises	4.94	9.70	8.78
S S Enterprises	1.44	2.74	2.32
Loan Received			
Amit Kandhari	275.27	5.80	85.00
Sanjeev Kandhari	174.82	7.65	4.80
Priti Kandhari	4.00	11.50	25.65
Shelly Kandhari	4.00	31.50	20.50
Estate of Krishan Kumar Kandhari	-	-	-
Amit Kandhari HUF	-	50.00	15.00
Sahil Kandhari	-	-	10.00
Sanjeev Kandhari HUF	-	20.00	11.00
Vikas Enterprises	-	2.00	-
Janak Kandhari	-	18.00	-
Loan Repaid			
Amit Kandhari	93.05	39.40	34.40
Sanjeev Kandhari	26.65	24.25	40.30
Priti Kandhari	55.65	65.80	35.23
Shelly Kandhari	12.02	94.00	15.17
Amit Kandhari HUF	148.39	31.75	24.00
Sahil Kandhari	13.76	15.87	3.61
Sanjeev Kandhari HUF	220.12	20.70	18.50
Janak Kandhari	90.16	32.40	0.20
Vikas Enterprises	63.78	7.30	1.00
S S Enterprises	19.39	-	-
Chahat Kandhari	18.31	-	-
Estate of Krishan Kumar Kandhari	105.69	-	-
Commission & Brokerage			
Sahil Kandhari	-	-	3.66
Manohar Lal Grover	1.78	-	-
Sales			
Neeraj Grover (M.L enterprises)	7.55	20.42	13.40
Khanna Dyeing and Finishing Mills Pvt Ltd	1.80	3.31	
Sweety Ahuja	1.54		
Radhey Krishna Trading Co	64.67		
Sale Job work			
K.M Industrial Fab		-	13.35
Khanna Dyeing and Finishing Mills Pvt Ltd		0.54	0.43
DYEING AND FINISHING			
Khanna Dyeing and Finishing Mills Pvt Ltd		0.47	2.99
Board and Committee Meeting Fees			
Shelly Kandhari	0.80		
Preeti Kandhari	0.70		
Rahul Tandon	0.85		
Rajiv Arora	0.80		

Figures shown above are exclusive of GST and TDS

(₹ in Lakhs)

Outstanding Balance (Receivables)/Payable	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Outstanding Balance (Loan Given)			
N/A			
Outstanding Balance (Investment)			
Sai Lakshay Prints Private Limited	0.00	0.00	0.00
Outstanding Balance (Payable Balance)			
Amit Kandhari	356.09	173.86	180.64
Sanjeev Kandhari	167.68	19.51	31.38
Priti Kandhari	-	47.71	89.48
Shelly Kandhari	-	7.61	6.28
Sahil Kandhari	-	13.61	26.45
Janak Kandhari	-	83.79	83.97
Sanjeev Kandhari HUF	-	202.21	173.82
Estate of Krishan Kumar Kandhari	-	98.19	84.47
Amit Kandhari HUF	-	137.72	101.52
Vikas Enterprises	-	58.84	55.41
S S Enterprises	-	17.95	15.20

ANNEXURE –X

Statement of Dividends

The company has not paid dividend in any of the financial year reported

ANNEXURE –XI

Changes in the Significant Accounting Policies

There have been no changes in the accounting policies of the company for the period disclosed in the restated

Impact on Profit and loss account due to change in accounting policy. (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Reduction in Profits to the extent of	-	-	-

ANNEXURE –XII

Contingent Liabilities & Assets:

a.Claims against the Company (including unasserted claims) not acknowledged as debt:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Related to Direct Tax Matters	25.97	25.33	23.46
Related to Indirect Tax Matters		-	-
Related to Bank Guarantees		-	-
Other Matters	0.35	0.35	-

(₹ in Lakhs)

Capital Commitment	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	-	-	-

OTHER FINANCIAL INFORMATION

Accounting Ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections titled "*Risk Factors*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 39, 274 and 277, respectively:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at		
	March 31, 2025	**March 31, 2024**	**March 31, 2023**
Earnings per Equity Share (basic)[1] (in ₹)	14.70	9.83	4.86
Earnings per Equity Share (diluted)[2] (in ₹)	14.70	9.83	4.86
Return on Net worth[3] (in %)	33.76%	33.71%	26.45%
Net Asset Value per Equity Share[4] (in ₹)	43.54	29.17	18.38
EBITDA[5] (in ₹ Lakhs)	3,006.22	2,242.60	1,278.83

Notes:

1. *Basis EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*
2. *Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit or loss for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.*
3. *Calculated as profit for the period/year divided by net worth.*
4. *Net asset value per equity share means total equity divided by weighted average number of equity shares.*
5. *EBITDA is calculated as restated profit or loss for the year plus total tax expense, plus depreciation and amortization expense, plus finance costs and minus other income.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for the Fiscals 2025, 2024 and 2023 (the "**Audited Financial Statements**") are available on our website at https://kaytexfabrics.com/annual-reports/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any Investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor Book Running Lead Manager or any of the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of Non-GAAP Measures

Reconciliation of Total Asset to Net Asset Value per Equity Share:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	**2024**	**2023**
Total assets (I)	12,526.64	9,591.58	7,297.95
Total non – current and current liabilities (II)	7,519.44	6,236.85	5,184.30
Net assets (III) = (I – II)	**5,007.20**	**3,354.73**	**2,113.65**
Total weighted average number of Equity Shares (IV)	1,15,00,000	1,15,00,000	1,15,00,000
Net Asset Value per Equity Share (in ₹) (III / IV)	43.54	29.17	18.38

Reconciliation of Restated Profit before taxes to EBITDA and EBITDA margin:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	**2024**	**2023**
Restated profit before taxes (I)	2,191.24	1,520.17	820.20

Particulars	As at 31st March		
	2025	2024	2023
Finance costs (II)	435.20	392.93	282.11
Depreciation and Amortisation expense (III)	422.55	338.68	192.08
Other income (IV)	42.77	9.18	15.56
EBITDA (V) (I + II + III - IV)	**3,006.22**	**2,242.60**	**1,278.83**
Revenue from Operations (VI)	15,278.75	12,494.14	9,918.84
EBITDA Margin (%) (VII) (V / VI)	**19.68%**	**17.95%**	**12.89%**

Reconciliation of Total Equity to Capital Employed:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	2024	2023
Total Equity (I)	5,007.20	3,354.73	2,113.65
Long Term Borrowings (II)	1,582.68	1,846.92	1,556.04
Deferred Tax Liability (III)	-	-	-
Short Term Borrowings (IV)	2,286.14	1,703.92	1,145.07
Deferred Tax Assets (V)	133.62	50.52	31.36
Intangible Assets (VI)	0.33	0.33	0.39
Total Capital Employed (VII) (I + II + III + IV – V - VI)	**8,742.07**	**6,854.72**	**4,783.01**

Reconciliation of EBIT to Return on Capital Employed (ROCE):

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	2024	2023
Restated profit before taxes (I)	2,191.24	1,520.17	820.20
Finance costs (II)	435.20	392.93	282.11
Other income (III)	42.77	9.18	15.56
EBIT (IV) (I + II - III)	**2,583.67**	**1,903.92**	**1,086.75**
Capital Employed (V)	8,742.07	6,854.72	4,783.01
Average Capital Employed (VI)	7,776.40	5,818.86	4,210.21
ROCE (%) (VII) (IV / VI)	**33.25%**	**32.72%**	**25.81%**

Reconciliation of Total Borrowing to Debt-to-Equity Ratio:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	2024	2023
Long term borrowings (I)	1,528.68	1,846.92	1,556.04
Short term borrowings (II)	2,286.14	1,703.92	1,145.07
Total borrowings (III) (I+II)	**3,814.82**	**3,550.84**	**2,701.11**
Total Equity (IV)	5,007.20	3,354.73	2,113.65
Debt to Equity Ratio (in times) (V) (III /IV)	**0.76**	**1.06**	**1.28**

Reconciliation of Total Borrowing to Net Debt and Net Debt to Equity Ratio:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	2024	2023
Long term borrowings (I)	1,528.68	1,846.92	1,556.04
Short term borrowings (II)	2,286.14	1,703.92	1,145.07
Cash and cash equivalents (III)	82.46	21.33	116.07
Net Debt (IV) (I + II – III)	**3,732.36**	**3,529.51**	**2,585.04**
Total Equity (V)	5,007.20	3,354.73	2,113.65
Net Debt to Equity Ratio (in times) (VI) (IV /V)	**0.75**	**1.05**	**1.22**

Reconciliation of Equity Share Capital to Net Worth and Return on Net Worth:

(in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March		
	2025	2024	2023
Equity Share capital (I)	1,150.00	50.00	50.00
Reserves and Surplus (II)	3,857.20	3,304.73	2,063.65
Net Worth (III) (I + II)	**5,007.20**	**3,354.73**	**2,113.65**
Restated profit after tax for the year (IV)	1,690.47	1,130.80	559.14
Return on Net Worth (%) (V) (IV / III)	**33.76%**	**33.71%**	**26.45%**

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. AS 18 'Related Party Disclosures' for the Fiscals 2025, 2024 and 2023, read with the SEBI ICDR Regulations, and as reported in the Restated Financial Information, see "*Restated Financial Information*" on page 273.

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

The following discussion is intended to convey management's perspective on our financial condition and results of operations of the company for Fiscals 2025, 2024 and 2023. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Financial Information for Fiscals 2025, 2024 and 2023, including the related annexures.

Unless otherwise indicated or context otherwise requires, the financial information for Fiscals 2025, 2024 and 2023, included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus. For further information, see "Restated Financial Information" and "Summary of Financial Information" on pages 273 and 84.

Our Fiscal year ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward Looking Statements" and "Risk Factors" on pages 28 and 39, respectively.

Business Overview

We are a fast-fashion fabric solutions and manufacturing company, combining technology, design, and traditional craftsmanship to deliver textile and fashion products. We manage the entire process—from yarn to finished fabric production—ensuring quality and the ability to quickly adapt to changing market demands. We specialize in creating fabrics from a variety of fibres, including cotton, viscose, modal, acrylic, nylon, linen, and polyester. Our focus on digital printing—allows us to create customizable designs suited to the fastpaced nature of the fashion industry.

Digital textile printing referred to as direct-to-garment or digital garment printing, is a process of reproducing variety of digital images/prints on textiles and garments using specialized or modified inkjet technology. It works perfect for printing photos, detailed patterns, graphically complex designs and tonal transitions. It has a wide range of end-use applications across various fashion and apparel, home textiles, interior design, advertising and promotional materials, sportswear and activewear, accessories, industrial applications and home décor. Its advantages over conventional printing methods include: high-quality printing, customization and flexibility, time efficiency, cost-effectiveness, environmental sustainability, versatility in fabric types, consistent quality and access to global market. Digital textile printing, while still a relatively small segment, is gradually gaining traction due to design flexibility and elimination of costly screens and preparation processes, reducing production time and minimizing waste, increasing demand for digital printing significantly. The Global Digital Textile Printing Market is on a strong growth trajectory, rising from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92% and is projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E, at a CAGR of 12.8%. The increasing demand for personalized and customized products is a major catalyst and digital textile printing technology enables the creation of highly individualized and intricate patterns that are not easily achievable with traditional textile printing methods. The Indian digital textile printing revenue is projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85% and it is further projected to reach USD 1,212.3 million by CY 2030F at a CAGR of 11.0%. This growth can be attributed to several factors, including increasing demand for customized fabrics, rapid advancements in digital textile printing technology, and a growing preference for sustainable and eco-friendly printing methods. Fast fashion, e-commerce platforms, rising disposable incomes, growing population, and changing consumer preferences, is creating a strong demand for digital textile printing. (*Source: D & B Report*)

In addition to fabrics, we've expanded into fashion products in womenswear, offering ready-to-stitch suits, co-ord sets, shawls, scarves and stoles. By combining fashion trends with craftsmanship, we create products that meet the needs of today's consumers. Our approach and innovativeness allow us to deliver products that cater to both brands and individual customers as per current market situation.

Founded in 1996 in Amritsar, Punjab, we started as a traditional textile manufacturing company with deep roots in India's textile heritage. Known for our craftsmanship, we initially focused on producing fabrics for local and regional markets. As the fashion industry evolved, we recognized the need to modernize and adapt. Over the years, we invested in technologies like digital printing, computerized embroidery, and modern weaving techniques. These upgrades enabled us to respond to shifts in consumer preferences and produce fabrics suited to fast fashion. Today, we operate as a fabric manufacturer in Punjab, serving clients across segments, from apparel brands to individual consumers. Our offerings include fabrics, ready-to-stitch garments (womenswear), and designs that align with prevailing trends while preserving the techniques we have developed over time. This shift reflects our capacity to adapt and deliver value to our customers and partners.

Our business focuses on three core pillars that define our strategic approach and market presence:

- ***Brand enabler for other apparel brands:*** We work as a partner to apparel brands, supporting them in creating products for their customers. By supplying fabrics and designs based on market trends, we assist brands in developing collections that align with their target audience. Our experience spans a wide range of fabric types, enabling us to serve both established brands and new entrants. With our infrastructure and capabilities, we handle product development and execution, allowing brands to concentrate on their primary business activities. This approach helps brands respond to changes in the market and maintain their position.

- ***Own Brands:*** We also have our own brands "*Rasiya*", "*Kaytex*" and "*Darbaar-e-Khaas*" catering to markets in North India, enabling rural and semi-urban presence. We manage everything from fabric production to ready-to-stitch suits, co-ord sets, and accessories such as shawls, scarves, and stoles. We focus on maintaining standards, following fashion trends, and offering prices aligned with customer expectations. Our brands offer designs that serves customer demand in Tier 2 and Tier 3 cities across Northern India. As our presence expands, we have reached new areas, established brand awareness, and built customer relationships.

- ***Non-Branded Segment:*** In the non-branded segment, we cater to bulk buyers, wholesalers, and retailers by supplying fabrics and garments such as ready-to-stitch suits and co-ord sets, accessories such as shawls, scarves, and stoles without specific branding. This segment focuses on delivering solutions to customers who prioritize flexibility and cost-effectiveness.

Our business model allows us to serve different market segments, offering both branded and non-branded products. This approach supports our ability to meet the varied and changing requirements of the textile and fashion industries and enables our company to focus on serving a wide customer base.

We use technologies such as digital printing for customizable designs, jacquard weaving for detailed patterns, computerized embroidery for consistent detailing, and processing methods in our operations. These methods support efficient production and help meet the changing requirements of the textile industry. Following are the technologies that we use:

- ***Digital Printing:*** Our company uses reactive digital printing machines for printing on cotton/viscose fabrics from Hopetech and sublimation printing machine from Hopetech (combined with a heat transfer machine) for printing on polyester fabrics. For details, please refer page 222 under the heading "*Digital Printing Process*". Digital printing is a technological advancement in textile manufacturing that changes the method of applying designs to fabrics. This process involves directly printing digital designs onto textiles using inkjet-based systems. Unlike traditional techniques such as screen printing, digital printing does not require the use of screens or rollers, resulting in faster setup times, reduced material use, and the ability to produce detailed designs. The process supports customization by enabling the creation of various patterns, gradients, and image-based prints. It can be used on multiple types of fabrics, including cotton, silk, polyester, viscose, linen, and blends, making it suitable for different end-use cases. Digital printing enables the production of detailed patterns, clear outlines, and consistent coloration, which can be applied to garments such as salwar suits, sarees, and dress materials. This technology supports responsiveness to changing market trends by allowing manufacturers to produce small batches with variable designs, helping meet the requirements of short lead times and seasonal collections.

- ***Weaving:*** Our company uses weaving machines by Sulzer. For details, please refer page 220 under the heading "*Fabric Manufacturing Process*". Weaving is one of the most essential processes in textile manufacturing, forming the foundation of fabrics. By interlacing two sets of yarn—warp (lengthwise) and weft (crosswise)—weaving produces a variety of fabric types, each characterized by its texture, strength, and appearance. The process of weaving includes:

  <u>*Warp Preparation:*</u> The warp yarns are aligned and stretched on a loom to form the base of the fabric. This requires precision to ensure uniform tension and alignment.

  <u>*Weft Insertion:*</u> The weft yarns are inserted across the warp using various techniques, depending on the type of loom or weaving method.

Interlacing: The interlacing pattern of warp and weft determines the weave type, which affects the fabric's strength, texture, and aesthetics.

Weaving is used to create a wide range of fabrics, including cotton, silk, polyester, viscose, and blends and is customisable with different weave patterns, such as plain, twill, satin, or jacquard, offer unique textures, drape, and durability, making them suitable for specific uses and catering to market such as fashion industry.

- ***Jacquard:*** We use electronic jacquard weaving machines by *Sulzer*, *Vamatex* and *Somet*. For further details, please refer page 222 under the heading "*Jacquard Fabrics Manufacturing Process*". Jacquard technology represents a significant advancement in textile manufacturing, enabling the creation of detailed patterns and designs directly into the fabric during the weaving process. It is widely used for fabrics, offering design capabilities and versatility. It involves the use of a specialized loom equipped with a jacquard attachment that controls individual warp threads. This allows for the production of complex, multi-coloured patterns and designs that are woven into the fabric, rather than printed or embroidered. Named after Joseph Marie Jacquard, who invented the loom in the early 19th century, this technology has evolved significantly with modern advancements, including computerized jacquard looms. Jacquard weaving is used to create fabrics for upholstery, drapery, and home décor, such as brocades, damasks, and tapestries. It is integral to high-end fashion, producing fabrics with intricate textures, patterns, and vibrant designs and can be applied to various materials, including silk, cotton, polyester, viscose, and blends, ensuring diverse fabric options.

- ***Computerised Embroidery:*** Our company uses computerized multi-head embroidery machines of *Zhejiang Yuelong* Sewing Equipment. Computerised embroidery is offered as an add-on service to complement fabric customization and hence no separate manufacturing process is defined for the same. Computerised embroidery is a process used in textile manufacturing to add patterns, motifs, and textures to fabrics or garments using automated embroidery machines. It replaces manual embroidery with machines equipped with CAD ("**Computer-Aided Design**") systems, which allow for accurate replication of designs in less time. This method integrates traditional embroidery techniques with digital tools, enabling consistent output and increased production efficiency. It supports the creation of various design elements for different textile segments, including both couture and ready-to-wear. Computerised embroidery enables the production of customized designs at scale, addressing the demand for individualized and differentiated textile products across various markets.

- ***Dyeing and Processing:*** We use jigger dyeing, jet dyeing, mercerizing, sanforising, decadising and hot air stenters of *Harish*. Dyeing and processing are key steps in textile manufacturing that convert raw textiles into finished materials suitable for end-use. These processes prepare fabrics to meet specific aesthetic, functional, and performance requirements. Dyeing refers to the application of colour to textiles through dyes that bond with the fibres. This can be carried out at different stages, such as the yarn or fabric stage, depending on the desired outcome. Processing includes various finishing techniques applied after dyeing, involving both chemical and mechanical treatments to alter the fabric's characteristics. Together, dyeing and processing ensure that fabrics conform to defined standards for colour, texture, and utility. These steps play a role in aligning textile properties with requirements across sectors such as apparel, sportswear, and industrial textiles.

Our company maintains quality as part of its operations. We start with inspection of raw materials, such as yarns, dyes, chemicals, greige fabrics to ensure they meet our specifications for durability, colour consistency, and performance. Before dispatch, every finished product is checked for physical appearance, strength, and compliance with design specifications. Parameters such as texture, colourfastness, stitching accuracy, shrinkage, tear strength, and pilling are reviewed to confirm they meet our customer-defined quality standards.

We also have our in-house design team which is the creative force behind our trend-driven fabric solutions. This team comprises of designers and textile experts who stay at the forefront of global fashion trends, ensuring our products are always aligned with market demands. By leveraging advanced design tools, such as CAD software, and drawing inspiration from global fashion forecasts, our designers create unique patterns, textures, and designs that cater to a wide variety of customer preferences. The in-house design team plays a pivotal role in developing seasonal collections, ensuring we remain relevant in the fast-paced textile and fashion industries. From ideation to execution, the team collaborates with our production units to translate creative concepts into quality fabrics and garments. Their expertise extends across various styles and applications, including digital prints, jacquard weaves, and embroidered designs, allowing us to offer a diverse portfolio of products. This team also works closely with our clients, including apparel brands and wholesalers, to develop customized designs that meet their specific requirements. Whether it's creating exclusive prints for a premium collection or producing culturally inspired patterns for regional markets, our design team delivers tailored solutions that enhance the uniqueness of our customers' products. Additionally, the in-house team ensures that every design is optimized for production efficiency, balancing aesthetics with practical manufacturing considerations. Their ability to integrate creativity with technical know-how sets us apart, enabling us to offer fabrics and garments that are not only visually stunning but also commercially viable. Through their efforts, we continue to deliver exceptional value, combining innovation, quality, and style to meet the evolving needs of our customers.

The details of expenses incurred on our design team for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 is below:

(₹ in Lakhs)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Salaries, bonus and other incentives paid	191.87	143.70	104.89
Designing charges paid to third parties	12.19	10.90	10.23
Total	**204.06**	**154.60**	**115.12**

As certified by M/s S G U R & Co. Chartered Accountants, by way of their certificate dated July 15, 2025.

Our management team is led by Sanjeev Kandhari, the Chairman and Managing Director, who has been associated with our company since its incorporation and has 30 years of experience in the textile manufacturing industry. He oversees the company's overall performance, formulates growth strategies, and provides strategic direction to the senior management team. Amit Kandhari, our Whole-time Director and Chief Financial Officer, has also been with the company since its inception. With three decades of experience in the textile industry, he manages finance, production, and compliance while driving the company's expansion and operational efficiency. Our leadership also includes Devika Arora, the Head of Designing, who has been with us since 2017 and specializes in textile and fashion design, ensuring our collections align with market trends. Sahil Kandhari, the Head of Printing, has been associated with our company since 2020, bringing expertise in digital printing technologies to optimize high-quality fabric production. Harsimran Diwan, the Procurement Head, has been with us since 2016, ensuring the timely sourcing of raw materials at competitive prices, supporting the company's focus on quality and efficiency. Our operations are further strengthened by Kuldeep Singh, the Merchandising Manager, who oversees packing, scheduling, and shipment processes for smooth order fulfilment. Lalit Kesar, our Processing and Finishing Head, rejoined the company in 2023, bringing expertise in dyeing techniques and fabric finishing to ensure adherence to quality standards. Niranjan Singh, the Production Manager, has been with us since 1999, leveraging his 25 years of experience to manage production operations efficiently. Ranjit Kumar, the Production Planner, has been associated with us since 2006, focusing on planning, scheduling, and coordinating production activities to ensure timely deliveries while maintaining quality standards. Together, our diverse and experienced management team plays a crucial role in driving our company's growth, enhancing operational efficiencies, and maintaining our position as a leader in textile manufacturing. Their collective expertise spans design, procurement, production, processing, finance, and logistics, ensuring seamless execution of business strategies while upholding our commitment to innovation, quality, and customer satisfaction.

The scale of our operations and distribution network along with our customers' confidence have had a significant impact on our revenues and profitability. Set out below are our key performance indicators for the last three Fiscals are as follows:

Based on the Restated Financial Information:

a) Key financial indicators

Indicator	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations (₹ in Lakhs) (1)	15,278.73	12,494.14	9,918.84
- *Product Revenue (₹ in Lakhs)*	*13,943.07*	*10,615.86*	*8,253.19*
- *Service Revenue (₹ in Lakhs)*	*1,241.01*	*1,802.10*	*1,602.10*
- *Others (₹ in Lakhs)*	*94.65*	*76.18*	*63.55*
EBITDA (₹ in Lakhs) (2)	3,006.22	2,242.60	1,278.83
EBITDA Margin (%) (3)	19.68%	17.95%	12.89%
PAT (₹ in Lakhs) (4)	1,690.47	1,130.80	559.14
PAT Margin (%) (5)	11.06%	9.05%	5.64%
Return on equity (%) (6)	40.43%	41.36%	30.48%
Return on capital employed (%) (7)	33.22%	32.72%	25.81%
Debt-Equity Ratio (times) (8)	0.76	1.06	1.28
Trade Receivables (days) (9)	85	83	95
Trade Payables (days) (10)	77	62	73
Inventory (days) (11)	137	125	73
Working Capital Cycle (days) (12)	145	146	95

Notes:

(1) Revenue from operations is calculated as revenue from sale of manufactured products and services.

(2) EBITDA is calculated as restated profit before tax, extraordinary and exceptional items plus finance costs, depreciation and amortisation expense minus other income.

(3) EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations.

(4) PAT represents total profit after tax for the year/period.

(5) PAT margin is calculated as a percentage of PAT divided by revenue from operations.

(6) Return on Equity (ROE%) is calculated as a percentage of PAT divided by average total equity at the end of the year /period, whereas total equity is calculated as average of opening equity share capital and reserves and surplus and closing of equity share capital and reserves and surplus.

(7) Return on Capital Employed (ROCE%) is calculated as a percentage of EBIT divided by average capital employed at the end of the year /period, whereas average capital employed is calculated as average of opening capital employed and closing capital employed. EBIT is calculated as restated profit before tax plus finance costs minus other income. capital employed is calculated as total equity minus DTA plus DTL, long term borrowings and short-term borrowings.
(8) Debt to Equity ratio is calculated as total borrowings divided by total equity.
(9) Trade Receivables (days) is calculated as average trade receivables divided by revenue from operations multiplied by 365. Average trade receivables are calculated as average of opening trade receivables and closing trade receivables.
(10) Trade Payables (days) is calculated as average trade payables divided by cost of goods sold multiplied by 365. Average trade payables is calculated as average of opening trade payables and closing trade payables.
(11) Inventory (days) is calculated as average inventories divided by cost of goods sold multiplied by 365. Average inventories is calculated as average of opening inventory and closing inventory.
(12) Working capital cycle (days) is calculated inventory days plus trade receivables days minus trade payables days.

b) Key operational indicators (only for our product revenue segment)

Indicator	Units	March 31, 2025	March 31, 2024	March 31, 2023
Digital Printing (Volume)				
- Fabrics	Metres	27,95,182	13,84,239	7,28,365
- Garments (ready-to-stitch womenswear)	Pieces	3,51,243	1,88,795	99,561
- Products manufactured	Nos.	209	204	187
Jacquard (Volume)				
- Fabrics	Metres	5,09,913	4,43,791	4,14,483
- Garments (ready-to-stitch suits, shawls and stoles)	Pieces	9,85,195	7,51,672	5,44,480
- Products manufactured	Nos.	423	389	445
Other woven fabrics (Volume)				
- Fabrics	Metres	8,29,358	12,55,911	22,32,962
- Garments (ready-to-stitch womenswear)	Pieces	No garments are manufactured under this segment		
- Products manufactured	Nos.	726	565	502
Digital Printing (Average Selling Price)				
- Fabrics	Rs. per Meter	143.00	172.39	146.67
- Garments (ready-to-stitch womenswear)	Rs. per piece	1,011.35	1,151.32	1,195.14
Jacquard (Average Selling Price)				
- Fabrics	Rs. per Meter	193.66	169.63	178.48
- Garments (ready-to-stitch suits, shawls and stoles)	Rs. per piece	416.38	462.67	431.42
Other woven fabrics (Average Selling Price)				
- Fabrics	Rs. per Meter	159.24	145.34	130.15
- Garments (ready-to-stitch suits, shawls and stoles)	Rs. per piece	No garments are manufactured under this segment		
Distribution Network				
- No. of dealers/ distributors	Nos.	154	132	123
- No. of brokers/ agents	Nos.	71	60	56

Notes:
(1) Digital Printing (Volume) refers to the total amount of Digital Printing products produced using Digital Printing technology.
(2) Jacquard (Volume) refers to the total amount of Jacquard products produced using Jacquard technology.
(3) Others (Volume) refers to the total amount of other products produced using other techniques or technologies such as dobby, corduroy, etc.
(4) Digital Printing (Average Selling Price) refers to the average price at which Digital Printing products are sold. It is calculated by dividing the revenue earned from Digital Printing products by the volume of Digital Printing products produced.
(5) Jacquard (Average Selling Price) refers to the average price at which Jacquard products are sold. It is calculated by dividing the revenue earned from Jacquard products by the volume of Jacquard products produced.
(6) Others (Average Selling Price) refers to the average price at which other products are sold. It is calculated by dividing the revenue earned from other products by the total volume of other products produced.
(7) Distribution Network refers to the structured system of intermediaries/individuals that facilitate the movement of products or services from us to our customers. No. of dealers/ distributors refers to the total count of dealers or distributors responsible for distributing products from our company to our customers. No. of brokers/ agents refers to the total count of brokers or agents who connect our company with our customers.

Significant factors affecting our Financial Condition and Results of Operations

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

Raw materials cost

We source raw materials, such as yarns, chemicals, dyes, inks and greige fabrics, etc from our suppliers with whom we have established long-standing relationships in order to ensure the consistent supply of products to our customers. We do not enter into formal arrangements or contracts with certain of our suppliers and instead issue purchase orders to source our materials on an as-needed basis to such suppliers. Our business relies on the procurement of key raw materials, including yarns, greige fabrics, dyes, chemicals, and other essential inputs required for digital printing, jacquard weaving, dobby fabric production, embroidery, dyeing, and garment finishing. Any fluctuations in the prices, availability, or quality of these raw materials can significantly affect our cost structure and margins. The prices of yarns, greige fabrics, and chemicals are subject to market fluctuations driven by global demand-supply dynamics, raw material shortages, production disruptions, and commodity price changes. Additionally, since some of our raw materials, specialty dyes, and chemicals are either imported or linked to global commodity prices, they are vulnerable to currency exchange rate fluctuations, which can result in higher procurement costs and affect our cost of production and pricing competitiveness. The availability and pricing of raw materials also depend on our supplier arrangements, procurement strategies, and payment terms. As some of our key raw material suppliers are related parties, any changes in supplier terms, pricing revisions, or supply disruptions could impact our operational efficiency and working capital requirements. Additionally, the textile industry is subject to regulatory and environmental compliance, particularly in the use of dyes, chemicals, and synthetic materials. Stricter regulations may lead to higher compliance costs and require investment in alternative solutions, affecting our raw material expenses. Seasonality and demand fluctuations in the textile industry also impact bulk raw material procurement strategies, with increased demand during peak seasons leading to potential price hikes by suppliers. Furthermore, supply chain disruptions, including transportation delays, fuel cost hikes, and import-export restrictions, can contribute to rising procurement costs and affect our ability to maintain stable pricing. During Fiscals 2025, 2024 and 2023, our cost of materials consumed was ₹11,184.75 Lakhs, ₹10,693.21 Lakhs and ₹7,756.74 Lakhs, constituting 73.20%, 85.59% and 78.20% respectively, of our total revenue from operations. Our major raw materials are sourced domestically from Punjab, Gujarat and Tamil Nadu. Our cost of goods sold is impacted by the amount of raw materials procured and the price at which we procure such raw materials and may fluctuate from time to time. The availability and price of our raw materials may be subject to a number of factors beyond our control, including macro and micro economic factors, seasonal factors, environmental factors and changes in Government policies and regulations.

Operational efficiencies and working capital management

Our supply chain network comprises a diverse network of suppliers, contract manufacturers, brokers, agents, and distributors that play a crucial role in the seamless flow of raw materials, fabrics, and finished products. Given the high volume of raw materials and finished goods that move through this network, our supply chain is highly sensitive to changes or disruptions in procurement, production, or distribution processes. While we have established strong relationships with our partners, certain factors remain outside of our control, such as raw material availability, delays in transportation, regulatory changes, and geopolitical risks, which could impact our operations and financial performance.

Additionally, we are heavily reliant on logistics providers for the timely and efficient delivery of both inventory to our warehouses and customer orders to various retail channels and markets. Any disruption in transportation or supply chain inefficiencies could lead to delays in fulfilling orders, impacting customer satisfaction and profitability. Furthermore, our inventory management and operational margins are directly influenced by supply chain performance. Significant changes in the availability of raw materials, transportation costs, or distribution channels could impact our production schedules and profit margins. Therefore, maintaining a resilient and efficient supply chain is critical to ensuring business continuity, optimizing costs, and meeting customer expectations across our markets.

A significant proportion of our operating costs is attributable to our cost of raw materials consumed, which include cost of raw materials and direct expenses. Cost of raw materials consumed, which include cost of raw materials and accessories and packing materials, comprise costs related to the raw materials used to manufacture our products, which for the Fiscals 2025, 2024 and 2023 amounted to ₹11,184.75 Lakhs, ₹10,693.21 Lakhs and ₹7,756.74 Lakhs, constituting 73.20%, 85.59% and 78.20% respectively, of our revenue from operations.

Working capital management remains critical towards our profitability and our ability to successfully manage our working capital depends on our ability to manage payments, monitor inventory and manage our inventory days, trade receivables days and trade payables. For the Fiscals 2025, 2024 and 2023, we had inventory of ₹4,020.45 lakhs, ₹3,120.88 lakhs and ₹1,551.91 lakhs, respectively, trade payables of ₹2,257.03 lakhs, ₹1,542.13 lakhs and ₹1,555.76 lakhs, respectively, and trade receivables of ₹3,545.70 lakhs, ₹2,836.78 lakhs and ₹2,569.16 lakhs, respectively. Successfully managing our inventory will help us effectively prevent shortfalls and deal with unsold stock, while reducing our trade receivables days will improve our cash flow cycle and enable us to redeploy working capital in an efficient manner. For the Fiscals 2025, 2024 and 2023, we had inventory days of 137 days, 125 days and 73 days, respectively, trade receivables days of 85 days, 83 days and 95 days, respectively, and trade payables days of 77 days, 62 days and 73 days, respectively.

Seasonality

The demand for our products, including ready-to-stitch garments (womenswear), shawls, stoles, scarves, and fabrics, tends to fluctuate based on seasonal trends, festivals, and wedding seasons. Typically, there is higher demand during quarter 3 and quarter 4 due to festive periods and peak wedding seasons, particularly in Tier 3/4 cities, semi-urban, and rural markets, where traditional wear is more prominent. Additionally, export demand may vary based on seasonal preferences in international markets. This seasonality can lead to variations in sales volumes, inventory levels, and cash flows across different quarters.

During peak seasons, we experience an increase in orders, which requires higher production and inventory levels to meet customer demand. Conversely, off-peak periods may result in lower sales volumes, impacting cash flow and profitability if inventory levels are not well-managed. Seasonality also affects operational planning, as we need to ensure that production schedules, raw material procurement, and supply chain operations align with anticipated demand fluctuations. Any unexpected changes in seasonal trends or adverse weather conditions could further impact our sales performance and financial results. As a result, managing the seasonal nature of demand effectively is critical to maintaining consistent revenue streams and profitability throughout the year.

Consumer spending, market trends and the Indian economy

Urbanization and rising middle-class fuel revenue growth in the digital textile printing industry. An emerging middle class with higher discretionary spending power and increased appetite for consumer goods is fueling the overall textile industry in the domestic market. Growth in domestic textile market has a high degree of correlation with the rise of affluent middle class centered in urban markets. Urban population increased from 278 million to 373 million during the past decade (2001-11) and by 2030, the share of urban population is estimated to grow to about 41.7% of the population of India. Increasing urbanization indirectly increases disposable income and access to fashionable clothing. This trend coupled with high presence of young working population, will drive demand for digitally printed fabric. Nearly 61% of India's population was in the working age group i.e. 16-59 in 2011 which is expected to rise to 65.1 percent in 2036 with total population growing from 121.1 crores to 151.8 crores during the period 2011-2036. The population in this age group is more aspirational and aware. Rising working age population coupled with growing literacy rate in the country is leading to newer and better-quality jobs and higher remuneration, which in turn is leading to higher spending. The difference in disposable income has been improving in favour of rural consumers due to higher employment by means of government sponsored job outreach programs like MGNREGA. Consequently, rural consumer base has increased. Rural income growth has been supporting the growth of unbranded textile products (*Source: D&B Report*). We intend to capitalize on the growing industry opportunity and leverage our position in the industry, to continue to grow our business. Furthermore, the market is characterized by changing customer preferences. Our results of operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. We plan our inventory and commence our design process prior to launch and estimate our sales based on the forecasted demand for the forthcoming period. We have inventory manufactured or procured in advance and stored at our warehouses ahead of each upcoming season. Moreover, our success also depends to a significant extent on consumer confidence and spending, which is influenced by general economic conditions, discretionary income levels and our ability to respond to market trends. Our results of operations could be impacted by any of these factors and may decline during recessionary periods or in other periods where one or more macro-economic factors or potential macro-economic factors negatively affect consumer confidence and spending.

Competition

We face competition in our main business lines. Since our business is competitive, some of our key competitors that have diversified businesses, may have greater resources and offer a broader range of products than ours. Such competitors may also have longer operating histories, greater financial, technical, product development and marketing resources and greater brand recognition. Such competitors could use these resources to market or develop their products that are more effective or less costly than our products or that could render any or all of our products obsolete. Competitive pressures could also affect the pricing of our products. Greater competition for particular products could have a negative impact on pricing. Our success is dependent upon our ability to compete against such competitors. We will continue to seek to distinguish our offerings by providing quality products at competitive prices.

Capacity utilization

We seek to capitalize on the growth opportunities in the fashion and textile industry considering our current scale of operations, network of distributors, number of customers that we cater to and spearheaded by an experienced management team. As on March 31, 2025, our facilities at Amritsar have a production capacity of 158.77 lakhs MPA. We propose to increase our scale of operations in digital printing to cater to the increase in demand. The actual production and capacity utilization of our facilities at Amritsar for Fiscal 2025, Fiscal 2024 and Fiscal 2023, were as follows:

Particulars	Actual Production					
	Fiscal 2025 (MPA)	Capacity utilization (%)	Fiscal 2024 (MPA)	Capacity utilization (%)	Fiscal 2023 (MPA)	Capacity utilization (%)
Digital printing	54,28,505	58.90%	33,16,502	76.19%	7,93,906	55.73%
Jacquards	34,83,749	79.12%	34,32,578	77.96%	18,92,240	52.32%
Others such as dobby and corduroy	20,18,997	89.42%	20,16,201	89.29%	16,41,264	53.84%
Total	**1,09,31,251**	**68.85%**	**87,65,281**	**79.58%**	**43,27,410**	**53.49%**

**As certified by Er. Rohit Kapoor, Chartered Engineer pursuant to certificate dated June 20, 2025.*

We have installed additional digital printing equipment, allowing us to scale up production and cater to diverse customer needs, including customized and short-run orders for branded and non-branded segments. We have installed HM2700B-TK64-A1 Digital Printing Machine by Hanglory Group, Shenzhen, China. The HM2700B-TK64-A1 Digital Printing Machine is a solution designed to meet the evolving demands of the textile and fashion industries. This advanced machine delivers high-resolution printing with sharp, detailed patterns and vibrant colours, ensuring exceptional accuracy and quality. Optimized for both small and large production runs, it offers quick turnaround times, making it ideal for fast fashion and on-demand textile solutions. The machine is highly versatile, supporting a wide range of fabrics, including cotton, polyester, viscose, and blends, enabling diverse applications. Its customization capabilities allow for the creation of unique and detailed designs tailored to specific customer requirements. Additionally, the HM2700B-TK64-A1 incorporates eco-friendly features, minimizing waste and promoting energy-efficient operations. This innovative technology will enhance our production capabilities and reflect our commitment to delivering superior textile solutions while aligning with sustainability goals. The machinery, once fully operational, is expected to increase our digital printing capacity to 140.00 lakhs MPA. For further details, please see "*Our Business - Our Manufacturing capabilities*" on page 217.

Relationships with customers

We do not enter into long-term contracts with any of our customers. The sales to our customers are basis purchase orders. A substantial portion of our revenue is derived from repeat orders and long-term partnerships with a diverse customer base that includes wholesalers, retailers, apparel brands, and institutional buyers. Maintaining strong customer relationships is crucial for sustaining our order flow, cash flow, and overall profitability. Any changes in customer preferences, purchasing patterns, or financial health could directly affect our sales volumes and profitability. Additionally, our ability to offer customized products, competitive pricing, and timely delivery plays a vital role in retaining existing customers and attracting new ones. As our customers operate in highly dynamic and competitive markets, it is essential for us to continuously innovate and adapt to their evolving demands to remain a preferred supplier. A disruption in our key customer relationships, whether due to operational issues, pricing pressure, or external market conditions, could significantly impact our financial performance. Therefore, our financial condition and results of operations are closely linked to how effectively we manage and nurture our customer relationships to ensure consistent business growth and market presence. We also have an in-house sales team which interacts regularly with our customers in order to understand their evolving requirement. Additionally, our dealer - based sales and distribution network focuses on order servicing and collections. However, failure to meet the expectations of the client can lead to cancellation of current and future orders.

Government policies

The Indian government is actively promoting the textile sector through initiatives aimed at establishing textile hubs across the country. This governmental support enhances infrastructure and investment opportunities, encouraging more businesses to transition to digital textile printing technologies. Various policies and initiatives, such as providing subsidies and incentives to manufacturers and promoting skill development programs are expected to further drive the adoption of digital textile printing technology within the Indian textile industry. Amended Technology Upgradation Fund Scheme (ATUFS) is aimed at technologically upgrading the machinery used in textile industry. Upgrading machinery used in textile industry improves quality of products and reduces the manufacturing cost, which will make Indian textile industry more competitive in the global arena. With the aim of 'Make in India' and 'Zero Defect and Zero Effect' in manufacturing, the government provides credit linked capital investment subsidy. This scheme would facilitate augmenting of investment, productivity, quality, employment, exports and import substitution in the textile industry. It will also indirectly promote investment in textile machinery manufacturing. Units that meet the lending norms of financial institutions and the scheme's benchmark criteria are eligible. Subsidy rates depend on the type of unit and capital investment with the budget allocation INR 17,822 Crores for FY 2023. The PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme is a government initiative to create modern textile value chain in India. This scheme is aimed at making the sector globally competitive by building best-in-class manufacturing infrastructure, upgradation of technology, fostering innovation, enhancing skills and reducing costs in the sector. The Government of India approved 7 PM MITRA parks for the textile industry. These parks will provide 1,00,000 jobs directly and 2,00,000 jobs indirectly, in addition to attracting an investment of INR 10,000 Crore. The Production Linked Incentive (PLI) scheme aims to boost production of technical textiles, manmade fibres (MMF) and MMF apparel. This is at a budget of INR 106.83 billion, for the timeline of FY 2025- 26 to FY 2029-30. Companies that meet the performance and investment targets one year early can become eligible one year earlier. The scheme focuses on technical textiles, MMF Fabrics, and MMF apparels. It aims to create 7,50,000 jobs, achieve a turnover of INR 3 Lakh Crore and attract an investment of INR 19,000 Crore. Government initiatives, coupled with PLI schemes offering globally cost-competitive products have made India an important country exporting digital printed textile to Middle East and African countries. Supportive government initiatives such as PM-Mega Integrated Textiles and Apparel Park (PM-MITRA), Textile Cluster Development Scheme, Integrated Processing Development Scheme, PLI, amongst others are helping in improving the production technology, which is driving the overall production volume in the sector. (*Source: D&B Report*)

Critical Accounting Policies and Significant Judgments and Estimates

The methods, assumptions, and estimates that we use in applying our accounting policies may require us to apply judgments regarding matters that are inherently uncertain. We consider an accounting policy to be a critical estimate if: (1) we must make assumptions that were uncertain when the judgment was made, and (2) changes in the estimate assumptions, or selection of a different estimate methodology, could have a significant impact on our financial position and the results that we report in our Restated Financial Information. While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information available when the estimate was made.

Further, our material accounting policies as per Restated Financial Information, are as follows:

a) Basis of preparation of restated financial information

The Restated Financial Information of the company comprise of Restated Statement of Assets and Liabilities as March 31, 2025, March 31, 2024 and March 31, 2023, the related Restated Statement of Profit and Loss, Restated Statement of Changes in Equity and Restated Statement of Cash Flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, and the material accounting policies and explanatory notes (collectively, the "**Restated Financial Information**"), and have been prepared by the management specifically for inclusion in the Draft Red Herring Prospectus ("**DRHP**") to be filed by the Company with SME Platform of National Stock Exchange of India Limited ("**NSE Emerge**") in connection with proposed Initial public Offering ("**IPO**").

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**");

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"); and

(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended (the "**Guidance Note**").

The Restated Financial Information of the company have been prepared to comply in all material respects with the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.

The Restated Financial Information have been compiled by the Management from Audited Financial Statements of the Company audited by us for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 which have been prepared by the Company in accordance with Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as amended and other accounting principles generally accepted in India, along with the presentation requirements of Division I of Schedule III to the Companies Act, 2013 (AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on September 04, 2024, September 02, 2023 and September 02, 2022 respectively.

The Restated Financial Information have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

i. Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

ii. Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively in the year ended March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022, in order to bring them in line with the groupings and the requirements of the SEBI ICDR Regulations, if any; and

iii. The resultant impact of tax due to the aforesaid adjustments, if any.

b) Use of estimates

The preparation of restated financial information in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, Plant and Equipment

Tangible assets are stated at cost, less accumulated depreciation and impairment (if any). Cost consists of acquisition cost comprising purchase price (excluding rebates and discounts) and direct cost incurred to make the asset ready to use. All assets costing Rs. 5,000 or below are fully depreciated in the year of addition.

Subsequent expenditure related to an item of property plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items & Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

e) Depreciation and Amortization

Depreciation on fixed assets is provided on written down value method at the rate arrived at based on the useful lives as estimated by the management which is in accordance with Schedule II to the Companies Act,2013.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

f) Government grants and subsidies

Government grants and subsidies relating to revenue are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

g) Leases

Where the Company is lessee:
Company has not taken any asset on leasehold basis

Where the company is lessor
Company has not given any asset on leasehold basis.

h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments/deposits with an original maturity of three months or less.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.

Revenue from sale of goods and services are recognised when control of the products being sold is transferred to our customer and then there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

m) Foreign currency translation

<u>Initial recognition</u>
Foreign currency transactions are recorded in the reporting currency, by applying the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

<u>Conversion</u>
Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

<u>Exchange differences</u>
Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

n) Retirement and other employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

<u>Defined contribution plans</u>
Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

<u>Defined benefit plans</u>
For defined benefit plan in the form of gratuity, the cost of providing benefits is determined based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

While Company maintains systems and procedures to monitor and encourage client compliance, it may not have direct control over the actions and decisions made by the clients. Therefore, the possibility of unforeseen contingent liabilities arising from client non-compliance cannot be completely eliminated.

o) Segment reporting

The Company's business activity primarily falls within a single business segment. The Company mainly operates Indian domicile. Hence segment information as per AS 17 is not required to be disclosed.

p) Income taxes and Deferred Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Segment Information

There is no reportable segment identified on the basis of which segment information is required to be disclosed.

Information about Revenue Split by Geographical Area

(₹ in Lakhs)

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from operations	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***	**Revenue from operations**	***% of Revenue from operations***
Domestic	14,613.91	95.65%	12,494.14	*100.00%*	9,918.84	*100.00%*
Exports	664.82	4.35%	-	-	-	-
Total	**15,278.73**	***100.00%***	**12,494.14**	***100.00%***	**9,918.84**	***100.00%***

**As certified by M/s. S G U R & Co., Chartered Accountants, by way of their certificate dated July 15, 2025.*

Key Components of Income and Expenses

We report our income and expenditure in the following manner:

Total Income

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

Revenue from operations: consists revenue generated from the sale of our products, sale of services and sale of packaging materials, scrap, etc. Our revenue from sale of products consists revenue from production and sale of fabrics, including digitally printed, jacquard, dobby, corduroy, and other customized fabrics tailored for various applications and revenue from ready-to-stitch garments (womenswear) such as suits and co-ord sets and accessories like shawls and stoles designed to meet customer preferences. Our revenue from sale of services is earned from fabric processing services, including dyeing, digital printing, and fabric finishing, performed for third-party clients.

Other income: includes (i) recurring income which comprises of interest received on security deposits, fixed deposits, and parties, foreign exchange gain fluctuations, rent received from leasing part of our properties; and (ii) non-recurring income which primarily comprises of profit on sale of fixed assets, and export incentives primarily received under the Remission of Duties or Taxes on Export Products (RoDTEP) scheme and Duty Drawback Scheme, etc.

Total Expenses

Our total expenses comprise of cost of material consumed; changes in inventories of finished goods and work-in-process; employee benefits expense; finance costs; depreciation and amortisation expense; and other expenses.

Cost of material consumed: primarily consists of purchase of raw materials, such as, yarns, chemicals, dyes, inks and greige fabrics and related materials; (ii) direct expenses such as wages to labours, accessories consumed, clipping & mending charges, cord cutting expenses, cutting & twisting, diesel, fuel, oil & lubricants consumed, dyeing & finishing, electric equipment consumed, electricity, embroidery, firefighting exp, custom duty, duty drawback, freight, fabrication, pet coke consumed, custom, clearing & forwarding, designing, sorting & grading, testing charges, warping expenses, packing material consumed; and (iii) changes in inventories of raw materials represents the net increase or decrease in raw materials at the beginning of the year and end of the year.

Changes in inventories: represents the net increase or decrease in finished goods at the beginning of the year and end of the year.

Employee benefits expenses: comprises of staff welfare expense, contribution to statutory fund, salaries to directors, salaries to office staffs, annual leave with wages, bonus, gratuity account and incentives.

Finance costs: consists of interest expenses and bank charges.

Depreciation and Amortization Expenses: includes depreciation expenses on property plant and equipment and amortisation of intangible assets.

Other Expenses: comprises majorly rent expenses, electricity expenses, computer rentals, software charges, office expenses and repairs and maintenance, advertisement expenses, travelling expenses, etc.

Our Results of Operations

The following table sets forth select financial data derived from our restated statement of profit and loss for the Fiscals 2025, 2024 and 2023 and we have expressed the components of select financial data as a percentage of total income for such years:

Particulars	**Fiscals**					
	2025		**2024**		**2023**	
	(₹ in Lakhs)	***(% of total income)***	**(₹ in Lakhs)**	***(% of total income)***	**(₹ in Lakhs)**	***(% of total income)***
Income						
Revenue from Operations	15,278.73	*99.72%*	12,494.14	*99.93%*	9,918.84	*99.84%*
Other income	42.77	*0.28%*	9.18	*0.07%*	15.56	*0.16%*
Total Income	**15,321.50**	***100.00%***	**12,503.32**	***100.00%***	**9,934.40**	***100.00%***
Expenses						
Cost of material consumed	11,184.75	*73.00%*	10,693.21	*85.52%*	7,756.74	*78.08%*
Changes in inventories of finished goods and work-in progress	(442.59)	*(2.89%)*	(1,561.31)	*(12.49)%*	24.10	*0.24%*
Employees Benefit Expenses	622.73	*4.06%*	548.71	*4.39%*	469.62	*4.73%*
Finance Costs	435.20	*2.84%*	392.93	*3.14%*	282.11	*2.84%*
Depreciation and Amortization	422.55	*2.76%*	338.68	*2.71%*	192.08	*1.93%*
Other expenses	907.62	*5..92%*	570.93	*4.57%*	389.55	*3.92%*
Total Expenses	**13,130.26**	***85.70%***	**10,983.15**	***87.84%***	**9,114.20**	***91.74%***
Profit /(Loss) before tax and exceptional items	**2,191.24**	***14.30%***	**1,520.17**	***12.16%***	**820.20**	***8.26%***
Exceptional Items	-	-	-	-	-	-
Restated Profit /(Loss) before tax	**2,191.24**	***14.30%***	**1,520.17**	***12.16%***	**820.20**	***8.26%***
Tax Expenses	500.77	*3.27%*	389.37	*3.11%*	261.05	*2.63%*
Restated Profit /(Loss) for the year / period	**1,690.47**	***11.03%***	**1,130.80**	***9.04%***	**559.14**	***5.63%***

Fiscal 2025 compared to Fiscal 2024

Total Income

Our total income increased by 22.54% to ₹15,321.50 lakhs for Fiscal 2025 from ₹12,503.32 lakhs for Fiscal 2024 based on Restated Financial Information. This increase was primarily due to significant increase in our revenue from operations which was primarily driven by revenue from production and sale of fabrics, including digitally printed, jacquard, dobby, corduroy, and other customized fabrics tailored for various applications and revenue from ready-to-stitch garments (womenswear) such as suits and co-ord sets, and accessories like shawls and stoles designed to meet customer preferences and our revenue from sale of services is earned from processing services, including dyeing, digital printing, and fabric finishing, performed for third-party clients, sale from packaging materials, scrap, etc. and significant decrease in our other income primarily due to significant increase in export incentives primarily received under the Remission of Duties or Taxes on Export Products (RoDTEP) scheme and Duty Drawback Scheme. For further details, please see, "- *Fiscal 2025 compared to Fiscal 2024 - Total Income – Revenue from operations*" and "- *Fiscal 2025 compared to Fiscal 2024 - Total Income – Other income*" below.

Revenue from operations: Our revenue from operations increased by 22.29% to ₹15,278.73 lakhs for Fiscal 2025 from ₹12,494.14 lakhs for Fiscal 2024 based on Restated Financial Information, primarily due to the following reasons:

- Sale of products, i.e., sale of fabrics, including digitally printed, jacquard, dobby, corduroy, and other customized fabrics and revenue from ready-to-stitch garments (womenswear) such as suits and co-ord sets, and accessories like shawls and stoles increased by 31.34% to ₹13,943.07 lakhs in Fiscal 2025 from ₹10,615.86 lakhs in Fiscal 2024. This was primarily due to:

  - Higher production volumes particularly in digital printing segment, expanded product offerings, and growing customer demand across domestic markets. Our focus on digitally printed fabrics along with ready-to-stitch garments like suits, shawls, and stoles, has contributed significantly to the rise in revenue. We manufactured 27.95 lakhs meters of fabrics in digital printing segment and 3.51 lakhs pcs of ready-to-stitch garments and accessories in digital printing segment during Fiscal 2025 as compared to 13.84 lakhs meters of fabrics in digital printing segment and 1.89 lakhs pcs of ready-to-stitch garments and accessories in digital printing segment during Fiscal 2024. For details please see, "*Basis for Offer Price - Key operational indicators (Only for our product revenue segment)*" on page 131. This strategic shift from the traditional manufacturing fabric segment to higher-value digital printing fabrics and garments, has led to an overall increase in revenue and improved profitability; and

  - Our ability to cater to both branded and non-branded segments, including customized products for apparel brands and its own branded offerings, has allowed it to capture a wider market share and increase order volumes. Additionally, our expansion into Tier 3/4 cities and rural areas through its own brands has further contributed to higher sales volumes in previously untapped markets. Our sales from our own brands contributed 45.57%, sales from brand enabling segment for apparel brands contributed 30.52%, and sales from non-branded segment contributed to 15.17% in Fiscal 2025 as compared with sales from our own brands contributed 45.58%, sales from brand enabling segment for apparel brands contributed 20.63%, and sales from non-branded segment contributed 18.75% in Fiscal 2023. For details please see, "*Our Business – Our Revenue Mix*" on page 208. This strategic shift from the non-branded fabric segment to higher-value branded and brand enabler segments, has led to an overall increase in revenue and improved profitability.

- Sale of services earned from processing services, including dyeing, digital printing, and fabric finishing, performed for third-party clients decreased by 31.14% to ₹1,241.01 lakhs in Fiscal 2025 from ₹1,802.10 lakhs in Fiscal 2024 is primarily attributable to a strategic shift in focus toward higher-margin product sales and increased in-house utilization of production capacities. With the expansion of the Company's digital printing and weaving infrastructure during Fiscal 2024, a larger portion of these facilities was dedicated to fulfilling internal orders for own branded and brand-enabler product lines, thereby reducing the availability of capacity for external third-party service assignments. Additionally, the Company prioritized product-based revenue, which offers better control over pricing and customer relationships, compared to processing services that generally operate on narrower margins; and

- Sale of other packaging materials, scrap, etc. increased by 24.25% to ₹94.65 lakhs in Fiscal 2025 from ₹76.18 lakhs in Fiscal 2024.

Other income: Our other income was increased by 365.73% to ₹42.77 lakhs for Fiscal 2025 from ₹9.18 lakhs for Fiscal 2024 based on Restated Financial Information, primarily due to:

- increase in interest income from security deposits for ₹4.18 lakhs in Fiscal 2025 as compared to interest income from security deposits for ₹2.26 lakhs in Fiscal 2024;

- decrease in interest income from fixed deposits for NIL in Fiscal 2025 as compared to ₹0.27 lakhs in Fiscal 2024;

- decrease in interest income from parties on delayed payment for ₹0.60 lakhs in Fiscal 2025 as compared to ₹2.98 lakhs in Fiscal 2024;

- increase in exchange rate difference for ₹9.44 lakhs in Fiscal 2025 as compared to NIL in Fiscal 2024;

- increase in export incentives primarily received under the Remission of Duties or Taxes on Export Products (RoDTEP) scheme and Duty Drawback Scheme for ₹24.88 lakhs in Fiscal 2025 as compared to NIL in Fiscal 2024.

Total Expenses

Cost of material consumed: The cost of material consumed increased by 4.60% to ₹11,184.75 lakhs in Fiscal 2025 from ₹10,693.21 lakhs Fiscal 2024 based on Restated Financial Information. The increase was primarily due to the following reasons:

- increase in purchase of raw materials for ₹6,955.99 lakhs in Fiscal 2025 as compared to ₹6,297.71 lakhs in Fiscal 2024 due to the rise in production volumes driven by higher customer demand, new product launches, and our expanded manufacturing capabilities. As we have increased our focus on value-added fabrics, such as digitally printed fabrics, the requirement for greige fabrics, chemicals, dyes, and accessories has grown significantly. Our strategy to expand our ready-to-stitch garment segment, including suits, co-ord sets, shawls, stoles, and scarves, has also contributed to a higher consumption of raw materials. Additionally, increased sourcing of specialty yarns, chemicals, and fabrics to meet customized customer requirements has resulted in a higher procurement of raw materials. Moreover, as we have entered new markets and strengthened our distribution channels, there has been an uptick in orders, requiring the procurement of larger quantities of raw materials to support higher production targets. The increased emphasis on maintaining product quality and expanding product offerings has also led to purchasing premium yarns, sustainable fabrics, and eco-friendly dyes;

- increase in direct expenses cost such as wages to labours, accessories consumed, clipping & mending charges, cord cutting expenses, cutting & twisting, diesel, fuel, oil & lubricants consumed, dyeing & finishing, electric equipment consumed, electricity, embroidery, firefighting exp, custom duty, duty drawback, freight, fabrication, pet coke consumed, custom, clearing & forwarding, designing, sorting & grading, testing charges, warping expenses, packing material consumed for ₹4,686.55 lakhs in Fiscal 2025 from ₹4,393.61 lakhs in Fiscal 2024 primarily due to the growth in production volumes, higher raw material usage, and expansion of manufacturing activities during the year. The increase reflects our enhanced capacity utilization, introduction of new products, and greater focus on value-added processes such as digital printing, jacquard weaving, and embroidery, which require more labour, power, and consumables; and

- changes in inventories of raw materials at the beginning of the year and at the end of the year amounted to ₹ (457.79) lakhs in Fiscal 2025 from ₹1.89 lakhs in Fiscal 2024.

Changes in inventories: The changes in inventories of finished goods amounted to ₹ (442.59) lakhs in the Fiscal 2025 in comparison to ₹ (1,561.31) lakhs in Fiscal 2024 based on Restated Financial Information. This was primarily due to increase in closing stock of finished goods in Fiscal 2025 as compared to Fiscal 2024 reflecting our expanded production capacity, diversification of product offerings, and strategic approach to managing inventory to meet anticipated future demand. The increase in finished goods stock is primarily driven by our production of fabrics such as digitally printed fabrics, jacquard fabrics, dobby fabrics, corduroy fabrics, and ready-to-stitch garments like suits, co-ord sets, shawls, and stoles, aimed at fulfilling bulk orders and seasonal customer demand. The rise in closing stock levels is also attributed to new product development efforts and our preparation for peak sales periods, such as festive seasons and wedding seasons, where demand is typically higher. Additionally, our expansion into new markets, particularly in Tier 3/4 cities and rural areas, has led to increased production, resulting in a higher stock of finished goods to ensure timely fulfilment of new and repeat orders. Another contributing factor to the increase in finished goods stock is our focus on maintaining a broader product mix to cater to customer preferences across different regions and end-use applications. By holding adequate stock levels, we are better positioned to meet unexpected spikes in demand, ensure faster order fulfilment, and minimize the risk of supply chain disruptions.

Employee benefits expenses: The employee benefits expense increased by 13.49% to ₹622.73 lakhs for the Fiscal 2025 from ₹548.71 lakhs for the Fiscal 2024 based on Restated Financial Information, primarily due to:

- increase in salaries to office staff to ₹187.68 lakhs for the Fiscal 2025 from ₹162.17 lakhs for the Fiscal 2024;

- increase in bonus paid to ₹88.57 lakhs for the Fiscal 2025 from ₹77.43 lakhs for the Fiscal 2024;

- increase in incentive paid to ₹25.35 lakhs for the Fiscal 2025 from Nil for the Fiscal 2024; and

- increase in annual leave with wages paid to our employees to ₹58.92 lakhs in Fiscal 2025 from ₹51.17 lakhs in Fiscal 2024.

Finance costs: The finance costs increased by 10.76% to ₹435.20 lakhs for the Fiscal 2025 from ₹392.93 lakhs for the Fiscal 2024 based on Restated Financial Information, primarily due:

- increase in interest expense on borrowings from banks to ₹283.44 lakhs in Fiscal 2025 from ₹224.98 lakhs in Fiscal 2024 consequent to increase in our total borrowings from banks to ₹3,291.05 lakhs as of March 31, 2025 from ₹2,672.74 lakhs as of March 31, 2024;

- increase in interest expense on unsecured borrowings from related parties to ₹118.53 lakhs in Fiscal 2025 from ₹158.86 lakhs in Fiscal 2024; and

- increase in other borrowing costs, comprising of bank charges and loan processing fees to ₹33.24 lakhs in Fiscal 2025 from ₹9.09 lakhs in Fiscal 2024.

Depreciation and Amortization Expenses: The depreciation and amortization expenses increased by 24.76% to ₹422.55 lakhs for the Fiscal 2025 from ₹338.68 lakhs for the Fiscal 2024 based on Restated Financial Information, primarily due to increase in depreciation on property, plant and equipment to ₹422.55 lakhs for the Fiscal 2025 from ₹338.62 lakhs for the Fiscal 2024 due to additions and disposals in property, plant and equipment for ₹955.86 lakhs (net) during the Fiscal 2025.

Other Expenses: The other expenses increased by 58.97% to ₹907.62 lakhs for the Fiscal 2025 from ₹570.93 lakhs for the Fiscal 2024 based on Restated Financial Information, primarily due to:

- increase in rent to ₹172.40 lakhs for the Fiscal 2025 from ₹55.57 lakhs for the Fiscal 2024, primarily attributable to the rent payable towards the three warehouses and plant machineries taken on lease;

- increase in conveyance allowance, vehicle running and travelling expenses to ₹38.38 lakhs for the Fiscal 2025 from ₹29.03 lakhs for the Fiscal 2024, primarily attributable to sales, procurement, operational oversight, and supply chain management and are necessary to support our business operations, customer engagement, and logistics processes;

- increase in fees & taxation, property tax and pollution expenses to ₹20.15 lakhs for the Fiscal 2025 from ₹12.74 lakhs for the Fiscal 2024, primarily attributable to the government levies, statutory fees, professional fees for regulatory filings, business licenses, and renewal charges, ownership and use of land, buildings, and other real estate assets such as manufacturing facilities, warehouses, corporate offices, and sales outlets and compliance with environmental laws and pollution control norms mandated by government bodies;

- increase in repairs and maintenance to ₹85.42 lakhs for the Fiscal 2025 from ₹57.17 lakhs for the Fiscal 2024, primarily attributable to upkeep and smooth functioning of our manufacturing facilities, machinery, equipment, warehouses, and office premises;

- increase in security agency services to ₹41.60 lakhs for the Fiscal 2025 from ₹26.69 lakhs for the Fiscal 2024, primarily attributable to the cost of hiring professional security personnel from third-party security agencies to provide round-the-clock surveillance and access control at key locations, including manufacturing units, warehouses, corporate offices;

- increase in brokerage to ₹191.96 lakhs for the Fiscal 2025 from ₹136.57 lakhs for the Fiscal 2024, primarily attributable to commission payments to our brokers/agents who facilitate business relationships with retailers, wholesalers, apparel brands, institutional buyers, and other clients, particularly in semi-urban and rural markets for expanding market reach;

- increase in rebate, discount and rate difference of ₹234.56 lakhs for the Fiscal 2025 from ₹197.83 lakhs for the Fiscal 2024, primarily attributable to price adjustments or concessions provided to customers, dealers, distributors, and institutional buyers; and

- increase in exhibition & sale promotion of ₹16.12 lakhs for the Fiscal 2025 from ₹3.78 lakhs for the Fiscal 2024, primarily attributable to our enhanced marketing efforts aimed at expanding its presence in new markets and strengthening brand visibility. This includes participation in textile and fashion trade fairs, exhibitions, and buyer-seller meets.

Tax Expenses

Our total tax expense was increased by 28.61% to ₹500.77 lakhs for the Fiscal 2025 from ₹389.37 lakhs for the Fiscal 2024 comprising of current income tax and deferred tax credit/charge. During the Fiscal 2025, we incurred current tax expenses of ₹583.87 lakhs and deferred tax credit of ₹83.10 lakhs and during Fiscal 2024, we incurred current tax expenses of ₹408.53 lakhs and deferred tax credit of ₹19.15 lakhs. The decrease in our deferred tax charge to deferred tax credit was primarily due to creation of deferred tax assets on account of timing difference in Net block as per books & as per Income Tax. Further, our effective tax rate was 25.17% for the Fiscals 2025 and 2024.

Restated profit after tax for the year

Due to the foregoing, we incurred a profit of ₹1,690.47 lakhs during the Fiscal 2025, as compared to a profit of ₹1,130.80 lakhs during the Fiscal 2024. Our profit has significantly increased primarily driven by our growth in revenue from fabric production, ready-to-stitch garments, and third-party processing services, as well as strategic initiatives such as doubling our digital printing capacity and enhancing brand-enabling services for apparel brands. For details with respect to the capacity expansion, refer "*Our Business – Our Manufacturing capabilities*" on page 217. This expansion in digital printing capabilities has allowed us to cater to the growing demand for fast-fashion products with customized, high-quality designs, resulting in higher margins and greater customer satisfaction. Additionally, our role as a brand enabler for established and emerging apparel brands has contributed significantly to revenue growth, as it provides tailored solutions, quick trend adaptations, and high-value fabric offerings that align with global fashion trends. Our ability to expand our product portfolio with value-additions has further boosted sales volumes and profitability. On the cost front, our total expenses as a percentage of total income for Fiscal 2025 was only 85.70% as compared to 87.84% for Fiscal 2024. Our efforts to optimize production processes, reduce wastage, and improve supply chain management have contributed to better cost control, enhancing operational margins. Despite rising input costs for raw materials, fuel, and logistics, the company has successfully maintained competitive pricing while improving its gross profit margins through value-added products and efficient resource utilization. The increase in profit reflects our strategic focus on scaling its production capacity, expanding brand-enabling services, growing our customer base, and improving operational efficiencies. Our investment in digital printing, combined with our brand-centric approach, has helped drive sustainable growth and profitability, positioning it in the textile and garment industry.

Fiscal 2024 compared to Fiscal 2023

Total Income

Our total income increased by 25.86% to ₹12,503.33 lakhs for Fiscal 2024 from ₹9,934.40 lakhs for Fiscal 2023 based on Restated Financial Information. This increase was primarily due to significant increase in our revenue from operations which was primarily driven by revenue from production and sale of fabrics, including digitally printed, jacquard, dobby, corduroy, and other customized fabrics tailored for various applications and revenue from ready-to-stitch garments (womenswear) such as suits and co-ord sets, and accessories like shawls and stoles designed to meet customer preferences and our revenue from sale of services is earned from processing services, including dyeing, digital printing, and fabric finishing, performed for third-party clients, sale from packaging materials, scrap, etc. and significant decrease in our other income primarily due to significant increase in the interest income generated from the security deposits, increase in rental income from leasing part of our properties and significant decrease in the profit on sale of fixed assets. For further details, please see, "- *Fiscal 2024 compared to Fiscal 2023 - Total Income – Revenue from operations*" and "- *Fiscal 2024 compared to Fiscal 2023 - Total Income – Other income*" below.

Revenue from operations: Our revenue from operations increased by 25.96% to ₹12,494.14 lakhs for Fiscal 2024 from ₹9,918.84 lakhs for Fiscal 2023 based on Restated Financial Information, primarily due to the following reasons:

- Sale of products, i.e., sale of fabrics, including digitally printed, jacquard, dobby, corduroy, and other customized fabrics and revenue from ready-to-stitch garments (womenswear) such as suits and co-ord sets, and accessories like shawls and stoles increased by 22.26% to ₹10,615.86 lakhs in Fiscal 2024 from ₹8,253.19 lakhs in Fiscal 2023. This was primarily due to:

    - Higher production volumes particularly in digital printing segment, expanded product offerings, and growing customer demand across domestic markets. Our focus on digitally printed fabrics along with ready-to-stitch garments like suits, shawls, and stoles, has contributed significantly to the rise in revenue. We manufactured 13.84 lakhs meters of fabrics in digital printing segment and 1.89 lakhs pcs of ready-to-stitch garments and accessories in digital printing segment during Fiscal 2024 as compared to 7.28 lakhs meters of fabrics in digital printing segment and 1.00 lakhs pcs of ready-to-stitch garments and accessories in digital printing segment during Fiscal 2023. For details please see, "*Basis for Offer Price - Key operational indicators (Only for our product revenue segment)*" on page 131. This strategic shift from the traditional manufacturing fabric segment to higher-value digital printing fabrics and garments, has led to an overall increase in revenue and improved profitability; and

    - Our ability to cater to both branded and non-branded segments, including customized products for apparel brands and its own branded offerings, has allowed it to capture a wider market share and increase order volumes. Additionally, our expansion into Tier 3/4 cities and rural areas through its own brands has further contributed to higher sales volumes in previously untapped markets. Our sales from our own brands contributed 45.58%, sales from brand enabling segment for apparel brands contributed 20.63%, and sales from non-branded segment contributed to 18.75% in Fiscal 2024 as compared with sales from our own brands contributed 35.30%, sales from brand enabling segment for apparel brands contributed 16.82%, and sales from non-branded segment contributed 31.08% in Fiscal 2023. For details please see, "*Our Business – Our Revenue Mix*" on page 208. This strategic shift from the non-branded fabric segment to higher-value branded and brand enabler segments, has led to an overall increase in revenue and improved profitability.

- Sale of services earned from processing services, including dyeing, digital printing, and fabric finishing, performed for third-party clients increased by 11.10% to ₹1,802.10 lakhs in Fiscal 2024 from ₹1,602.10 lakhs in Fiscal 2023 reflects our growing expertise and capacity in offering value-added textile solutions. The rise in third-party processing orders can be attributed to the increasing demand from apparel brands, wholesalers, and fabric manufacturers who outsource dyeing, printing, and finishing services to leverage our advanced machinery and quality output. Our focus on digital printing services, which offer customized, fast-turnaround solutions, has been a key contributor to this growth, as brands continue to seek modern designs and intricate patterns to meet fast-fashion trends. Additionally, the rise in demand for premium fabric finishing services, including pre-treatment, post-treatment, and fabric softening processes, has driven higher service revenues, as these processes enhance the durability, texture, and colourfastness of fabrics; and

- Sale of other packaging materials, scrap, etc. increased by 16.58% to ₹76.18 lakhs in Fiscal 2024 from ₹63.55 lakhs in Fiscal 2023.

Other income: Our other income was decreased by 40.98% to ₹9.18 lakhs for Fiscal 2024 from ₹15.56 lakhs for Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in interest income from security deposits for ₹2.26 lakhs in Fiscal 2024 as compared to interest income from security deposits for ₹1.26 lakhs in Fiscal 2023;

- decrease in interest income from fixed deposits for ₹0.27 lakhs in Fiscal 2024 as compared to ₹2.46 lakhs in Fiscal 2023; and

- increase in interest income from parties on delayed payment for ₹2.98 lakhs in Fiscal 2024 as compared to Nil in Fiscal 2023.

Total Expenses

Cost of material consumed: The cost of material consumed increased by 37.86% to ₹10,693.21 lakhs in Fiscal 2024 from ₹7,756.74 lakhs Fiscal 2023 based on Restated Financial Information. The increase was primarily due to the following reasons:

- increase in purchase of raw materials for ₹6,297.71 lakhs in Fiscal 2024 as compared to ₹4,437.41 lakhs in Fiscal 2023 due to the rise in production volumes driven by higher customer demand, new product launches, and our expanded manufacturing capabilities. As we have increased our focus on value-added fabrics, such as digitally printed fabrics, the requirement for greige fabrics, chemicals, dyes, and accessories has grown significantly. Our strategy to expand our ready-to-stitch garment segment, including suits, co-ord sets, shawls, stoles, and scarves, has also contributed to a higher consumption of raw materials. Additionally, increased sourcing of specialty yarns, chemicals, and fabrics to meet customized customer requirements has resulted in a higher procurement of raw materials. Moreover, as we have entered new markets and strengthened our distribution channels, there has been an uptick in orders, requiring the procurement of larger quantities of raw materials to support higher production targets. The increased emphasis on maintaining product quality and expanding product offerings has also led to purchasing premium yarns, sustainable fabrics, and eco-friendly dyes;

- increase in direct expenses cost such as wages to labours, accessories consumed, clipping & mending charges, cord cutting expenses, cutting & twisting, diesel, fuel, oil & lubricants consumed, dyeing & finishing, electric equipment consumed, electricity, embroidery, firefighting exp, custom duty, duty drawback, freight, fabrication, pet coke consumed, custom, clearing & forwarding, designing, sorting & grading, testing charges, warping expenses, packing material consumed for ₹4,393.61 lakhs in Fiscal 2024 from ₹3,173.90 lakhs primarily due to the growth in production volumes, higher raw material usage, and expansion of manufacturing activities during the year. The increase reflects our enhanced capacity utilization, introduction of new products, and greater focus on value-added processes such as digital printing, jacquard weaving, and embroidery, which require more labour, power, and consumables; and

- changes in inventories of raw materials at the beginning of the year and at the end of the year amounted to ₹1.89 lakhs in Fiscal 2024 from ₹145.43 lakhs in Fiscal 2023.

Changes in inventories: The changes in inventories of finished goods amounted to ₹ (1,561.31) lakhs in the Fiscal 2024 in comparison to ₹24.10 lakhs in Fiscal 2023 based on Restated Financial Information. This was primarily due to increase in closing stock of finished goods in Fiscal 2024 as compared to Fiscal 2023 reflecting our expanded production capacity, diversification of product offerings, and strategic approach to managing inventory to meet anticipated future demand. The increase in finished goods stock is primarily driven by our production of fabrics such as digitally printed fabrics, jacquard fabrics, dobby fabrics, corduroy fabrics, and ready-to-stitch garments like suits, co-ord sets, shawls, and stoles, aimed at fulfilling bulk orders and seasonal customer demand. The rise in closing stock levels is also attributed to new product development efforts and our preparation for peak sales periods, such as festive seasons and wedding seasons, where demand is typically higher. Additionally, our expansion into new markets, particularly in Tier 3/4 cities and rural areas, has led to increased production, resulting in a higher stock of finished goods to ensure timely fulfilment of new and repeat orders. Another contributing factor to the increase in finished goods stock is our focus on maintaining a broader product mix to cater to customer preferences across different regions and end-use applications. By holding adequate stock levels, we are better positioned to meet unexpected spikes in demand, ensure faster order fulfilment, and minimize the risk of supply chain disruptions.

Employee benefits expenses: The employee benefits expense increased by 16.84% to ₹548.71 lakhs for the Fiscal 2024 from ₹469.62 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in salaries to office staff to ₹162.17 lakhs for the Fiscal 2024 from ₹131.03 lakhs for the Fiscal 2023;
- increase in bonus paid to ₹77.43 lakhs for the Fiscal 2024 from ₹58.59 lakhs for the Fiscal 2023;
- increase in gratuity expenses to ₹95.52 lakhs for the Fiscal 2024 from ₹89.28 lakhs for the Fiscal 2023;
- increase in contribution to Statutory fund for our employees to ₹33.39 lakhs for the Fiscal 2024 from ₹24.83 lakhs for the Fiscal 2023;
- increase in annual leave with wages paid to our employees to ₹51.17 lakhs in Fiscal 2024 from ₹39.14 lakhs in Fiscal 2023; and
- increase in staff welfare expenses to ₹8.54 lakhs in Fiscal 2024 from ₹6.23 lakhs in Fiscal 2023;

Finance costs: The finance costs increased by 39.28% to ₹392.93 lakhs for the Fiscal 2024 from ₹282.11 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due:

- increase in interest expense on borrowings from banks to ₹224.98 lakhs in Fiscal 2024 from ₹131.21 lakhs in Fiscal 2023 consequent to increase in our total borrowings from banks to ₹2,672.74 lakhs as of March 31, 2024 from ₹1,781.23 lakhs as of March 31, 2023;
- increase in interest expense on unsecured borrowings from related parties to ₹158.86 lakhs in Fiscal 2024 from ₹145.20 lakhs in Fiscal 2023; and
- increase in other borrowing costs, comprising of bank charges and loan processing fees to ₹9.09 lakhs in Fiscal 2024 from ₹5.70 lakhs in Fiscal 2023.

Depreciation and Amortization Expenses: The depreciation and amortization expenses increased by 76.32% to ₹338.68 lakhs for the Fiscal 2024 from ₹192.08 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in depreciation on property, plant and equipment to ₹338.62 lakhs for the Fiscal 2024 from ₹191.81 lakhs for the Fiscal 2023 due to additions and disposals in property, plant and equipment for ₹837.52 lakhs (net) during the Fiscal 2024; and
- decrease in amortization of intangible assets to ₹0.06 lakhs for the Fiscal 2024 from ₹0.27 lakhs for the Fiscal 2023.

Other Expenses: The other expenses increased by 46.56% to ₹570.93 lakhs for the Fiscal 2024 from ₹389.55 lakhs for the Fiscal 2023 based on Restated Financial Information, primarily due to:

- increase in rent to ₹55.57 lakhs for the Fiscal 2024 from ₹53.34 lakhs for the Fiscal 2023, primarily attributable to the rent payable towards the three warehouses and plant machineries taken on lease;

- increase in conveyance allowance, vehicle running and travelling expenses to ₹29.03 lakhs for the Fiscal 2024 from ₹26.31 lakhs for the Fiscal 2023, primarily attributable to sales, procurement, operational oversight, and supply chain management and are necessary to support our business operations, customer engagement, and logistics processes;

- increase in fees & taxation, property tax and pollution expenses to ₹12.74 lakhs for the Fiscal 2024 from ₹6.37 lakhs for the Fiscal 2023, primarily attributable to the government levies, statutory fees, professional fees for regulatory filings, business licenses, and renewal charges, ownership and use of land, buildings, and other real estate assets such as manufacturing facilities, warehouses, corporate offices, and sales outlets and compliance with environmental laws and pollution control norms mandated by government bodies;

- increase in repairs and maintenance to ₹57.17 lakhs for the Fiscal 2024 from ₹50.51 lakhs for the Fiscal 2023, primarily attributable to upkeep and smooth functioning of our manufacturing facilities, machinery, equipment, warehouses, and office premises;

- increase in security agency services to ₹26.69 lakhs for the Fiscal 2024 from ₹23.40 lakhs for the Fiscal 2023, primarily attributable to the cost of hiring professional security personnel from third-party security agencies to provide round-the-clock surveillance and access control at key locations, including manufacturing units, warehouses, corporate offices;

- increase in brokerage to ₹136.57 lakhs for the Fiscal 2024 from ₹97.45 lakhs for the Fiscal 2023, primarily attributable to commission payments to our brokers/agents who facilitate business relationships with retailers, wholesalers, apparel brands, institutional buyers, and other clients, particularly in semi-urban and rural markets for expanding market reach; and

- increase in rebate, discount and rate difference of ₹197.83 lakhs for the Fiscal 2024 from ₹91.47 lakhs for the Fiscal 2023, primarily attributable to price adjustments or concessions provided to customers, dealers, distributors, and institutional buyers.

Tax Expenses

Our total tax expense was increased by 49.15% to ₹389.37 lakhs for the Fiscal 2024 from ₹261.05 lakhs for the Fiscal 2023 comprising of current income tax and deferred tax credit/charge. During the Fiscal 2024, we incurred current tax expenses of ₹408.53 lakhs and deferred tax credit of ₹19.15 lakhs and during Fiscal 2023, we incurred current tax expenses of ₹217.66 lakhs and deferred tax charge of ₹43.40 lakhs. The decrease in our deferred tax charge to deferred tax credit was primarily due to creation of deferred tax assets on account of timing difference in Net block as per books & as per Income Tax. Further, our effective tax rate was 25.17% for the Fiscals 2024 and 2023.

Restated profit after tax for the year

Due to the foregoing, we incurred a profit of ₹1,130.80 lakhs during the Fiscal 2024, as compared to a profit of ₹559.14 lakhs during the Fiscal 2023. Our profit has significantly increased primarily driven by our growth in revenue from fabric production, ready-to-stitch garments, and third-party processing services, as well as strategic initiatives such as doubling our digital printing capacity and enhancing brand-enabling services for apparel brands. For details with respect to the capacity expansion, refer "*Our Business – Our Manufacturing capabilities*" on page 217. This expansion in digital printing capabilities has allowed us to cater to the growing demand for fast-fashion products with customized, high-quality designs, resulting in higher margins and greater customer satisfaction. Additionally, our role as a brand enabler for established and emerging apparel brands has contributed significantly to revenue growth, as it provides tailored solutions, quick trend adaptations, and high-value fabric offerings that align with global fashion trends. Our ability to expand our product portfolio with value-additions has further boosted sales volumes and profitability. On the cost front, our total expenses as a percentage of total income for Fiscal 2024 was only 87.84% as compared to 91.74% for Fiscal 2023. Our efforts to optimize production processes, reduce wastage, and improve supply chain management have contributed to better cost control, enhancing operational margins. Despite rising input costs for raw materials, fuel, and logistics, the company has successfully maintained competitive pricing while improving its gross profit margins through value-added products and efficient resource utilization. The increase in profit reflects our strategic focus on scaling its production capacity, expanding brand-enabling services, growing our customer base, and improving operational efficiencies. Our investment in digital printing, combined with our brand-centric approach, has helped drive sustainable growth and profitability, positioning it in the textile and garment industry.

Cash Flows and Cash and Cash Equivalents

The following table sets forth our cash flows and cash and cash equivalents for the period / years indicated:

(₹ in Lakhs)

Particulars	Fiscals		
	2025	**2024**	**2023**
Net cash (used)/from operating activities	1,297.22	90.15	653.13
Net cash (used)/from investing activities	(1,064.88)	(641.68)	(973.89)
Net cash (used)/from financing activities	(171.22)	456.80	260.85
Net increase / (decrease) in cash and cash equivalents at the end of the period/year	**11.00**	**(94.74)**	**(59.92)**
Cash and Cash equivalents at the beginning of the year	21.33	116.07	175.98
Cash and Cash equivalents at the end of the year	82.46	21.33	116.07

Operating Activities

Fiscal 2025

Net cash generated from operating activities was ₹1,297.22 lakhs for the Fiscal 2025. While our net profit before tax and exceptional items was ₹2,191.24 lakhs, we had an operating profit before working capital changes of ₹3,112.34 lakhs for the Fiscal 2025 which was primarily adjusted due to depreciation and amortisation of ₹422.55 lakhs, finance costs of ₹435.20 lakhs, loss on sale of assets of ₹4.33 lakhs and gratuity provision of ₹83.80 lakhs and offset by interest income for ₹4.78 lakhs and contribution to CSR activities for ₹20.00 lakhs. Our changes in working capital for the Fiscal 2025 primarily consisted of an increase in inventories by ₹899.57 lakhs, increase in trade receivables by ₹708.92 lakhs, decrease in short term loans and advances by ₹42.15 lakhs, increase in other current assets by ₹581.71 lakhs, increase in trade payables by ₹714.90 lakhs, increase in other current liabilities by ₹38.78 lakhs and increase in short term provisions by ₹181.14 lakhs. Our income taxes paid was ₹601.87 lakhs during the Fiscal 2025.

Fiscal 2024

Net cash generated from operating activities was ₹90.15 lakhs for the Fiscal 2024. While our net profit before tax and exceptional items was ₹1,520.17 lakhs, we had an operating profit before working capital changes of ₹2,317.52 lakhs for the Fiscal 2024 which was primarily adjusted due to depreciation and amortisation of ₹338.68 lakhs, finance costs of ₹392.93 lakhs, gratuity provision of ₹82.15 lakhs, loss on sale of assets of ₹0.09 lakhs and offset by interest income for ₹5.50 lakhs and contribution to CSR activities for ₹11.00 lakhs. Our changes in working capital for the Fiscal 2024 primarily consisted of an increase in inventories by ₹1,568.97 lakhs, increase in trade receivables by ₹267.62 lakhs, decrease in short term loans and advances by ₹96.57 lakhs, increase in other current assets by ₹320.78 lakhs, decrease in trade payables by ₹13.63 lakhs, increase in other current liabilities by ₹64.72 lakhs and increase in short term provisions by ₹190.86 lakhs. Our income taxes paid was ₹408.53 lakhs during the financial year 2024.

Fiscal 2023

Net cash generated from operating activities was ₹653.13 lakhs for the Fiscal 2023. While our net profit before tax and exceptional items was ₹820.20 lakhs, we had an operating profit before working capital changes of ₹1,368.42 lakhs for the Fiscal 2023 which was primarily adjusted due to depreciation and amortisation of ₹192.08 lakhs, finance costs of ₹282.11 lakhs, gratuity provision of ₹85.65 lakhs and offset by prior period items of ₹0.18 lakhs, interest income for ₹3.72 lakhs and profit on sale of fixed assets by ₹7.72 lakhs. Our changes in working capital for the Fiscal 2023 primarily consisted of decrease in inventories by ₹169.41 lakhs, increase in trade receivables by ₹346.68 lakhs, decrease in short term loans and advances by ₹3.02 lakhs, increase in other current assets by ₹317.97 lakhs, decrease in trade payables by ₹132.63 lakhs, increase in other current liabilities by ₹42.08 lakhs and increase in short term provisions by ₹85.13 lakhs. Our income taxes paid was ₹217.66 lakhs during the financial year 2023.

Investing Activities

Fiscal 2025

Net cash used in investing activities was ₹1,064.88 lakhs for the Fiscal 2025, primarily comprising payment for purchase of property, plant and equipment for our manufacturing facilities aggregating ₹1,043.93 lakhs, sale proceeds from disposing of fixed assets aggregating ₹9.45 lakhs, and decrease in cash flow on account of security deposits placed aggregating ₹35.18 lakhs.

Fiscal 2024

Net cash used in investing activities was ₹641.68 lakhs for the Fiscal 2024, primarily comprising payment for purchase of property, plant and equipment for our manufacturing facilities aggregating ₹852.50 lakhs, sale proceeds from disposing of fixed assets aggregating ₹5.29 lakhs, increase in cash flow on account of fixed deposits/security deposits matured/ placed (net) aggregating ₹200.02 lakhs and interest income received for ₹5.50 lakhs.

Fiscal 2023

Net cash used in investing activities was ₹973.89 lakhs for the Fiscal 2023, primarily comprising payment for purchase of property, plant and equipment for our manufacturing facilities aggregating ₹845.00 lakhs, sale proceeds from disposing of fixed assets aggregating ₹47.10 lakhs, decrease in cash flow on account of fixed deposits/security deposits matured/ placed (net) aggregating ₹179.71 lakhs, interest income received for ₹3.72 lakhs.

Financing Activities

Fiscal 2025

Net cash generated from financing activities during the Fiscal 2025 was ₹171.22 lakhs comprising repayment of long-term borrowings aggregating ₹318.24 lakhs, short-term borrowings availed of ₹582.22 lakhs and payment of interest aggregating ₹435.20 lakhs.

Fiscal 2024

Net cash generated from financing activities during the Fiscal 2024 was ₹456.80 lakhs comprising proceeds from long-term borrowings aggregating ₹290.88 lakhs, short-term borrowings availed of ₹558.85 lakhs and payment of interest aggregating ₹392.93 lakhs.

Fiscal 2023

Net cash generated from financing activities during the Fiscal 2023 was ₹260.85 lakhs comprising long-term borrowings availed of ₹374.54 lakhs, short-term borrowings availed aggregating ₹168.42 lakhs and payment of interest aggregating ₹282.11 lakhs.

Indebtedness

The following table sets forth our financial indebtedness as of March 31, 2025:

(₹ in Lakhs)

Particulars	**As of March 31, 2025**
Long-term borrowings	1,528.68
Short-term borrowings	2,286.14
Total	**3,814.82**

For further details of financial indebtedness as on March 31, 2025, see "*Financial Indebtedness*" on page 305.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our capital expenditure and working capital needs for our operations. We have met these requirements through cash flows from operations and borrowings. As of March 31, 2025, we had ₹82.46 lakhs in cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations, our borrowings, and the Net Proceeds, we will have sufficient liquidity for our present and anticipated requirements for capital expenditure and working capital for the next 12 months.

Contingent Liabilities

As of March 31, 2025, we have following contingent liabilities as per AS 29:

a. Claims against the Company (including unasserted claims) not acknowledged as debt:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Related to Direct Tax Matters	25.97	25.33	23.46
Related to Indirect Tax Matters	-	-	-
Related to Bank Guarantees	-	-	-
Other Matters	0.35	0.35	-

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Debt/Equity Ratio

Our debt/equity ratio (i.e. debt divided by shareholders' equity) was 0.76 times, 1.06 times and 1.28 times as of March 31, 2025, March 31, 2024 and March 31, 2023, respectively.

'*Debt*' represents the sum of long-term borrowings and short-term borrowings.

'*Shareholders' Equity*' represents the sum of paid-up share capital, reserves and surplus created out of profit less accumulated losses.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business. For further details, see "*Risk Factors*" on page 39.

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our receivables from customers. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of the counterparties, taking into account their financial position, past experience and other factors. We establish an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. Our management uses a simplified approach for the purpose of computation of allowance for expected credit loss for trade receivables.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We manage our liquidity risk by ensuring, as far as possible, that we will always have sufficient liquidity to meet our liabilities when due.

Ultimate responsibility for liquidity risk management rests with the respective Board of Directors, which has established an appropriate liquidity risk management framework for the management of our short-term, medium-term and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and by monitoring rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that we do not breach borrowing limits or covenants (where applicable) on any of our borrowing facilities.

Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. We have negligible exposure to foreign currency risk. We do not have interest rate risks as we do not have debt obligations with floating interest rates. Further, we are not exposed to currency risk, as we do not have any significant foreign currency outstanding /receivables neither are we exposed to price or commodity risk.

Inflation

In recent years, India has experienced relatively high rates of inflation. Inflation generally impacts the overall economy and business environment and hence could affect us

Auditor Qualifications and Emphasis of Matter

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

Unusual or Infrequent Events or Transactions

There have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject to significant economic changes arising from the trends identified above in "- *Significant Factors Affecting our Financial Conditions and Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 39.

Future Relationship Between Cost and Revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 276.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 39, 141 and 203, respectively, for further information on our industry and competition.

Seasonality and Cyclicality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a financial year. Typically, we see an increase in our business during the festive periods in India, i.e., prior to Dussehra and Diwali, and end of season sales. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. See "*Risk Factors* - *Risks Relating to our Business - Our business is seasonal in nature, which could adversely affect our financial performance.*" on page 44.

Extent to which material increases in Net Sales or Revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals, are as described in "*– Fiscal 2025 compared to Fiscal 2024*" and "*– Fiscal 2024 compared to Fiscal 2023*" above.

Significant Dependence on Single or Few Customers

Significant proportion of our revenue have historically been derived from top 15 and top 20 customers. The % of contribution of our customers visà-vis the revenue from operations for the financial years March 31, 2025, 2024 and 2023 are as follows:

Particulars	Customers		
	March 31, 2025	March 31, 2024	March 31, 2023
Top 15 (%)	49.23%	45.10%	51.24%
Top 20 (%)	55.08%	51.16%	57.39%

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 203, and products that we announce in the ordinary course of business, we have not announced any new products or business segments.

Significant developments occurring after March 31, 2025

As set out in this Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Recent Accounting Pronouncements

As on the date of this Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations.

CAPITALISATION STATEMENT

The following table sets forth our capitalization as of March 31, 2025, derived from our Restated Financial Information:

(₹ in Lakhs)

Particulars#	Pre-Offer as at March 31, 2025	As adjusted for the Offer*
Borrowings**		
Long term borrowings (I)	1,528.68	[●]
Short term borrowings (II)	2,286.14	[●]
Total borrowings (III = I + II)	**3,814.82**	[●]
Equity		
Equity Share capital (IV)	1,150.00	[●]
Reserves and Surplus (V)	3,857.20	[●]
Total equity (VI = IV + V)	**5007.20**	[●]
Long term borrowings / total equity (VII = I / VI) (times)	**0.31**	[●]
Total borrowings / total equity (VIII = III / VI) (times)	**0.76**	[●]

 # All terms shall carry the meaning as per Schedule III of the Companies Act, 2013.
** The corresponding post Offer capitalization data is not determinable at this stage pending the determination of the Offer Price and hence has not been furnished.*
*** Total borrowings are the sum of long-term borrowings and short-term borrowings.*

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for, inter alia, meeting our working capital and business requirements. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 254.

We have received necessary consents required under the relevant financing documentation for undertaking the activities in relation to the Offer, including, effecting change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

As of March 31, 2025, our outstanding borrowings aggregated to ₹3,814.82 Lakhs. The details of the indebtedness of our Company as on March 31, 2025, are provided below:

(₹ in Lakhs)

Nature of Borrowing	Sanctioned Amount	Outstanding amount as on March 31, 2025
Secured Borrowings		
Fund Based		
Machinery Term Loans	2,030.00	1199.18
Working capital facilities (cash credit / WCDL / GECL)	3,155.00	2,067.88
Car Loan	38.34	23.98
Total Fund based (a)	**5,223.34**	**3,291.04**
Non-Fund Based		
Bills Discounting backed by Letter of Credit	500.00	-
Bank Guarantee	-	-
Total non-fund based (b)	**500.00**	**-**
Unsecured Borrowings		
Fund Based		
From Directors and relatives	800.00	523.77
Total Fund based (c)	**800.00**	**523.77**
Total (a + b + c)	**6,523.34**	**3,814.82**

As certified by M/s. S G U R & Co., by way of their certificate dated July 15, 2025.

Details of Secured Borrowings (Fund Based)

Name of Lender	Nature of the Facility	Amount Sanctioned (₹ In Lakhs)	Amount outstanding as on March 31, 2025 (₹ In Lakhs)	Security	Rate of Interest
HDFC Bank Limited	Machinery Term Loans	2,030.00	1,199.18	Machineries	8.55%
HDFC Bank Limited	Cash Credit	1,900.00	862.74	Primary: Stock, Book Debts, Commercial & Industrial Property & Residential Property Collateral: Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	8.60%
HDFC Bank Limited	WCDL	1,000.00	1,000.00	Primary: Stock, Book Debts, Commercial & Industrial Property & Residential Property Collateral: Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	8.60%

Name of Lender	Nature of the Facility	Amount Sanctioned (₹ In Lakhs)	Amount outstanding as on March 31, 2025 (₹ In Lakhs)	Security	Rate of Interest
HDFC Bank Limited	GECL	255.00	205.14	Primary: Stock, Book Debts, Commercial & Industrial Property & Residential Property Collateral: Plant & Machinery, Book Debts & Personal Guarantee of Directors, Stock, stock for export, 25% on FDR	9.25%
HDFC Bank Limited	Car Loan	20.41	6.29	Hypothecation of Car – MG Hector	7.90%
HDFC Bank Limited	Car Loan	17.93	17.69	Hypothecation of Car – Hyryder	9.40%
Total		**5,223.34**	**3,291.04**		

Details of Unsecured Borrowings

Name of Lenders	Amount Outstanding as on March 31, 2025 (₹ In Lakhs)
From Directors and their Relatives:	
Sanjeev Kandhari	356.09
Amit Kandhari	167.68
Total	**523.77**

Principal Terms and Conditions

Brief details of terms and conditions of various borrowing arrangements are provided below. The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. **Cash Credit:**

   a) **Interest rate:** Interest rate charged by lenders for our cash credit facilities typically is at 8.60% p.a.

   b) **Tenor:** Tenor of the cash credit facility is typically for one year with renewal done every year.

   c) **Security:** Primary Security offered to working capital lenders is in the form of 1st *paripassu* charge on Hypothecation of entire current assets of the Company (present and future).

   Collateral security to working capital bankers is provided in the form of:

   i) Residential property no. 14, MCA No. D-14/605 Guru Arjan Dev Nagar, Khasra No. 272 Min., Poddar Colony, Po Khalsa College, Amritsar 143001.

   ii) Commercial and industrial property Kh. No. 927 Batala road, 2445 930, Tungpai suburban, Amritsar 143001 pillar no. 95.

   iii) Industrial property Khasra 144/11/2 Khewat 286/502, Khasra no. 144/12(3-12), Khatoni no. 286/504, Khasra no. 144/11/1, Khewat no 286/501, Khasra no. 144/11/1 (4-9) min, 144//11/1 (0-15), 144/12/2 (0-1) village Bal Kalan, tehsil and Distt Amritsar Khewat no. 286/501, 503143001 Opp Shivam resort.

   iv) Industrial property – Ver lien Khasra no. 927, 2445/930, 926, 960, 961, min Amritsar pillar no. 95, Batala Road Amritsar.

   v) Personal Guarantees of directors, Mr. Sanjeev Kandhari and Mr. Amit Kandhari.

   d) **Repayment:** The credit facilities are typically repayable on demand.

2. **GECLS Term Loan:**

   a) **Interest rate:** Interest rate charged by the lenders for 1 GECL loan is 9.25%.

   b) **Tenor:** In case of GECL loan the tenor is 5 years with moratorium of 2 years.

   c) **Security:**

      i) Charge on current and fixed assets created out of this loan proceeds.

      ii) Extension of bank charges on existing primary and collateral securities.

      iii) 100 % Guarantee cover under Emergency Credit line Guarantee Scheme of National Credit Guarantee Trustee Company (NCGTC) for GECLS exposure.

3. **Machine Loans:**

   a) **Interest rate:** Interest rates charged by lenders for various machine loans availed over a period of last 3 to 4 years is 8.55%.

   b) **Tenor:** Normal tenor in machine loans typically ranges from 4 years to 5 years with moratorium if applicable, set in for 3 months to 6 months as per individual financier sanction.

   c) **Security:**

      i) Machine loans are secured by first and exclusive charge by way of hypothecation for plant and machineries purchased out of machine loans.

      ii) Personal Guarantees of directors, Mr. Sanjeev Kandhari and Mr. Amit Kandhari.

4. **Vehicle Loans:**

   a) **Interest rate:** Interest rate 7.90% for MG Hector and 9.40% for Hyryder.

   b) **Tenor:** Normal tenor for vehicle loans is typically for 3 to 5 years.

   c) **Security:** Vehicle purchased out of vehicle loan is exclusively hypothecated to the financier.

5. **Loan from directors, relatives:**

   a) **Interest rate:** Loan from directors and relatives is typically at 18 %.

   b) **Tenor:** They are on long term basis with letter of pegging given to working capital bankers.

   c) **Security:** These loans are unsecured.

6. **Key Covenants for secured loans**: In terms of our facility agreements and sanction letters, we are required to undertake certain actions which can be in form of pre-disbursement / post disbursement conditions during the course of business and seek written prior consent of the lenders for certain actions and/or intimation to our lenders in respect of certain corporate actions, an indicative list of such restrictive covenants is set forth below:

   i) Formulate any scheme of amalgamation or reconstruction.

   ii) any change in the capital structure, shareholding pattern.

   iii) Take prior consent of the bank to make any change in Company's capital structure / shareholding pattern or making any change in the Company's ownership / control or management where the shareholding of the existing promoter gets diluted below current level or 51 % of the controlling stake (whichever is lower).

iv) Undertake any new project, implement any scheme of expansion/ diversification or capital expenditure or acquired fixed assets (except normal replacements) if such investments result into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

v) Take prior consent of the bank to dispose off its assets other than those as permitted by the bank in writing

vi) Company to infuse additional capital from their own sources to meet any shortfall in NWC/estimated net profits and that short term funds / working capital limits will not be utilized for acquisition of fixed assets / other long-term purposes.

vii) Company to submit undertaking that payment of interest on unsecured loans is subservient to the payment of interest / instalment of working capital bank loans.

viii) Company to close current account with banks other than working capital bankers.

ix) Company to ensure all overdue in CIBIL/ CRIF are cleared.

x) Prepayment of loans will entail prepayment interest from 2 % to 5 % on the balance loan depending on the balance tenor left of the loan outstanding at the time of prepayment.

7. Events of default:

In terms of the facility agreements and sanction letter, the following among others constitute as events of default:

i) Non-payment or default in payment of principal and / or interest due on the loan obligation.

ii) Our company is in breach of the any covenants, conditions or any other terms of the transaction documents of the credit facilities.

iii) If the company has voluntarily taken any action for its insolvency, winding up or dissolution.

iv) Change in control of the company.

v) Change in the purpose of utilization of credit facility other than sanctioned.

8. Consequences of occurrence of events of default:

i) In the event of default in repayment to the Bank or if cross default has occurred the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interest.

ii) In case of default in repayment of the loan / advances or in the payments of the interests thereon or any of the agreed instalments of the loan on due date(s) by the borrower, the Bank and / or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower and its directors as defaulters /wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

iii) Terminate the sanctioned facilities and seek immediate repayment of facilities.

iv) Levy an additional interest rate.

v) Suspend further access / drawals.

vi) Take possession of and / or transfer the assets comprised within the security and exercise such remedies as may be permitted or available to the bank under law, including RBI guidelines.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by our Company and the same may lead to consequences other than stated above.

We have applied for the necessary written approvals from our lenders to the extent required under the agreements and loan documents entered into between un and such lenders for undertaking the offer and activities in connection thereto and the same have not been withdrawn as on the date of this Red herring Prospectus.

SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court); (ii) actions by statutory or regulatory authorities; (iii) claims for any direct or indirect tax liabilities; or (iv) proceedings (other than proceedings covered under (i) to (ii) above) which have been determined to be material pursuant to the Materiality Policy (as disclosed herein below), involving our Company, Directors, Promoters or Subsidiary (the "**Relevant Parties**").*

*In relation to (iv) above, our Board in its meeting held on July 05, 2025 has considered and adopted a policy of materiality for identification of material litigation/arbitration ("**Materiality Policy**"). In terms of the Materiality Policy, the following shall be considered 'material' for the purposes of disclosure in the Red Herring Prospectus:*

(i) Any pending litigation / arbitration involving the Relevant Parties, in which the aggregate monetary amount claimed, to the extent quantifiable, by or against the Relevant Parties in any such litigation / arbitration proceedings exceeds the lower of the following:

(a) two percent of turnover, as per the latest annual restated financial information of the issuer; or

(b) two percent of net worth, as per the latest annual restated financial information of the issuer, except in case the arithmetic value of the net worth is negative; or

(c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial information of the issuer.

For the purpose of (c) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

As per the latest annual restated financial information included in this Red Herring Prospectus, 2% of turnover is ₹305.57 lakhs, 2% of net worth is ₹100.14 lakhs and 5% of the average of the absolute value of profit or loss after tax is ₹56.34 lakhs. Therefore, outstanding proceedings under (i) above shall be deemed to be material if the monetary amount of claim by or against the Relevant Parties in any such pending proceeding is individually equal to or in excess of ₹56.34 lakhs.

(ii) Any pending litigation / arbitration proceedings involving the Relevant Parties wherein a monetary liability is not quantifiable, or which does not fulfil the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company; or

Further, except as disclosed in this section, there are no (i) disciplinary actions taken against any of our Promoters by SEBI or any stock exchange in the five Fiscals preceding the date of this Red Herring Prospectus; (ii) criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court), involving our Key Managerial Personnel and members of Senior Management; (iii) actions by statutory or regulatory authorities against our Key Managerial Personnel and Senior Managerial Personnel; or (ii) litigation involving any Group Companies which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax / judicial/ quasi-judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation and accordingly not be disclosed in the Offer Document until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Further, our Board, in its meeting held on January 03, 2025 has approved that a creditor of our Company shall be considered 'material' if the amount due to such creditor exceeds 10.00% percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The trade payables of our Company as on March 31, 2025, were ₹2,257.03 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹225.70 lakhs as on March 31, 2025.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.kaytexfabrics.com.

Unless stated to the contrary, the information provided below is as on the date of this Red Herring Prospectus.

Our Company, its Directors and its Promoters are not Willful Defaulters and there have been no violations of securities laws in the past or pending against them.

Litigation filed by the Company

1) **Criminal proceedings**

Kaytex Fabrics Private Limited and Amit Kandhari Vs Sunny Tex Fab and Rakesh Sachdeva (NACT/536/2022)

Our Company filed Complaint Case numbering (NACT/536/2022) in the Court of Judicial Magistrate (Special Court for N1 Act), Amritsar on February 21, 2022 under Section 138 of The Negotiable Instrument Act, against Sunny Tex Fab and Rakesh Sachdeva ("**Accused**") as a Cheque bearing No.002407 for an amount of Rs. 2,88,574/- dated September 9, 2021 drawn on HDFC bank which got returned when it was presented before the bank on the account of "payment stopped by drawer". Our Company issued a legal notice dated January 5, 2022 to the accused under Section 138 of The Negotiable Instrument Act requiring the accused to repay the amount due under the said cheque. As on date the matter is currently pending adjudication.

Kaytex Fabrics Private Limited and Amit Kandhari Vs G.B.K.C. Private Limited and Rajesh Sapra (NACT/649/2025)

Our Company had filed a complaint under Section 138 of the Negotiable Instruments Act, in the Court of Chief Judicial Magistrate, Amritsar, against G.B.K.C Global Private Limited and Rajesh Sapra ("**Accused**") as two Cheques bearing Numbers 065860 and 065861 amounting to Rs. 5,75,000/- and Rs. 5,65,391 respectively, were dishonoured when presented before HDFC Bank on account of "PAYMENT STOPPED BY DRAWER". Our Company issued two legal notices, both dated 17 January, 2025 to the accused requiring them to pay the amount due under the said cheques. As on date the matter is currently pending adjudication.

2) **Other material proceedings based on Materiality Policy of our Company**

NIL

Litigation filed against the Company

1) **Criminal proceedings**

Sunny Tex Fab and Raskesh Sachdeva Vs. Kaytex Fabrics Private Limited- (CRM-M-3456 of 2024)

A petition under section 482 of Cr.P.C was filed against our Company in the Hon'ble High Court of Punjab and Haryana at Chandigarh on January 19, 2024 by Sunny Tex Fab and Rakesh Sachdeva ("**Petitioner**") for quashing complaint bearing no NACT/536/2022 having registration date of February 21, 2022 filed under section 138 of Negotiable Instrument Act, 1881. The petitioner in their petition had prayed that summon to face trial under section 138 issued against them by Ld Judicial Magistrate 1st Class are totally illegal, arbitrary in nature and actual facts and circumstances of present case were not considered. Petitioner in the petition has claimed that complaint bearing no. NACT/536/2022 was filed against them by Kaytex Fabrics Private Limited were in petitioner had issued a cheque bearing No. 002407 for an amount of Rs. 2,88,576/- dated September 29, 20 however on the presentation of cheque, the said cheque was dishonoured on the ground that payment was stopped by drawer. Petitioner had claimed that the cheque was security for two amounts of Rs 1,50,000/- and Rs 1,38,576/- which was paid to Respondent on November 24, 2021. Therefore, Respondent have misused the cheque in question and in order to obtain speedy remedy an appeal was filed before Hon'ble High Court of Punjab and Haryana. Therefore, it was prayed that present petition would be allowed and complaint bearing no. NACT/536/2022 to be quashed. As of now case is pending before the Hon'ble High Court.

2) **Actions by statutory or regulatory authorities**

NIL

3) **Claims related to direct and indirect taxes**

- **Direct Tax:**

    - **E- proceedings**

As per website of Income Tax, the following E-Proceedings are shown as pending with "open" or "pending" status. However, in some letters the amount has not been mentioned and cannot be crystallized:

Assessment Year	Description	Amount	Current Status
2018-19	An adjustment Notice under section 143(1)(a) of the Income Tax Act, 1961 was issued against our company by the Deputy Commissioner of Income Tax, Bengaluru vide Communication Reference No. CPC/1819/G22/188006846 dated January 21, 2019. The said notice states that the return had errors/incorrect claims/ inconsistencies which attracted the following adjustments: • There was an Arithmetical error under section 143(1)(a). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the variance on account of proposed adjustment is Rs 13,54,970/-. • There was an Incorrect Claim u/s 143(1)(a)(ii). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the variance on account of proposed adjustment is Rs 13,54,970/-. • There was a Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv). The amount in ITR is Rs 0/-, the amount computed by the income tax authority is Rs 13,54,970/- and the proposed adjustment to total income is Rs 13,54,970/-. Further, the no new notice or letter has been issued till date and as on date the said E-proceeding is pending	Rs. 13,54,970/-	Pending
2018-19	An adjustment Notice under section 143(1)(a) of the Income Tax Act, 1961 was issued against our company by the Deputy Commissioner of Income Tax, Bengaluru vide Communication Reference No. CPC/1819/G22/1948390821 dated November 1, 2019. The said notice states that the return had errors/incorrect claims/ inconsistencies which attracted the following adjustments: • Amount not credited to the employee account under the ESI Act or any other fund for the welfare of the employee. The amount in ITR is Rs 0/-, the amount mentioned in the form is Rs. 5,34,822 and the proposed adjustment to total income is Rs. 5,34,822. Further, the no new notice or letter has been issued till date and as on date the said E-proceeding is pending	Rs. 5,34,822/-	Pending
2020-21	An Issue Letter was issued against our company by ITO Ward ASR vide Letter No. ITBA/COM/F/17/2019-20/1022152838(1) dated December 11, 2019. The said Letter states that 3rd instalment of Advance Tax is due for the Financial Year 2019-20 and directed to deposit 75% of the estimated Advance tax by December 15, 2019.	Not ascertainable	Open

Assessment Year	Description	Amount	Current Status
	Further, it also directs to provide complete details of payments made by the Company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2018-19 and what will be made in the current Financial Year 2019-20 in the format provided in the letter. The time limit for the same was December 12, 2019		
2020-21	An Issue Letter was issued against our company by ITO Ward ASR vide DIN & Letter No ITBA/COM/F/17/2019-20/1026273479(1) dated March 6, 2020. The said Letter states that 4th instalment of Advance Tax is due for the Financial Year 2019-20 and directed to deposit 100% of the estimated Advance tax by March 15, 2020. Further, it also directs to provide complete details of payment made by the company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2018-19 and what will be made in the Financial Year 2019-20 in the format provided in the letter. The time limit for the same was March 11, 2020.	Not ascertainable	Open
2018-19 to 2020-2021	A Recovery Notice was issued against our company by ITO Ward ASR vide DIN & Notice No. ITBA/RCV/S/221/2021-22/1039833827(1) dated February 17, 2022. The said Letter states that the following demands u/s 143(1)(a) raised against the company have not been paid: • AY 2018-19 Rs.2,11,230/- • AY 2020-21 Rs.15,820/- Further, the company is requested to show why a penalty should not be levied under section 221(1) of the Income Tax Act, 1961 and if the company has already paid the amount, submit the challan personally or via an authorized representative to receive credit. Furthermore, no response has been submitted by our company.	For AY 2018-2019 - Rs. 2,11,230/- For AY 2020-2021 – Rs. 15,820/-	Open
2023-24	An Issue Letter was issued against our Company by ITO Ward ASR vide DIN & Letter No. ITBA/COM/F/17/2022-23/1050371390(1) dated March 3, 2023. The said Letter states that the 4th instalment of Advance Tax is due for the Financial Year 2022-23 and is to be paid on or before 15/03/2023 and give the complete details of payments made by the Company u/s 210 of the Income Tax Act, 1961 during the Financial Year 2021-22. Further, its states that the Company is requested to mention its PAN and quote the code on the challan properly to able to get credit for the taxes paid. The company's failure to pay advance tax or paying less than 90% of assessed tax incurs interest under Section 234B, while instalment delays attract interest under Section 234C of Income Tax Act.	Not ascertainable	Open

- **Tax Deduction at Source**

Sr. No.	Financial Year	Total Default
1.	2024-25	69,340.00
2.	2023-24	66,710.00
3.	2022-23	14,310.00
4.	2021-22	880.00
5.	Prior Years	92,280.00
Total		**243,520.00**

- **Outstanding Demand**

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
2024	1431a	2024202437332633603C	December 4, 2024	1	1,08,670/-	7,602/-
Total					**1,08,670/-**	**7,602/-**

- **Indirect Tax**

NIL

3) Other material proceedings based on Materiality Policy of our Company

NIL

Litigation filed by the Promoters

1) Criminal proceedings

NIL

2) Other pending proceedings

NIL

Litigation filed against the promoters

1) Criminal proceedings

NIL

2) Actions by regulatory authorities and statutory authorities

NIL

3) Claims related to direct and indirect taxes

- **Direct Tax:**
- **E- proceedings**

Assessment Year	Description	Amount	Current Status
Sanjeev Kandhari			
2018-19	An Adjustment Notice under section 143(1)(a) of Income Tax Act, 1961 was issued against Sanjeev Kandhari by Deputy Commissioner of Income Tax, CPC, Bengaluru vide communication CPC/1819/G22/1872423248 dated January 11, 2019. Notice Contains errors/incorrect claims/inconsistencies which attract adjustments under section 143(1)(a) of the Act: There was a variance on account of proposed adjustment which was Rs.12,424/-. However, the said e-proceeding is still showing pending	Rs. 12,424/-	Pending

- **Tax Deduction at Source**

Sr. No.	Financial Year	Total Default
Sanjeev Kandhari		
1.	2024-2025	34,050.00
Total		**34,050.00**

- **Outstanding Demand**

Assessment Year	Section Code	Demand Identification Number	Date on which demand is raised	No. of Defaults	Outstanding Demand (in Rupees)	Accrued/Final Interest (in Rupees)
Sanjeev Kandhari						
2020	1431a	2020202037040446273T	March 30, 2021	1	970/-	468/-
Total					**970/-**	**468/-**
Shelly Kandhari						
2019	1431a	2019201937099623314T	January 24, 2020	1	1,400/-	924/-
Total					**1,400/-**	**924/-**

- **Indirect Tax**

NIL

4) **Other pending proceedings**

NIL

5) **Disciplinary action including any penalty taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange**

No disciplinary action including any penalty has been taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus either by SEBI or any stock exchange.

Litigation filed by directors other than Promoters

1) **Criminal proceedings**

NIL

2) **Other pending proceedings**

NIL

Litigation filed against directors other than Promoters

1) **Criminal proceedings**

NIL

2) **Other pending proceedings**

NIL

3) **Actions by regulatory authorities and statutory authorities**

NIL

4) **Claims related to direct and indirect taxes**

- **Direct Tax**

  - **E-proceedings**

    NIL

  - **Outstanding Demand**

    NIL

  - **Indirect Tax**

    NIL

5) **Other pending proceedings**

    NIL

Litigation by Group Companies

1) **Criminal proceedings**

   NIL

2) **Other pending proceedings**

   NIL

Litigation filed against Group Companies

1) **Criminal proceedings**

   NIL

2) **Actions by regulatory authorities and statutory authorities**

   NIL

3) **Claims related to direct and indirect taxes**

- **Direct Tax**

  - **E-proceedings**

As per website of Income Tax, the following E-Proceedings are shown as pending with "open" or "pending" status. However, in some letters the amount has not been mentioned and cannot be crystallized:

Assessment Year	Description	Amount (in Rs.)	Proceeding Status
Khandhari Textile Mills Private Limited			
2019-20	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 vide DIN CPC/1920/G22/1967791989 dated December 04, 2019 and it stated that the return contains errors, incorrect claims, or inconsistencies which attracted the following adjustments: • There was an error in Schedule BP, specifically in Sl. No. 15. The amounts debited to the profit and loss account, to the extent disallowable under Section 37 (Sl. No.	Under Schedule BP amount of Rs 215	Pending

Assessment Year	Description	Amount (in Rs.)	Proceeding Status
Khandhari Textile Mills Private Limited			
	7k of Part-OI), were inconsistent with the total amount disallowable under Section 37 (total of Sl. No. 7a to 7j). The amount reported in the Income Tax Return was ₹0, while the computed amount was ₹215, leading to a proposed adjustment of ₹215. • There was an inconsistency regarding the total amount of disallowance under Section 37, as indicated in Form Annexure 3CD. The amount shown in the Income Tax Return was ₹0, whereas the amount mentioned in the audit report was ₹215, resulting in a proposed adjustment to total income of ₹215. Further, no new notice or letter have been issued till date and as on date the said e-proceedings is pending. As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.		
2017-18	A Defective notice was issued against our Company under Section 139(9) of the Income-Tax Act, 1961 vide DIN CPC/1718/G5/1832596826 dated October 08, 2018 for rectifying the defect in return of income. As on date, no reply has been filed by our Company.	Nil	Pending
2017-18	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 vide DIN CPC/1718/G22/1810823265 dated July 12, 2018 contains the errors/incorrect claims/ inconsistencies which attract adjustment(s): • There was an inconsistency was noted in the total amount of disallowance under Section 37. While the amount reported in the Income Tax Return was ₹0, the computed amount was ₹233, leading to a proposed adjustment of ₹233. • There was an disallowance of expenditure indicated in the audit report was not accounted for in the computation of total income in the return. The amount reported in the Income Tax Return was ₹0, whereas the amount mentioned in Form Annexure 3CD was ₹233, resulting in a proposed adjustment to total income of ₹233. Further, no new notice or letter have been issued till date and as on date the said e-proceedings is pending.	Under Section 37 amount of Rs 233	Pending

Assessment Year	Description	Amount (in Rs.)	Proceeding Status
Khandhari Textile Mills Private Limited			
	As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.		
2017-18	An Adjustment notice was issued against our Company under Section 143(1)(a) of the Income-Tax Act, 1961 dated May 31, 2018 which provides for processing of income tax return filed by an assess so that true income can be determined and the errors/incorrect claims/ inconsistencies which attract adjustment(s) can be cured. As on date, no reply has been filed by our Company. The time limit for response under Section 143(1)(a) has expired, and submission is no longer allowed.	Not Ascertainable	Pending

- **Tax Deduction at Source**

Sr. No.	Financial Year	Total Default
Khandhari Textile Mills Private Limited		
1.	Prior years	5,440/-
Total		**5,440/-**

- **Indirect Tax**

  NIL

1) Other pending proceedings

NIL

Outstandings dues to small scale undertakings or any other creditors

In terms of the Materiality Policy, such creditors are considered 'material' to whom the amount due exceeds 10% percent of the trade payables of our Company as on March 31, 2025. Our Company owed a total sum of ₹2,257.03 lakhs to a total number of 297 creditors, as on March 31, 2025. The details of our outstanding dues to the 'material' creditors of our Company, MSMEs, and other creditors, as on March 31, 2025, are as follows:

Particulars	Number of Creditors	Amount (₹ in Lakhs)
Micro, Small & Medium Enterprises	67	278.92
Material creditors	1	1,035.74
Other Creditors	229	942.37
Total	**297**	**2,257.03**

As certified by M/s. S G U R & Co., by way of their certificate dated July 15, 2025.

Material Developments

Except as stated in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 277, there have not arisen, since the date of the last Restated Financial Information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our trading or profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below an indicative list of approvals and registrations required to be obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). Except as disclosed below, no further approvals are material for carrying on the present business activities and operations of our Company. Unless otherwise stated, these Material Approvals are valid as on the date of this Red Herring Prospectus. Certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and our Company have either already made applications to the appropriate authorities for renewal of such Material Approvals or is in the process of making such renewal application in accordance with applicable law.*

Pursuant to the conversion of our Company into a public limited company and the consequent change in name of our Company, our Company is in the process of changing our name as it appears on various approvals and licenses.

For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies" on page 237. For details of risk associated with not obtaining or delay in obtaining the requisite Material Approvals, see "Risk Factors – Legal and Regulatory Risks - We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition." on page 63.

Our Company has business located at the following locations:

Registered Office, Corporate Office, Packing and Dispatch Unit: Khasra No. 926, 927, 960, 961, 2445/930, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India

Manufacturing unit: weaving, jacquards, embroidery & design: Khasra No. 137 // 12, Khata Khatoni 141/268, Khasra No. 144/ 11/2 (0-15), Khasra No. 144/ 11/2, Khata Khatoni 286/501 (2-0), Khasra No. 144/ 11/2 (3-12), Khewat Khatoni no. 286/504, Khasra no. 144/11/1 (4-9), 11/2/1 (0-1), 144/11/1 (0-15), 144/12/2 (0-1), Khewat Khatoni 286/501, 503, Village Balkalan, Majitha, Amritsar, Punjab

Printing, Dyeing and Processing Unit: Village Balkalan, Majitha,Amritsar, Punjab

Packing and Despatch Unit: Khasra No. 927, 2954/2443/922, 2956/925, Khata Khatauni No. 2627, 51/58, 1730/2638, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India

Warehouses: Near Gouri Shanker Mandir, Balkalan, Majitha, Amritsar, Punjab, India

Warehouse cum Corduroy and other fabrics production: Khasra No: 1445/1198/416-417, Gali Murgi Khana, Batala Road, Amritsar, Punjab, India

Sizing Unit: Village Balkalan, Majitha Road, Amritsar, Punjab

Sales and Marketing Office: 454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India

Proposed Warehousing Facility: Khasra No. 10//25/2 (0-18), 16//1/2 (3-16), 16/20 (8-0), 16/21/1 (1-2), 16//10/2 (5-0), 16//11/1 (5-2), 17//5 (8-0), 16//10/1 (3-0), 16//11/2 (2-18), 16//1/1 (3-8) 16//21/2 (1-3), 16//21/3 (5-6), Village Balkalan, Majitha, Amritsar, Punjab, India

Proposed Sales Office in Amritsar: Khasra No. 960, 961, Khata Khatoni 151/249, and Khasra No. 926, Khata Khatoni 66/74, Batala Road, Post Office Khanna Nagar, Amritsar, Punjab, India

I. Approvals for the Offer:

<u>Corporate Approvals</u>

The following approvals have been obtained or will be obtained in connection with the Offer:

a. Our Board of Directors have pursuant to a resolution passed at their meeting held on December 23, 2024, authorized the Offer, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.

b. The Offer of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 by Special Resolution in the Extra Ordinary General Meeting held on December 27, 2024.

ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE13ZD01013.

The Company has entered into a tripartite agreement dated July 22, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

The Company has entered into an agreement dated September 26, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

Lender Consent

Our Company has received lender consent letter dated on January 22, 2025 from HDFC Bank Limited.

Stock Exchange

In-Principal approval letter dated May 28, 2025 from NSE for the listing of equity shares issued by our Company pursuant to the Issue.

II. Approvals obtained by our Company

S. No.	Nature of License / Approval	Registration / License No.	Issuing Authority	Date of Grant	Validity
1.	Certificate of Incorporation as "Kaytex Fabrics Private Limited"	16-17639	Registrar of Companies-Punjab, Himachal Pradesh & Chandigarh	January 29, 1996	One Time Registration
2.	Fresh Certificate of Incorporation upon consequent change of name from "Kaytex Fabrics Private Limited" to "Kaytex Fabrics Limited"	U18101PB1996PLC017639	Registrar of Companies, CRC	December 19, 2024	One Time Registration
TAX RELATED APPROVALS					
3.	*Permanent Account Number ("PAN")	AAACK6436D	Income Tax Department, Government of India	January 29, 1996	One Time Registration
4.	*Tax Deduction Account Number ("TAN")	AMRK10519F	Income Tax Department, Government of India	September 20, 2024	One Time Registration
5.	*Certificate of Registration under Punjab Goods and Services Tax Act, 2017	03AAACK6436D1Z0	Goods and Services Tax Authority and Government of India	Issuance Date- April 20, 2021 Valid from-July 1, 2017	Valid Till Cancelled
6.	*Certificate Of Registration under Central Sales tax Registration and Turnover Rules, 1957	03171098048	Commercial Tax Department	August 13, 1988	Valid Till Cancelled
7.	*Certificate of Registration under Section 69 of the Finance Act, 1994 read with Service Tax Rules, 1994	AAACK643DST001	Superintendent of Central Excise Range Verka I, Amritsar	October 20, 2008	Valid Till Cancelled
8.	*Certificate of Registration under Punjab VAT act 2005	03171098048	Excise & Taxation Officer, Amritsar	April 1, 2005	One Time Registration
BUSINESS RELATED APPROVALS					

S. No.	Nature of License / Approval	Registration / License No.	Issuing Authority	Date of Grant	Validity
9.	*Udyam Registration Certificate under Micro, Small and Medium Enterprises Development Act, 2006	UDYAM-PB-01-0003715	Ministry of Micro, Small and Medium Enterprises, Government of India	December 17, 2020	One Time Registration
10.	*Certificate under Legal Entity Identifier India Limited	335800IEHJ5LDY VPDC11	The Clearing Corporation of India Limited	October 06, 2022	October 06, 2027
11.	*Registration & License to work as factory under The Factories Act, 1948	ASR0FL8399	Chief Inspector of Factories, Department of Labour, Punjab	May 08, 2024	December 31, 2025
12.	*Certificate of Importer-Exporter Code	1297001982	Joint Directorate General of Foreign Trade, DGFT, Ministry of Commerce and Industry, Government of India	February 5, 1998	One Time Registration
13.	*Fire Safety Certificate	107-86554 Fire/64433	Punjab Fire Service, Amritsar MC	April 28, 2025	April 27, 2026
14.	*Consent to Operate under Section 25 & 26 of the Water (Prevention & Control of Pollution) Act, 1974	CTOW/Renewal/ASR/2022/20622618	Environmental Engineer, Punjab Pollution Control Board	December 12, 2022	December 30, 2027
15.	*Registration Certificate of Shops & Commercial Establishments under The Punjab Shops and Commercial Establishments Act, 1958 for Khasra No. 1445/1198/416-417, Gali Murgikhane Wali, Batala Road, Amritsar, 256, 143001	ASR/N06/00291705	Labour Inspector of Shops and Commercial Establishments	January 20, 2025	Valid Till Cancelled
16.	*Registration Certificate of Shops & Commercial Establishments under The Punjab Shops and Commercial Establishments Act, 1958 for Village Bal Kalan Majitha Road, Amritsar, 256, 143001	ASR/N06/00060493	Labour Inspector of Shops and Commercial Establishments	January 20, 2025	Valid Till Cancelled
17.	*Registration Certificate of Shops & Commercial Establishments under The Punjab Shops and Commercial Establishments Act, 1958 for Godown No. 2, Giriraj Textile opposite. Gauri Shankar Mandir, Majitha Road, Amritsar, 256, 143001	ASR/N06/00291752	Labour Inspector of Shops and Commercial Establishments	January 20, 2025	Valid Till Cancelled
18.	*Registration Certificate of Shops & Commercial Establishments under The Punjab Shops and Commercial	ASR/NO6/00291706	Labour Inspector of Shops and Commercial Establishments	January 20, 2025	Valid Till Cancelled

S. No.	Nature of License / Approval	Registration / License No.	Issuing Authority	Date of Grant	Validity
	Establishments Act, 1958 for KH. No. 927, 926, 960, 961 & 2445/930 Rakba Tung Pai Suburban, Batala Road, Amritsar, 256, 143001				
19.	Registration under Maharashtra Shops and Establishment Act, 1948 for Sales and Marketing Office: 454B, 4th Floor, Kewal Industrial Estate, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, India	2510200319703780	Labour Inspector of Shops and Commercial Establishments	June 11, 2024	Valid Till Cancelled
LABOUR RELATED APPROVALS					
20.	*Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952	LDASR0034327000	Employees Provident Fund Organisation, Ministry of Labour and Employment	March 23, 2015	One Time Registration
21.	*Registration under Employees State Insurance Act, 1948	29000162400000101	Employees' State Insurance Corporation, Sub-Regional, Jalandhar	October 28, 2010	One Time Registration
22.	Registration under Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	ASR00IP05241	Labour Department Punjab	Valid From: October 01, 2024	December 31, 2025

**The said certifications are in the name of "Kaytex Fabrics Private Limited". The Company is in the process of getting the name changed from "Kaytex Fabrics Private Limited" to "Kaytex Fabrics Limited".*

III. Approvals Obtained / Applied in relation to Intellectual Property Rights:

S. No.	Brand Name/Logo Trademark	Class	Nature of Trademark and Application Number	Owner	Date of Application	Validity/Renewed up to	Current Status
1.		24	DEVICE 4413464	Kaytex Fabrics Pvt Ltd	January 20, 2020	January 20, 2030	Registered
2.		25	DEVICE 4673357	Kaytex Fabrics Pvt Ltd	September 25, 2020	September 25, 2030	Registered

S. No.	Brand Name/Logo Trademark	Class	Nature of Trademark and Application Number	Owner	Date of Application	Validity/Renewed up to	Current Status
3.		24	DEVICE 6236294	Kaytex Fabrics Pvt Ltd	December 27, 2023	December 27, 2033	Registered
4.	** **KAYTEX**	24	WORD 543554	Kandhari Textile Mills Private Limited	January 14, 1991	January 04, 2035	Registered

**The said certifications are in the name of "Kaytex Fabrics Private Limited". The Company is in the process of getting the name changed from "Kaytex Fabrics Private Limited" to "Kaytex Fabrics Limited".*
***The said trademark is in the name of "Kandhari Textile Mills Private Limited" and we have received NOC on the date December 5, 2024 for the use of said Trademark.*

IV. The details of Domain Name registered in the name of the Company:

Sr. No.	Domain Name and Id	Iana Id	Creation Date	Expiry Date
1.	**Domian Name-** www.kaytexfabrics.com **Domain ID-** 960026724_Ddomian_COM-VSRN	146	May 6, 2007	May 6, 2027

V. Certificates in the name of the Company

Sr. No.	Particulars / Description	Certificate / Registration Number	Date of Certificate	Expiry Date
1.	Nil			

VI. Pending Approvals

NIL

VII. Pending Approvals with respect to the Objects of the Offer

Shop and Establishment Certificate under the Punjab Shops and Commercial Establishments Act, 1958 for proposed sale office and warehouse facility in Amritsar.

SECTION IX – OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered (i) such companies (other than our Promoters and our Subsidiary) with which there were related party transactions during the period for which Restated Financial Information have been disclosed in this Red Herring Prospectus, as covered under the applicable accounting standards (i.e., AS 18); and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board, in its meeting held on January 03, 2025, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a 'group company' in this Red Herring Prospectus. In terms of such materiality policy, if a company (other than our Promoters and our Company's Subsidiary) (a) is a member of the Promoter Group; and (b) has entered into one or more transactions with our Company during the last completed Financial Year included in the Restated Financial Information, which individually or in aggregate in value exceeds 10% of the revenue from operations of the Company as per the Restated Financial Information of the last completed financial year, it shall be considered material and disclosed as a 'group company'.

Accordingly, (i) all such companies (other than our Promoters and our Subsidiary) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., AS 18), as per Restated Financial Information; and (ii) any other companies which are considered material by our Board, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the parameters set out above, set forth below are Group Companies identified by our Board as on date of this Red Herring Prospectus:

1. Kandhari Textile Mills Private Limited
2. Khanna Dyeing and Finishing Mills Private Limited

Details of our Group Companies

The details of our Group Companies are as provided below:

1. Kandhari Textile Mills Private Limited ("KTMPL")

Registered Office

The registered office of KTMPL is situated at Batala Road, P.O. Khanna Nagar, Amritsar – 143 001, Punjab, India.

Financial information

KTMPL's financial information based on the audited financial information as of and for Fiscals 2024, 2023 and 2022 is available on the website of our Company at https://kaytexfabrics.com/annual-reports/.

2. Khanna Dyeing and Finishing Mills Private Limited ("KDFMPL")

Registered Office

The registered office of KDFMPL is situated at 31-D, Basant Avenue, Amritsar – 143 001, Punjab, India.

Financial information

KDFMPL's financial information based on the audited financial information as of and for Fiscals 2024, 2023 and 2022 is available on the website of our Company at https://kaytexfabrics.com/annual-reports/.

Common pursuits among Group Companies

Except for KTMPL which is engaged in establishment and operation of textile mills for activities such as spinning, ginning, weaving, knitting, bleaching, dyeing, printing, and finishing fabrics handling various materials, including wool, cotton, silk, synthetic, and man-made fibres, along with producing different types of yarns like cotton, woollen, acrylic, and blended yarns, manufacturing and trading of readymade garments, hosiery, textiles, and fabrics such as linen, nylon, and decron, as well as synthetic fibres and fibrous substances, provide auxiliary services like darning, packing, marketing, and working as dyers and finishers, cotton and wool waste spinning, import and export of textile products, including fibres, yarns, and articles made from these materials, dealing in wide range of fabrics, including felted, knitted, looped, and woven textiles, catering to both domestic and international markets, there are no common pursuits among any of our Group Companies and our Company.

Nature and extent of interest of our Group Companies

a. *Interest in the promotion of our Company*

None of our Group Companies have any interest in the promotion of our Company.

b. *Interest in the property acquired or proposed to be acquired by the Company*

Other than as disclosed in "*Our Business – Properties*" on page 234, none of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

c. *Interest in transactions for acquisition of land, construction of building, or supply of machinery*

Except for the plant and machineries and building located at our manufacturing facilities situated at Khasra 144/11/2, 144/11/1 and 144/12/2, Village Balkalan, Majitha, Amritsar, India is taken on lease from one of our group company, Kandhari Textile Mills Private Limited, none of our other group companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Other Financial Information – Related Party Transactions*" on page 276, there are no related business transactions between the Group Companies and our Company.

Litigation

For details with respect to litigation proceedings involving any of our Group Companies which will have a material impact on our Company, see, "*Outstanding Litigation and Material Developments – Litigation involving our Group Companies*" on page 315.

Business interest of our Group Companies in our Company

Except in the ordinary course of business and as disclosed in the section "*Other Financial Information – Related Party Transactions*" on page 276, our Group Companies have no business interests in our Company.

Other confirmations

The equity shares of our Group Companies are not listed on any stock exchange. Our Group Companies have not made any public / rights / composite issue in the last three years.

SECTION X – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by a resolution of our Board dated December 23, 2024 and the Offer has been authorized by a special resolution of our Shareholders dated December 27, 2024. Further, our Board has taken note of the Offered Shares by the Selling Shareholders in the Offer for Sale, pursuant to its resolution dated December 23, 2024.

Our Board, pursuant to its resolution dated February 17, 2025 have approved the Draft Red Herring Prospectus and pursuant to its resolution dated July 21, 2025 have approved this Red Herring Prospectus.

Each of the Selling Shareholders has, severally and not jointly, consented and/or authorised for inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Name of the Selling Shareholder	Type of the Selling Shareholder	Offered Shares	Date of Selling Shareholder's consent letter	Date of board resolution / corporate authorisation
Sanjeev Kandhari	Promoter Selling Shareholder	3,39,600	December 23, 2024	NA
Amit Kandhari	Promoter Selling Shareholder	3,39,600	December 23, 2024	NA

Our Company has received in-principle approval from NSE for the listing of the Equity Shares pursuant to letter dated May 28, 2025.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the persons in control of our Company, our directors, the members of the Promoters Group and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority / court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are associated with the securities market.

There has been no outstanding action(s) initiated by SEBI against the directors of our company in the five years preceding the date of this Red Herring Prospectus.

Eligibility for the Offer

We are an unlisted company and are eligible for the Initial Public Offer in accordance with Regulation 229 (2) of the SEBI ICDR Regulations which states the following:

"*An Offeror, whose post Offer face value capital is more than ten crore rupees and upto twenty- five crore rupees, may also Offer specified securities in accordance with provisions of this Chapter.*"

Further, as per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge on which the specified securities are proposed to be listed.

a) Our Company was incorporated on January 29, 1996, under the Companies Act, 1956 with the Registrar of Companies, Chandigarh.

b) As on the date of this Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹1,150.00 Lakhs comprising 1,15,00,00 Equity Shares of ₹10/- each and the post Offer paid-up Capital (face value) will be ₹ 1,469.92 Lakhs comprising up to 1,46,99,200 Equity Shares which shall be below ₹25 crores.

c) Our Company confirms that it has track record of more than 3 years.

d) Our promoters, Sanjeev Kandhari, Amit Kandhari, Shelly Kandhari and Priti Kandhari have minimum 3 years of experience in the same line of business of our company and shall be holding at least 20% of the post Offer equity share capital individually or severally.

e) As per the Restated Financial Information, our operating profit (earnings before interest, depreciation and tax excluding other income) from operations and net-worth were:

(₹ in Lakhs)

Particulars	**As at 31st March**		
	2025	**2024**	**2023**
Restated profit before taxes (I)	2,191.24	1,520.17	820.20
Finance costs (II)	435.20	392.93	282.11
Depreciation and Amortisation expense (III)	422.55	338.68	192.08
Other income (IV)	42.77	9.18	15.56
EBITDA (V) (I + II + III - IV)	**3,006.22**	**2,242.60**	**1,278.83**
Net worth	5,007.20	3,354.73	2,113.65

As certified by M/s. S G U R & Co., Chartered Accountants by way of their certificate dated July 15, 2025.

Hence, in all the 3 financial years preceding the date of this Red Herring Prospectus more than ₹1.00 crores and its net-worth is positive.

f) As per the Restated Financial Information, our free cash flow to Equity (FCFE) was:

(₹ in Lakhs)

Particulars	**As at 31st March**		
	2025	**2024**	**2023**
Cash flow from Operations (I)	1,297.22	90.15	653.13
Purchase of Fixed Assets (II)	1,043.93	847.21	797.90
Net Borrowings (III)	263.98	849.73	542.96
Interest x (1-T) (IV)	335.74	292.29	192.32
FCFE (V) (I - II + III - IV)	**190.98**	**(199.62)**	**205.87**

As certified by M/s. S G U R & Co., Chartered Accountants by way of their certificate dated July 15, 2025.

g) Offer for sale (OFS) by selling shareholders does not exceed 20% of the total issue size and selling shareholders are not selling more than 50% of their holding.

h) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.

i) There is no winding up petition against the company, which has been admitted by NCLT / Court of competent jurisdiction or a liquidator has not been appointed.

j) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.

k) We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our Company in the Red Herring Prospectus.

l) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Red Herring Prospectus.

m) We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter "*Outstanding Litigation and Material Developments*" on page 309.

n) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of our company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For details, refer the chapter "*Outstanding Litigation and Material Developments*" on page 309.

o) The application for listing of the equity shares of our company has not been rejected by the NSE in last 6 complete months.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) and Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is eligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 228 of the SEBI ICDR Regulations:

(a) Neither our Company nor our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoter or director of companies which are debarred from accessing the capital markets by the SEBI.

(c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.

(d) None of our Promoters or Directors is a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Each of the Selling Shareholders, severally and not jointly, confirms that they are in compliance with Regulation 8 of the SEBI ICDR Regulations. Further, each of the Selling Shareholders, severally and not jointly, confirms compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 50, failing which, the entire application money will be refunded forthwith, in accordance with the SEBI ICDR Regulations and applicable law.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (OFFER OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT ND EACH OF THE SELLING SHAREHOLDERS IS RESPONSIBLE FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE OFFER DOCUMENT ABOUT IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SOCRADAMUS CAPITAL PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 21, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE OFFEROR FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT. THE FILING OF THE OFFER DOCUMENT ALSO DOES NOT ABSOLVE THE SELLING SHAREHOLDERS FROM ANY LIABILITIES TO THE EXTENT OF THE STATEMENTS SPECIFICALLY MADE OR CONFIRMED BY THEMSELVES IN RESPECT OF THEMSELVES AND OF THEIR RESPECTIVE OFFERED SHARES, UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Manager

Our Company, our directors, each of the Selling Shareholders, severally and not jointly, and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, https://kaytexfabrics.com/ or the website of any affiliate of our Company, would be doing so at his or her own risk. Each Selling Shareholder and their respective affiliates, directors, trustees, officers and associates accept or undertake no responsibility for any statements, disclosures or undertakings other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and the Equity Shares being offered by it in the Offer.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement, Underwriting Agreement and Market Maker Agreement.

All information shall be made available by our Company, the Selling Shareholders, severally and not jointly (to the extent that the information pertain to themself and their respective portions of the Offered Shares through the Offer Documents) and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres or elsewhere.

Prospective Investors who Bid in this Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriter, Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not Offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders, Underwriter, Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire Equity Shares.

The Book Running Lead Manager and their associates and affiliates in their capacity as principals or agents may engage in transactions with and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, members of the Promoter Group, the Selling Shareholders and their respective directors, officers, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

This Offer is being made in India to persons resident in India including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, multilateral and bilateral development financial institutions, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, state industrial development corporations, permitted insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, permitted provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy or air force of Union of India and insurance funds set up and managed by the Department of Posts, India, systemically important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign Bidders, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to apply for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with NSE for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities law. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no offering of securities in the United States.

The Equity Shares are being offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur and in each case who are deemed to have made the representations set forth immediately below.

Restrictions on Transfers

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders the Selling Shareholders and the members of the Syndicate that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities' regulatory authority of any state of the United States and accordingly may not be offered, sold, resold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

2. the purchaser is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an "offshore transaction" meeting the requirements of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered

into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

7. the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

8. the purchaser understands and acknowledges that the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above stated restrictions; and

9. the purchaser acknowledges that the Company, the Selling Shareholders, the members of the Syndicate, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of Draft Red Herring Prospectus is set forth below:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/5260 dated May 28, 2025, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued pursuant to the Red Herring Prospectus are proposed to be listed on NSE Emerge. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications will be made to the NSE for obtaining their permission for the listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the NSE, our Company shall forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus in accordance with applicable law.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period. For avoidance of doubt, no liability to make any payment of interest or expenses shall accrue to any Selling Shareholder unless the delay in making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by and is directly attributable to, an act or omission of such Selling Shareholder and to the extent of their portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the NSE Emerge are taken within three Working Days from the Bid / Offer Closing Date or within such other period as may be prescribed. Each Selling Shareholder, severally and not jointly, confirms that they shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within three Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed. If the Company does not Allot the Equity Shares within one Working Day from the Bid / Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Account will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Advisor to the Offer, Bankers to our Company, the Book Running Lead Manager, the Registrar to the Offer, and D&B, Public Offer Account Bank, Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, and such consents shall not be withdrawn up to the time of filing of the Prospectus with the RoC.

Experts to the Offer

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

Our Company has received written consent dated July 15, 2025 from, M/s. S G U R & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated June 24, 2025 on our Restated Financial Information; and (ii) their report dated July 15, 2025 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our company during the last five years and performance visà-vis objects

Our Company has not made any public offer (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Red Herring Prospectus. Further, except as disclosed in "*Capital Structure*" on page 96, our Company has not made any rights issue during the five years preceding the date of this Red Herring Prospectus.

Particulars regarding public or rights issues by listed subsidiary during the last five years and performance visà-vis objects

We do not have any subsidiary as on date of this Red Herring Prospectus.

Underwriting commission, brokerage and selling commission paid on previous issues of the equity shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Red Herring Prospectus.

Capital issue during the previous three years by our company

Other than as disclosed in chapter titled "*Capital Structure*" on page 96, our Company has not undertaken any capital issue in the last three years preceding the date of this Red Herring Prospectus.

Capital issue during the previous three years by listed subsidiaries, group companies, or associates of our company

Our Company does not have any listed subsidiaries; group companies or associates as on date of this Red Herring Prospectus.

Price information of the past Offers handled by the Book Running Lead Manager

1. **Price information of past Offers handled by Socradamus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):**

Sr. No.	Issue name	Issue size (₹ Crores)	Issue price (₹)	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
Mainboard IPO								
-	-	-	-	-	-	-	-	-
SME IPO								
1.	Identical Brains Studios Limited	19.95	54.00	December 26, 2024	95.00	-4.63%, [-2.77%]	-16.94%, [-0.34%]	-21.20%, [-5.14%]

Source: www.nseindia.com

Notes:
1. *The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.*
2. *Price on BSE/NSE are considered for all the above calculations.*
3. *In case 30th, 90th and 180th day is not a trading day, closing price of the next trading day has been considered.*
4. *In case 30th, 90th and 180th day, scripts are not traded then the last trading price has been considered.*
5. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Book Running Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the Book Running Lead Manager will only be provided.

2. **Summary statement of price information of past Offers handled by Socradamus Capital Private Limited (during current financial year and two financial years preceding the current financial year):**

Financial Year	Total no. of IPOs	Total funds raised (₹ Crores)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025	1*	19.95	N.A.	N.A.	1	N.A.	N.A.	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.

** The script of Identical Brains Studios Limited was listed on December 26, 2024.*

Track record of past Offers handled by Book Running Lead Manager

For details regarding track record of the Book Running Lead Manager as specified in the Circular (reference no. CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, please see the website of the Book Running Lead Manager at: https://socradamus.in/track-records/.

Stock market data of equity shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of Investor Grievances in the Offer

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager or the Registrar to the Offer, in the manner provided below. Our Company, the Selling Shareholders, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Offer related grievances may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, UPI ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For Offer related grievances, Bidders may contact the Book Running Lead Manager, details of which are given in "*General Information*" on page 87.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the investor shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Pursuant to the SEBI master circular, SEBI has identified the need to put in place measures, in order to manage and handle investor Offers arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic Offers faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/ non-allotment within prescribed timelines and procedures.

In terms of SEBI Master Circular issued by the SEBI, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, and such Bid shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for public Offers opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the Bidder:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted Bids	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed

Scenario	Compensation amount	Compensation period
		on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original Bid Amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non–Allotted/partially Allotted Bids	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchange, with a copy to the Registrar to the Offer.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. Our Company, the BRLM, and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our company

Our Company shall, after filing this Red Herring Prospectus, obtain authentication on the SCORES in compliance with the SEBI circular bearing reference no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details of our Stakeholders Relationship Committee, please see "*Our Management – Corporate Governance*" on page 257.

Our Company has also appointed Rubina Mahajan, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, "*General Information – Company Secretary and Compliance Officer*" on page 88. Each of the Selling Shareholders, severally and not jointly, has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to deal with, on their behalf, any investor grievances received in the Offer in relation to their respective portion of the Offered Shares.

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

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

SECTION XI – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI LODR Regulations, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer*" on page 110.

Ranking of the equity shares

The Equity Shares being issued, offered and Allotted in the Offer shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, please see "*Main Provisions of the Articles of Association*" on page 367.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Allottees, in accordance with applicable law. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on page 272 and 367, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10/- each and the Offer Price at the lower end of the Price Band is ₹171/- per Equity Share and at the higher end of the Price Band is ₹180/- per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the Book Running Lead Manager and published by our Company in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), at least two Working Days prior to the Bid / Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid / Offer Closing Date, on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the equity shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of the Articles of Association*" on page 367.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialized form only. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Offer:

1. Tripartite agreement dated July 22, 2024 amongst our Company, CDSL and Registrar to the Offer.
2. Tripartite agreement dated September 26, 2024 between our Company, NSDL and Registrar to the Offer.

Minimum bid value, market lot and trading lot

Trading of the Equity Shares will happen in the minimum lot size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by NSE Emerge from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Bidders.

Further, in accordance with the SEBI ICDR Regulations, the minimum bid size shall be two lots per application. Provided that the minimum bid size shall be above ₹2.00 lakhs.

Joint holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The courts of Punjab, India will have exclusive jurisdiction in relation to this Offer.

Nomination facility to bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the nominating holder of such equity shares. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Collecting Depository Participant of the Bidder would prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid / Offer period

Bid / Offer Opens on	Tuesday, July 29, 2025
Bid / Offer Closes on	Thursday, July 31, 2025

(1) Our Company in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid / Offer Period shall be one Working Day prior to the Bid / Offer Opening Date in accordance with the SEBI ICDR Regulations.
(2) Our Company in consultation with the BRLM, may consider closing the Bid / Offer Period for QIBs, one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.
(3) UPI mandate end time and date shall be at 5.00 p.m. on Bid / Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid / Offer Closing Date	Thursday, July 31, 2025
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Friday, August 01, 2025
Initiation of Refunds for Anchor Investors / unblocking of funds from ASBA Account*	On or before Monday, August 04, 2025
Credit of Equity Shares to demat account of the Allottees	On or before Monday, August 04, 2025
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday, August 05, 2025

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/ deletion is placed in the Stock Exchange bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the investor shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid / Offer Closing Date, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The investor shall be compensated in the manner specified in the SEBI master circular and 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable. The processing fees for Bids made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.*

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Book Running 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 three Working days of the Bid / Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid / Offer Period by our Company and the Selling Shareholders, in consultation with the BRLM, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange and delay in respect of final certificates from SCSBs. 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. 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. Each Selling Shareholder, severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within three Working Days from the Bid / Offer Closing Date, or within such other period as may be prescribed.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post Offer timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public Offers opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Manager will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid / Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid / Offer Period (except the Bid / Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 4.00 p.m. (Indian Standard Time ("**IST**")
Bid / Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For Individual Bidders, other than QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA Applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Individual Bidders, Non- Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Individual Bidders, Non- Individual Applications of QIBs and Non-Institutional Bidders	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs, Non-Institutional Bidders and Individual Bidders categories#	Only between 10.00 a.m. on the Bid / Offer Opening Date and up to 4.00 p.m. IST on Bid / Offer Closing Date

**UPI mandate end time and date shall be at 5:00 pm on the Bid / Offer Closing Date.*
#QIBs, Non-Institutional Bidders and Individual Bidders can neither revise their Bids downwards nor cancel/ withdraw their Bids.

On the Bid / Offer Closing Date, the Bids shall be uploaded until on Bid / Offer Closing Date, the Bids shall be uploaded until 4.00 p.m. IST in case of Bids by QIBs, Non-Institutional Bidders and Individual Bidders.

On Bid / Offer Closing Date, extension of time may be granted by Stock Exchange only for uploading Bids received by Individual Bidders after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled / withdrawn / deleted Bids to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Offer Opening Date till the Bid / Offer Closing Date by obtaining the same from the Stock Exchange. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the Registrar to the Offer on a daily basis

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account andBids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid / Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid / Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid / Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid / Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid / Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid / Offer period. Bidders may please note that as per letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by NSE, Bids and any revision to the Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchange. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchange.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid / Offer Period till 5.00 pm on the Bid / Offer Closing Date after which the Stock Exchange send the bid information to the Registrar to the Offer for further processing.

Our Company in consultation with the Book Running Lead Manager, reserve the right to revise the Price band during the Bid / Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid / Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid / Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company and the Selling Shareholders, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of one Working Day, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid / Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchange shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Offer shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through this Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 (1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 50, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act, the UPI Circulars and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders and any expenses and interest shall be paid to the extent of their respective portion of the Offered Shares.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum lot size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum lot size allowed for trading on the NSE Emerge.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on transfer and transmission of equity shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoters' contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer as detailed in "*Capital Structure*" on page 96, and except as provided in our Articles of Association there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. For details, see "*Main Provisions of the Articles of Association*" on page 367.

Option to receive equity shares in dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange. However, Allotees may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the same newspapers, in which the pre-Offer and price band advertisement were published, within one day of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchange shall be informed promptly in this regard by our Company. The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification

If our Company in consultation with the Book Running Lead Manager withdraws the Offer after the Bid / Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with NSE. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and within two Working Days of the Bid / Offer Closing Date or such other time period as prescribed under applicable law. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

Migration to Main Board

As per Regulation 277 of the SEBI ICDR Regulations, our company may migrate to the main board of NSE from the SME Exchange on a later date if the paid-up capital of the company is more than ₹10 crores but below ₹25 crores, if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters against the proposal.

As per Regulation 280 (2) of the SEBI ICDR Regulations, where the post-issue paid up capital of the company listed on the SME Platform is likely to increase beyond ₹25 crores by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue etc., the company shall migrate its equity shares listed on a SME Platform to the Main Board and seek listing of the equity shares proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of equity shares laid down by the Main Board.

Provided that no further issue of capital shall be made unless:

a) the shareholders have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;

b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it. Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the Company may undertake further issuance of capital without migration from SME Platform to the Main Board, subject to the undertaking to comply with the provisions of the SEBI LODR Regulations, as applicable to companies listed on the Main Board of the stock exchange.

Further, the migration policy of NSE was intimated vide circular download ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular download ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated

January 21, 2021, NSE/SME/56427 dated April 20, 2023 and NSE/SME/61057 dated March 07, 2024. NSE has further reviewed and revised the migration policy vide circular policy vide circular download ref. No. NSE/CML/67671 dated April 24, 2025 effective from May 01, 2025 from NSE Emerge to NSE Main Board as follow:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹100 crores**

   *** Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post Offer number of equity shares.*

2. The company should have revenue from operations greater than ₹100 crores in the last financial year and should have positive operating profit from operations for at least 2 out 3 financial years preceding the migration application.

3. The company should have been listed on SME platform of the Exchange for at least 3 years.

4. Total number of public shareholders should be at least 500 on the date of application.

5. Promoter and Promoter Group shall be holding at least 20% of the Company at the time of making application. Further, as on date of application for migration the holding of Promoter's should not be less than 50% of shares held by them on the date of listing.

6. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:

   a) No proceedings have been admitted under Insolvency and Bankruptcy Code against the offeror and Promoting companies.

   b) The company has not received any winding up petition admitted by a NCLT/IBC.

   c) The net worth of the company should be at least ₹75 crores.

   d) No Material regulatory action in the past 3 years like suspension of trading against the applicant Company and Promoter by any Exchange.

   e) No debarment of Company/Promoter, subsidiary Company by SEBI.

   f) No Disqualification/Debarment of director of the Company by any regulatory authority.

   g) The applicant company has no pending investor complaints in SCORES.

   h) Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.

   i) No Default in respect of payment of interest and /or principal to the debenture/bond/fixed deposit holders by the applicant, promoter/ Subsidiary Company.

OFFER STRUCTURE

The Offer is up to 38,78,400 Equity Shares of face value of ₹10/- each, for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] Lakhs comprising of a Fresh Issue of up to 31,99,200 Equity Shares aggregating up to ₹ [●] Lakhs by our Company and an Offer of Sale of up to 6,79,200 Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders.

The Offer less the Market Maker Reservation Portion is the Net Offer. The Offer comprises a Net Offer of up to 36,84,000 Equity Shares aggregating up to ₹ [●] lakhs and Market Maker Reservation Portion of up to 1,94,400 Equity Shares aggregating up to ₹ [●] lakhs. The Market Maker Portion shall be at least 5% of our post Offer Equity Share capital. The Offer and the Net Offer shall constitute [●] % and [●] %, respectively of the post Offer Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 252 of the SEBI ICDR Regulations.

Particulars	**Market Maker Reservation Portion**	**QIBs (1)**	**NIBs**	**IBs**
Number of Equity Shares available for allocation / allotment*(2)	Up to 1,94,400 Equity Shares of face value of ₹10/- each	Not more than 15,55,200 Equity Shares of face value of ₹10/- each, aggregating to ₹ [●] lakhs, subject to the allocation/ allotment of not more than 50% of the Net Offer	Not less than 8,08,000 Equity Shares of face value of ₹10/- each available for allocation or Offer less allocation to QIB Bidders and IBs	Not less than 13,20,000 Equity Shares of face value of ₹10/- each available for allocation or Offer less allocation to QIB Bidders and NIBs
Percentage of Offer Size available for allotment / allocation	The Market Maker Reservation Portion shall constitute [●] % of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Net Offer less allocation to QIB Bidders and IBs shall be available for allocation, subject to the following: (a) one third of the portion available to NIBs shall be reserved for bidders with an bid size of more than two lots and up to such lots equivalent to not more than ₹10.00 lakhs; and (b) two third of the portion available to NIBs shall be reserved for bidders with bid size of more than ₹10.00 lakhs. Provided that the unsubscribed portion in either the sub-categories mentioned above could be allocated to applicants in the other sub-category of NIBs	Not less than 35% of the Net Offer

Particulars	**Market Maker Reservation Portion**	**QIBs (1)**	**NIBs**	**IBs**
Basis of Allotment / allocation if respective category is oversubscribed*	Firm Allotment	Proportionate as follows (Excluding the Anchor Investor Portion): a) 27,200 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) 5,28,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; c) Up to 60% of the QIB Portion (of up to 10,00,000 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	The Allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non- Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Individual Bidder Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. See "*Offer Procedure*" on page 347
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹2.00 lakhs	For NIBs applying under one-third of the Non-Institutional Portion (with bid size of more than two lots and up to such lots equivalent to not more than ₹10.00 lakhs) such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid size exceeds two lots. For NIBs applying under two thirds of the Non-Institutional Portion (with bid size of more than ₹10.00 lakhs) such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount exceeds ₹10.00 lakhs	2 lots such that the Bid size shall be above ₹2.00 lakhs

Particulars	Market Maker Reservation Portion	QIBs [(1)]	NIBs	IBs
Maximum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the Anchor Investor Portion), subject to applicable limits to each Bidder	For Non-Institutional Bidders applying under one-third of the Non-Institutional Portion (with bid size of more than 2 lots and up to ₹10.00 lakhs) such number of Equity Shares in multiples of [●] Equity Shares, such that the Bid Amount does not exceeds ₹10.00 lakhs. For Non-Institutional Bidders applying under two-thirds of the Non-Institutional Portion (with bid size of more than ₹10.00 lakhs) such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	2 lots such that the Bid size shall be above ₹2.00 lakhs
Lot Size	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment^	Compulsorily in dematerialised form			
Trading Lot	[●] Equity Shares. However, the Market Maker may buy odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares		
Who can Apply [(3) (4) (5)]	Market Maker	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	Market Maker Reservation Portion	QIBs (1)	NIBs	IBs
		Development and Regulatory Authority, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI		
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids (5) **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Biddiing^	ASBA Process only (except in case of Anchor Investors)	ASBA Process only (except in case of Anchor Investors)	ASBA Process only (including the UPI Mechanism to the extent of Bids up to ₹5.00 lakhs)	ASBA Process only (including the UPI Mechanism)

**Assuming full subscription in the Offer*

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA Applications in Public Offers shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchange shall, for all categories of Investors viz. QIB, NIB and IB and other reserved categories and also for all modes through which the applications are processed, accept the ASBA Applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 lakhs but up to ₹2,500.00 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 lakhs, and an additional 10 Anchor Investors for every additional ₹2,500.00 lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLM.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 253(1) and 253 (2)of the SEBI ICDR Regulations.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bids by FPIs with certain structures as described under "Offer Procedure – Bids by FPIs" on page 353 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares pursuant to the Offer.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public Offers in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. Investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of Bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint Bids in cases of individual, multiple Bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI through the UPI Circulars has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and IBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“**UPI Phase II**”). The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all Offers opening on or after September 1, 2023 and on a mandatory basis for all Offers opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular shall come into force for initial public offers opening on/or after May 1, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In terms of Regulation 244 (5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead Manager shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the Investor shall be compensated in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Further, our Company, the Selling Shareholders, and the BRLM are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified *in the Red Herring Prospectus and the Prospectus. Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Offer.*

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL; our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of this Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer equity shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid / Offer Opening Date.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 252 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 253 (1) and 253 (2) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, of which one-third shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with an application size of more than ₹10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion and not less than 35% of the Net Offer shall be available for allocation to Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●] % of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar was extended to June 30, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders applying through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased Implementation of UPI For Bids by IBs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public Offer of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public Offer closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public Offers, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public Offers, whichever is later. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by IBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public Offer closure to listing continued to be six Working Days during this phase.

(c) **Phase III:** This phase has become applicable on a voluntary basis for all Offers opening on or after September 1, 2023 and on a mandatory basis for all Offers opening on or after December 1, 2023 vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public Offer closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post Offer Book Running Lead Manager will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public Offers shall also provide facility to make application using UPI.

Our Company will be required to appoint SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circulars.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building Process on a regular basis before the closure of the Offer.

b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchange's platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchange's platform during the Bid / Offer Period after which the Stock Exchange send the bid information to the Registrar to the Offer for further processing.

d) QIBs, NIBs and Individual Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the website of NSE (www.nseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

UPI Bidders applying using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms submitted by UPI Bidders that do not contain the UPI ID are liable to be rejected.

Bidders (other than Anchor Investors and UPI Bidders applying using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the applications are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

ASBA Bidders may submit the ASBA Form in the manner below:

(i) IBs (other than the IBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA Bids in public Offers shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchange shall accept the ASBA applications in their electronic bidding platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of Bidders viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Individual Bidders and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

**Excluding Electronic Bid cum Application Forms.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchange. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders applying using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank. For UPI Bidders using the UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to IBs, UPI Bidders who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchange bidding platform and the liability to compensate IBs (applying through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Offeror bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the Offeror bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Manager for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI RTA Master Circular.

or all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bid with a confirmation cut-off time of 4:00 pm on the Bid / Offer Closing Date ("**Cut- Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchange and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchange platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Offeror banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Offeror banks and Sponsor Bank on a continuous basis.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Participation by Promoters, Promoter Group, the BRLM, associates and affiliates of the BRLM and the syndicate members and the persons related to Promoters, Promoter Group, BRLM and the syndicate members and bids by Anchor Investors

The BRLM and the Syndicate Members shall not be allowed to purchase/subscribe the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may purchase/subscribe to the Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLM or insurance companies promoted by entities or pension funds sponsored entities which are associates of the BRLM, no BRLM or their respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company in consultation with Book Running Lead Manager, reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its NAV in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific scheme. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of UPI Bidders using the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs applying on a non-repatriation basis should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of UPI Bidders applying using the UPI Mechanism) to block their Non-Resident Ordinary Accounts ("**NRO Account**") for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Bid cum Application Form.

In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants offered by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs applying on a repatriation basis are advised to use the Bid cum Application Form meant for non-residents (Blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Bid cum Application Form for residents. (White in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 366.

Bids by HUFs

Bids by HUFs should be in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Bidder group (which means multiple entities registered as foreign portfolio Bidders and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post Offer Equity Share capital. In case the total holding of an FPI or Bidder group increase beyond 10% of the total paid-up Equity Share capital of our Company, the total investment made by the FPI or Bidder group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the Bidder will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the automatic route). In terms of the FEMA NDI Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with Book Running Lead Manager reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to Offer, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
b) such offshore derivative instruments are offered only to persons eligible for registration as Category I FPIs;
c) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and
d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids and are liable to be rejected:

- FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Bidders and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

- Sub funds or separate class of Bidders with segregated portfolio who obtain separate FPI registration;

- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.

- Multiple branches in different jurisdictions of foreign bank registered as FPIs;

- Government and Government related Bidders registered as Category I FPIs; and

- Entities registered as collective investment scheme having multiple share classes.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bid using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs must ensure that any Bid by a single FPI and/ or a Bidder group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs applying through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by SEBI registered AIFs, VCFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations, VCFs which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA NDI Rules.

All Non-Resident Bidders should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing which, the Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and Master Direction - Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate equity investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed) and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 02, 2013 respectively. Such SCSBs are required to ensure that for making Bids on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid in public offers and clear demarcated funds should be available in such account for such Bids.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 read with the investments – master circular dated October 27, 2022, each as amended ("**IRDA Investment Regulations**") and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bid by NBFC-SI

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bid under power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the Book Running Lead Manager, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the Book Running Lead Manager, may deem fit.

Bid by Provident Funds / Pension Funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company and, in consultation with Book Running Lead Manager reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 Lakhs.

(c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date and will be completed on the same day.

(e) Our Company, in consultation with the BRLM will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹200.00 Lakhs;

- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and

- in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional 10 Anchor Investors for every additional ₹2,500.00 Lakhs, subject to minimum Allotment of ₹100.00 Lakhs per Anchor Investor.

(f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLM before the Bid / Offer Opening Date, through intimation to the Stock Exchange.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities or pension funds sponsored by entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) can apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

Pre-Offer Advertisement

Our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-offer and price band advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes, a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab where our Registered Office is located), each with wide circulation. Our Company shall, in the pre-offer and price band advertisement state the Bid / Offer Opening Date and the Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the ROC

Our company and selling shareholders have entered into an Underwriting Agreement dated July 18, 2025.

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

General Instructions

Please note that QIBs, Non-Institutional Bidders and Individual Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price band;

4. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders applying using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID and not the bank account of any third party;

5. UPI Bidders applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the Bid amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

6. UPI Bidders applying using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the Bid appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

8. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate members, Sub-Syndicate members, Registered Brokers, RTA or CDP;

10. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

11. Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

12. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Collecting Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular MRD/DoP/Dep/Cir-09/06 dated July 20, 2006 and SEBI circular no. MRD/DoP/SE/Cir-13/06 dated September 26, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying

their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for Bidders residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other Bids in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchange;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders applying using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Bid amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

26. FPIs making MIM Bids using the same PAN and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

27. In case of QIBs and NIBs, ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. UPI Bidders applying using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the Bid details of the UPI Bidder applying using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid cum Application Form in his / her ASBA Account;

29. UPI Bidder applying using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

30. UPI Bidders applying using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

31. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request

received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the IB's ASBA Account;

32. ASBA Bidders shall ensure that Bids above ₹5.00 lakhs, are uploaded only by the SCSBs;

33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. on the Bid / Offer Closing Date.

34. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar has been extended to June 30, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Bid made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the SEBI RTA Master Circular is liable to be rejected.

Don'ts:

1. Do not bid for lower than the minimum Bid size;

2. Do not bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not bid for a Bid Amount exceeding ₹5,00,000 (for Bids by UPI Bidders);

4. Do not bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "*– Bids by HUFs*" on page 352;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

11. Do not bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares applied for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. If you are a QIB or an NIB, do not submit your Bid after 4.00 p.m. on the Bid / Offer Closing Date. If you are an RIB or Market Maker applying under the reserved category, do not submit your Bid after 5.00 p.m. on the Bid / Offer Closing Date;

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. If you are a UPI Bidder using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

17. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5,00,000;

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details or a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB, Non-Institutional Bidder or Individual Bidder;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

27. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

28. Do not bid for Equity Shares more than specified by respective Stock Exchange for each category;

29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

30. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

31. Do not apply if you are an OCB.

For helpline details of the Book Running Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information – Book Running Lead Manager*" on page 88.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSB and/or using a Mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. Bid cum Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bid submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the IBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular number: CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bid by Individual Bidders with Bid Amount for a value of less than ₹2,00,000;

13. Bids by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash;

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid / Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid / Offer Closing Date (other than UPI Bidders), and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid / Offer Closing Date, unless extended by the Stock Exchange.

In case of any pre-offer or post offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information – Company Secretary and Compliance Officer*" on page 88.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the investor shall be compensated in accordance with applicable law. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Master circular and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company shall not make an allotment pursuant to this Offer if the number of allottees in the Offer is less than fifty. Further, our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 10% of the Net Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Individual Bidders, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Individual Bidder shall not be less than the Minimum Lot Size, subject to availability of Equity Shares in the Individual Bidder Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

The allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the Minimum Lot Size, subject to the availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account. The payment instruments for payment into the Escrow Account should be drawn in favour of:

(i) In case of resident Anchor Investors: "**KAYTEX FABRICS LIMITED-IPO-ANCHOR INVESTOR-R**"
(ii) In case of Non-Resident Anchor Investors: "**KAYTEX FABRICS LIMITED-IPO-ANCHOR INVESTOR-NR**"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, the Book Running Lead Manager and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchange where the Equity Shares are proposed to be listed, provided such final listing and trading approval from the Stock Exchange is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchange is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from the Stock Exchange where the equity shares of our company are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the Book Running Lead Manager and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchange.

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all editions of Business Standard, a widely circulated English national daily newspaper, all editions of Business Standard Hindi, a widely circulated Hindi national daily newspaper, and all editions of Des Pardes], a widely circulated Punjabi daily newspaper (Punjabi being the regional language of Punjab where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated September 26, 2024, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated July 22, 2024, amongst our Company, CDSL and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within three Working Days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI;

(iv) that funds required for making refunds/unblocking to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-offer and price band advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, withdraw the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with Stock Exchange, in the event our Company and/or the Selling Shareholders subsequently decide to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

(ix) that the promoter contribution in full, wherever required, shall be brought in advance before the Offer opens for public subscription and the balance, if any, shall be brought on a pro-rata basis before the calls are made on public in accordance with applicable provisions of SEBI ICDR Regulations;

(x) that no further issue of securities shall be made till the securities offered through the offer document are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with the SEBI ICDR Regulations;

(xi) that adequate arrangements shall be made to consider all ASBA Applications as similar to non-ASBA Applications while finalising the basis of allotment; and

(xii) Compliance with all disclosure and accounting norms as may be specified by SEBI from time to time.

Undertakings by the Selling Shareholders

(i) Each of the Selling Shareholder, severally and not jointly, undertake the following in respect of itself as the Selling Shareholder and its respective portion of the Offered Shares:

(ii) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(iii) that it is the legal and beneficial owner of and have clear and marketable title to the Offered Shares;

(iv) that it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

(v) that the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

(vi) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Offered Shares;

(vii) that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

(viii) that it shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(ix) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Offered Shares.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Offer shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who – (a) makes or abets making of an Bid in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple Bids to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases.

The DPIIT issued, issued the Consolidated FDI Policy which, with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases, clarifications, circulars on FDI issued by the DPIIT, which were in force and effect prior to October 15, 2020. In terms of the Consolidated FDI Policy and FEMA Rules, a company seeking an industrial licence shall be permitted to have foreign direct investment up to 49% under the automatic route and above 49% under approval route on case-to-case basis, wherever it is likely to result in access to modern technology in India or for other reasons.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Each Investor should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required and such approval has been obtained, the investor shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid / Offer Period. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

For further details, see "*Offer Procedure*" on page 347.

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. There will be no offering of securities in the United States.

The above information is given for the benefit of the Investors. Our Company, the Selling Shareholders and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Investors are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION XII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of Kaytex Fabrics Limited (the "**Company**") held on December 05, 2024. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 2013)

ARTICLES OF ASSOCIATION

OF

KAYTEX FABRICS LIMITED

1. CONSTITUTION OF THE COMPANY

a. Table "F" not to apply but company to be governed by these Articles

No regulations contained in Table "F" of Schedule I to the Companies Act, 2013 ("**Table F**") as are applicable to a public company limited by shares, shall apply to the Company except: (a) so far as they are not inconsistent with any of the provisions contained in these articles or modifications thereof; or(b) to the extent that there is no specific provision in these articles. In case of any conflict between the provisions of these articles and table F, the provisions of these articles shall prevail.

b. Applicability of Stock Exchange Regulations

Notwithstanding anything contained herein in these Articles, any inconsistency as to clause or time stipulated therein with the regulations and conditions of listing agreement of applicable stock exchanges, where the shares/securities of the Company are listed, shall stand modified so as to be consistent with the regulations and conditions of the listing agreement as amended from time to time.

Where any regulations and conditions as modified from time to time of any recognized stock exchange/s, which are required to be stipulated and included in the articles of association of a company at the time of listing of shares / securities or thereafter, these Articles shall stand to have been modified or amended so as to include such regulation and condition without further requirement of alteration of the Articles of Association of the Company.

2. DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:

THE ACT

"The Act" means the Companies Act, 2013and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory modification or re-enactment thereof for the time being in force.

ARTICLES

The "Articles" or "Articles of Association" means these articles of association of the Company or as altered from time to time.

BOARD OR BOARD OF DIRECTORS

"Board" or "Board of Directors" means the board of directors of the Company, as constituted from time to time.

Pursuant to Conversion from Private Limited to Public Limited vide Resolution passed in Board Meeting dated 25 November, 2024 & Special Resolution passed Extra-ordinary General Meeting of Members dated 05 December, 2024.
#Adopted whole new set of Articles of Association vide passing special resolution at the Members Extra Ordinary General Meeting held on 05 December, 2024.

CHAIRMAN

"The Chairman" means the Chairman of the Board of Directors / Committee for the time being of the Company.

THE COMPANY OR THIS COMPANY

"The Company" or "This Company" means **Kaytex Fabrics Limited**.

RULES

Rules means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

LAW

"Law/Laws" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental Authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

MONTH

"Month" means a calendar month.

PERSONS

"Person" or "person" shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity, whether incorporated or not, that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable law.

GENDER

Words importing one gender also include the other gender(s).

SINGULAR NUMBER

Words importing the singular number include, where the context admits or requires, the plural number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

SEBI

"SEBI" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

SEBI LISTING REGULATIONS

"SEBI LISTING REGULATIONS" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

SECURITIES

"SECURITIES" shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

SHARES

"Shares" shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

SHAREHOLDER OR MEMBER

"Shareholder" or "shareholder" or "member" shall mean any shareholder of the Company, from time to time.

SHAREHOLDERS' MEETING

"Shareholders' Meeting" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

STOCK EXCHANGES

"Stock Exchanges" shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES

Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined.

Words and expressions occurring, but not defined, in these Articles and defined in the Act, SCRA, SEBI Act or regulations/notifications/circulars issued by SEBI (from time to time) shall have the same meanings respectively assigned to them thereunder or in any statutory.

PUBLIC COMPANY

The company is a public company as defined in Section 2(71) of the Act.

3. CAPITAL, SHARES AND CERTIFICATES

The Authorised Share Capital of the Company is as stated in the **Clause 5** of the Memorandum of Association with the rights, privileges and conditions attached thereto as provided in law for the time being in force with powers to the Company to issue share capital as provided under Section 43 of the Act and Applicable Law and divide share capital for the time being of the Company into several classes / kinds (being those specified in the Act) and to attach thereto respectively such preferential, qualified, differential or special rights, privileges or conditions as may be determined by or in accordance with the law or the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the law for the time being in force or provided by the Articles of Association of the Company.

Subject to the provision of the Act and Rules Applicable Law and these articles, the Board may issue and allot shares, in such proportion and in the capital of the Company in consideration of payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business or as sweat equity or ESOP or any other scheme and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than cash and if so issued shall be deemed to be fully paid or partly paid up shares as the case may be or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

a. Increase of Capital by the Company

The Company in general meeting may from time to time, by ordinary resolution, increase the capital by creation of new shares and of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at a general meeting of the Company in conformity with Sections 47 of the Act.

b. Issue of Securities

Subject to the provisions of the Act and the rules and other applicable laws the Company shall have the right to issue any kind of shares/ securities / warrants having such rights as to conversion, redemption or otherwise and other terms and conditions and for consideration in cash or in consideration of any property or asset of any kind wherever sold or transferred goods or machinery supplied or for services rendered to the Company in the conduct of its business.

c. Preference Shares

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more class which are liable to be redeemed or converted into equity shares on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules.

d. Shares under the Control of The Board

Subject to the Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions either at a premium or at par or at a discount (subject to the compliance with the provision of Section 53 of the Act) and at such times as it may from time to time think fit and proper, and with full power of the sanction of the Company in General Meeting, to give to any Person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and is so issued, shall be deemed to be fully paid up shares.

Provided that the option or right to call of shares shall not be given to any persons except with the sanction of the Company in General Meeting.

e. Purchase / Buy Back of Shares

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other laws for the time being in force, the Company shall be entitled to purchase its own shares or other specified securities on such terms as deemed fit by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

f. Reduction of Capital

The Company may (subject to the provisions of Section 52, 55, 66, 67and/or other applicable provisions, if any, of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption, reserve account, or (c) any share premium account in any manner and with and subject to any incidents, authorise the consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have if it were omitted.

g. Consolidation, Division, Sub-Division and Cancellation of Shares

Subject to the provisions of the Article and Section 61 of the Act, the Company in general meeting may from time to time by an ordinary resolution alter the conditions of its Memorandum as follows that is to say:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

h. Modification of Rights

(i) Whenever the capital, by reason of the issue of shares including preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article, is not to derogate from any power the Company would have if this Article was omitted.

(ii) The rights conferred upon the holders of the shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu there with. This Article, is not to derogate from any power the Company would have if this Article was omitted.

i. Issue of Further Shares not to Affect Rights of Existing Members

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. This Article, is not to derogate from any power the Company would have if this Article was omitted.

j. Further Issue of Shares/Securities

A further issue of shares/securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer, private placement, rights issue, bonus issue, pursuant to employee stock options, sweat equity or in any other manner as permitted by the Act and at such time as the Board may from time to time think fit.

k. Issue of Shares to Employees

Subject to applicable rules and regulation, the Board may issue and allot shares/securities as sweat equity or under employees stock option scheme. The Board is authorised absolutely at its sole discretion to determine the terms and conditions of issue of such shares and modify the same from time to time.

l. Liability of Members

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

m. Registers to be Maintained by the Company

The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

(I) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India.

(II) A register of Debenture holders; and

(III) A register of any other security holders.

The Company may keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

n. Share Certificates

(a) The Company shall cause to be kept a register of members in accordance with Section 88 of the Act and the Depositories Act, with the details of the shares held in Dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.

Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after allotment (or within such other period as the conditions of issue shall provide), or within fifteen days after the application for the registration of transfer or transmission is received by the Company, without payment, certificate for all the shares registered in his name, every share certificate specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

(b) Certificate of title to shares shall be issued and shall be signed in conformity with the provisions of the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of share certificates and maintenance of books and documents relating to issue of share certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within two months after the allotment unless the conditions of issue of shares provide otherwise.

(c) Any two or more joint allottees or holders of share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of the certificate for a share to one of several joint shareholders shall be sufficient delivery to all such holder.

o. Fractional Certificates

(a) If and whenever, as a result of issue of new shares on consolidation or sub-division of shares, any member becomes entitled to any fractional part of a share, the Board may subject to the provisions of the Act and these Articles and to the directions, if any, of the Company in General Meeting:-

(i) Issue to such member fractional certificate or certificates representing such fractional part. Such fractional certificate or certificates shall not be registered, nor shall they bear any dividend until exchanged with other fractional certificates for an entire share. The Directors may, however, fix the time within which such fractional certificates are to be exchanged for an entire share and may extend such time and if at the expiry of such time, any fractional certificates shall be deemed to be canceled and the Directors shall sell the shares represented by such canceled fractional certificates for the best price reasonably obtainable or

(ii) Sell the shares represented by all such fractional parts for the best price reasonably obtainable.

(b) In the event of any shares being sold, in pursuance of sub-clause (a) above, the Company shall pay and distribute to and amongst the persons entitled, in due proportion the net sale proceeds thereof.

(c) For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.

(d) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

(e) Notwithstanding the above, the Board shall have power tomake such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares/securities becoming distributable in fractions.

p. Renewal of Share Certificate

No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilised.

Provided further that in case of any share certificate being lost or destroyed or if there be no further space on the bank for endorsement of transfer, the Company may issue a duplicate certificate in place of the certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and on execution of indemnity as the Board may determine.

The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulation or requirements of any stock exchanges or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

q. Company not bound to recognize any Interest in Share other than Registered Holder

Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles expressly provided) any right in respect of a share other than an absolute right thereto/ in accordance with these Articles, in the person whose name appears in the Register of Members as holder of shares or whose name appears as the beneficial owner of the shares in the records of the depository, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

4. COMPANY ENTITLED TO DEMATERIALISE ITS SHARES AND SECURITIES

Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialize its shares, debenture and other securities in a dematerialised form held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

The Company shall further be entitled to maintain a Register of Members with the details of members holding shares/securities both in material and dematerialised form in any media as permitted by law including any form of electronic media.

5. GENERAL AUTHORITY

Where in the Act, it has been provided that a company shall have any right, privilege or authority or that a company could carry out any transactions only if such company is so authorized by its articles of association, in every such case this Articles of Association hereby authorizes and empowers the Company, its Board, its Directorsand/or its members to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific provision in that behalf herein. Following are a few illustrations of such rights, privileges, authorities and transactions as set out with relevant Section numbers from the Act:

Section 40: to pay commission on issue of shares and debentures

Section 43: to issue shares with differential voting rights

Section 48: to alter rights of holders of special class of shares

Section 50: to accept amount on share capital although not called up

Section 51: to pay dividend in proportion to amount paid-up

Section 55: to issue preference shares.

Section 61: to alter the share capital of the company

Section 42: to issue shares on preferential basis

Section 62: to further issue shares/securities

Section 63: to issue bonus shares

Section 68: to buy back the shares of the Company

Section 88: to keep foreign register of members of debenture holders

Section 161: to appoint additional, alternate and nominee directors

The above authority does not include rights, privileges, authorities under Section 163 of the Act.

6. POWER TO PAY COMMISSION IN CONNECTION WITH SECURITIES ISSUED

1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.

3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

7. BROKERAGE

The Company may on any issue of shares, debentures or any other securities pay such brokerage or commission as may be prescribed under the Act.

8. CALLS

a. Board may make Calls

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of moneys unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine at any time.

b. Notice of Calls

At least Fourteen (14) days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid provided that before the time for payment of such call, the Board may revoke or postpone the same.

c. Calls to take effect from the date of resolution.

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board of Directors.

d. Calls on shares of same class to be on uniform basis

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of different class having the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

e. Board may extend Time

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of any call, and may extend such times as to all or any of the members who, on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.

f. Amount Payable at Fixed Time or by Instalments to be treated as Calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable by the person who for the time being and from time to time is or shall be the registered holder of the shares or legal representative of a deceased registered shareholder, as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

g. Deposit and Call, etc. to be Debt Payable

The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

h. Interest on Call or Instalment

If the sum payable in respect of any call or instalment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at the rate as may be determined by the Board from the due date appointed for the payment thereof till the time of actual payment. However, the Board may waive payment of such interest wholly or in part. In case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

i. Partial Payment not to Preclude Forfeiture

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time-to-time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

j. Payment in Anticipation of Calls may carry Interest

(a) The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate as may be decided by the Board according to the provisions of the Act. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three month's notice in writing.

(b) No member paying any such sum in advance shall be entitled to voting rights or dividend or to participate in profits in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

9. LIEN

a. Company to have Lien on Shares/ Debentures

The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any such share/debentures shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares/ debentures.

Unless otherwise agreed, the registration of a transfer of such shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures. PROVIDED THAT the Board of Directors may, at any time, declare any share/ debentures to be wholly or in part exempt from the provisions of this Article.

b. As to Enforcing lien by sale

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:

(a) Unless a sum in respect of which the lien exists is presently payable; or

(b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issue a duplicate certificate in respect of such shares and may authorise one of the members to execute a transfer thereof on behalf of and in the name of such members.

c. Transfer of shares sold under lien

(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereto;

(2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer;

(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

d. Application of proceeds of sale

(1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable, and

(2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

e. Outsider's lien not to affect company's lien

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

10. JOINT HOLDERS

a. The first named of joint holders deemed sole holder

If any share stands in the names of two or more persons, first named in the register shall, as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holder of a share shall, severally as well as jointly, be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.

Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in these articles:-

b. Not more than four

i. The Company shall not be bound to register more than four persons as the holders of any share.

ii. The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls and other payments which ought to be made in respect of such share.

c. Title of survivors

On the death of any of such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

d. Receipt of one sufficient

Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

e. Delivery of certificate and giving of notice

Only the person whose name stands first in the Register of Members as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share or to receive any documents from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

11. FORFEITURE OF SHARES

a. If money payable on shares not paid notice to be given to member

If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

b. Allotment money shall be deemed to be a call

For the purpose of provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

c. Effect of nonpayment of sums

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

d. Form of notice

The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

e. In default of payment shares to be forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect by the forfeited shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

f. Notice of forfeiture to a member

When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

g. Forfeited share to be the property of the company and may be sold etc.

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, reallotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

h. Cancellation of forfeiture

At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

i. Member still liable to pay money owing at the time of forfeiture and interest

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate not exceeding twelve (12) per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if they think fit, but shall not be under any obligation so to do.

j. Effect of forfeiture

The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in, and all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

k. Validity of forfeiture

i. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share;

ii. The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

iii. The person to whom such share, is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share;

iv. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest and bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

v. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the share.

l. Cancellation of share certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate in respect of the said shares to the persons entitled thereto.

m. Validity of sales

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.

12. SURRENDER OF SHARES

The Board may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

13. TRANSFER AND TRANSMISSION OF SHARES

a. Instrument of transfer to be executed by transferor and transferee

For shares in physical form, the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

b. Board may refuse to register transfer

Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a shareholder of the Company. The Board shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused.

c. Board may decline to recognize instrument of transfer

The Board may decline to recognize any instrument of transfer unless –

i. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

iii. the instrument of transfer is in respect of only one class of shares.

iv. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository. In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

v. Provisions of Articles to apply to Shares held in Depository: Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

vi. Certificate Number and other details of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository

d. Transfer of shares when suspended.

On giving of previous notice of at least seven (7) days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty-five (45) days in the aggregate in any year.

e. Transfer of partly paid shares

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

f. Transfer to minors, etc.

i. No share shall in any circumstances be transferred to an insolvent or a person of unsound mind.

ii. A minor may be admitted and registered as a member of the Company in respect of any fully paid up share or shares in his or her name. The father or the mother of a minor or a guardian appointed by a competent court shall have a right to represent and act for the minor in all respects including voting and/or giving proxy in respect of any share or shares held by such minor.

g. The company not liable for disregard of a notice prohibiting registration of a transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

h. Title to shares of deceased member

The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board may upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under this Article the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

i. Title to shares on death of a member

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

j. Estate of deceased member liable

Nothing shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

k. Transmission clause

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time-to-time properly be required by the Board and subject as hereinafter provided, elect, either –

i. to be registered himself as holder of the share; or

ii. to make such transfer of the share as the deceased or insolvent member could have made.

l. Board's right unaffected

The Board shall in either case have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

m. Indemnity to the company

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

n. No fee on transfer or transmission

No fee shall be charged for registration of transfer, grant of probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

The provisions of these Articles relating to transfer & transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

14. MEETINGS OF MEMBERS

a. Annual General Meeting

The Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting, except in the case where any extension of time for holding any annual general meeting is granted/availed under applicable laws. Not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called during business hours on a day that is not a national holiday and shall be held either at the registered office or at some other place within the city in which the office of the Company is situate through video conferencing or audio visual means or teleconferencing /permitted mode, as the Board may determine.

b. Extraordinary General Meeting

All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

The Board may, whenever they think fit, convene an extra-ordinary general meeting.

The Board shall on the requisition of such number of members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply through video conferencing or audio visual means or teleconferencing/permitted mode.

c. Calling General Meeting

A general meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic/permitted mode in such manner as prescribed under the Act, provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode:(a) in the case of an annual general meeting, by not less than 95% (ninety-five percent) of the members entitled to vote at such meeting, and (b) in the case of any other general meeting, by members holding, majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up share capital of the Company as gives a right to vote at such meeting. Provided further that where any member is entitled to vote only on some resolution or resolutions to be moved at a general meeting and not on the others, that member shall be taken into account for the abovementioned purposes, in respect of the former resolution(s) and not in respect of the latter.

Notice of every general meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.

d. Nature of business

The ordinary business of an annual general meeting shall be to receive and consider the financial statements and the report of the Board and of the auditors, to reappointment of Directors retiring by rotation, to appointment of auditors and to declare dividends. All other business transacted at such meeting and all business transacted at an extra ordinary meeting shall be deemed special.

e. Quorum

i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

ii. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

iii. The quorum for a general meeting shall be as provided in the Act.

f. Chairman of general meeting

The chairman of the Board shall be entitled to take the chair at every general meeting, whether annual or extraordinary. If there beno such chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of the members to be the chairman of that meeting.

g. Business confined to election of chairman whilst chair vacant

No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.

h. Chairman may adjourn meeting

i. The Chairman may, suo moto, adjourn the meeting from time to time and from place to place.

ii. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the general meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Section 100 of the Act (read with provisions of these Articles) shall stand cancelled.

iii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

iv. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

v. The required quorum at any adjourned general meeting shall be the same as that required at the original general meeting.

vi. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

i. Chairman's declaration of result of voting on show of hands

A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

j. Chairman's casting vote

In the case of an equality of votes, the chairman shall both on a show of hands and a poll (if any) have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

k. Voting through electronic means

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

l. Members paying money in advance not to be entitled to vote in respect thereof

A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

m. Number of Votes to member Entitled

i) Subject to the provisions of the Act and these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, shall be entitled to vote in the manner prescribed under the Act and Articles.

ii) Subject to the provisions of this Act and this Articles any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

iii) Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

n. Voting in Person or by Proxy

The instrument appointing a proxy and/or the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

The proxy so appointed shall have no right to speak at the meeting.

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Unless specifically provided as part of terms of preference shares, the preference shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Act.

o. Members in arrears not to vote

No members shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

p. Minutes Of Proceedings of Meetings and Resolutions Passed by Postal Ballot

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed under the Act and the Rules

q. Inspection of Minute Books of General Meeting

The books containing the minutes of the proceedings of any general meeting of the Company, or a resolution passed by postal ballot shall:

a) be kept at the registered office of the Company; and

b) be open to inspection of any member without charge, during 2 p.m. (IST) to 4.30 p.m. (IST) on all working days.

r. Members may obtain copy of Minutes

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes of general meetings:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

s. Powers to arrange security at Meetings

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people at tending the meeting, and the orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

15. DIRECTORS

a. Number of Directors

i. Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall benot less than 3 and not more than 15.However, maximum number can exceed 15 by passing special resolution as required under the Act.

ii. The first Directors of the Company were:

1. **Sanjeev Kandhari**
2. **Amit Kandhari**
3. **Krishan Kumar Kandhari**

iii. It shall not be necessary for a Director to hold any share in the Company.

b. Directors not liable to retire by rotation

The shareholders/ members shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation subject to compliance of the Act and the Rules made thereunder. Each of them shall be entitled to hold the office until he resigns on his own accord.

Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation save as otherwise expressly provided in this Act, be appointed by the company in general meeting. For the purposes of this article, the total number of Directors shall not include independent directors, Nominee Director, whether appointed under the Act or any other law for the time being in force, on the Board.

The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Further this will also be governed by the provisions of Listing Regulations.

A retiring Director shall be eligible for re-election.

c. Same Individual may be Chairperson and Managing Director/ Chief Executive Officer

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

d. Appointment of Alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from the India which meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Board and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns to the India. If the terms of office of the original Directoris determined before he returns to the India, any provision in the Act or in this Article for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

e. Appointment of Special Director

(i) The Company shall, subject to the provisions of the Act, be entitled to agree with the Central or State Government, or any person, firm, corporation or authority that he or it shall have the right to appoint his or its nominees on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by authority, person, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the authority, person, firm or corporation who appointed such Special Director may, if the agreement so provides, appoint another Director in his place.

(ii) The Special Directors, appointed under sub-clause (i) above, shall be entitled to hold office until requested to retire by theperson, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the person, firm or corporation who have appointed such special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

f. Appointment of Debenture Directors

Any Trust Deed for securing debentures or debenture stocks may, if so agreed, provide for the appointment, from time to time, by the Trustees thereof, or by the holders of debentures or debenture stocks, of some person to be a Director and may empower such Trustees or holder of debentures or debentures stocks, from time to time, to remove and re-appoint any Director so appointed. The Director so appointed under this Article herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect not withstanding any of the other provisions herein contained.

g. Appointment of Nominee Directors

(i) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to financial institutions, financing company or body or credit corporation, out of any loans granted by them to the Company or so long as the financial institution, financing company or body corporate or Credit Corporation (each of the financial institutions, financing company or body or credit corporation is hereinafter in this Article referred to as "The Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime, (which Directors or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s in terms of the agreement executed with such Corporation/ provisions of the respective statute/ or otherwise agreed to by the Board.

(ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(iii) The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability or the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the money owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.

(iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend to General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(v) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, money and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.

(vi) Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation or as per rules and regulations/or agreement entered into with such corporation

(vii) In the event of the Nominee Director/s being appointed as Whole-time Director/s, such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Wholetime Director/s shall be entitled to receive such remuneration, fees, commission and money as may be approved by the Corporation.

h. Directors may fill Vacancies

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board or Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

i. Appointment of Additional Directors

The Directors shall also have power at any time and from time to time to appoint any other person to be a Director as an addition to the Board under Section 161 of the Actbut so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting.

j. Appointment of other Directors

The Board shall appoint Woman Director and Independent Director in the manner required under the provisions of Act and other applicable laws.

k. Appointment of Managing Director or Managing Director(s) or Whole Time Director or Whole Time Director(s)

Subject to the provisions of Section 196 / 203 and other applicable provisions of the Act and these Articles, the Board shall have power to appoint or reappoint from time to time Managing Director or Managing Directors or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss or reappoint him or them from office and appoint another or others in his or their place or places.

16. REMUNERATION OF DIRECTORS

i. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

ii. The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined, in accordance with and subject to the provisions of the Act.

iii. addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel, sitting fees and other expenses properly incurred by them –

a) in attending, and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

b) in connection with the business of the Company

c) Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

iv. All cheques, promissory notes, Drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

17. PROCEEDING OF THE BOARD OF DIRECTORS

a. Meetings of Directors

i. The conducting of Meetings of the Board of Directors is governed by Secretarial Standards issued by ICSI and approved by the Ministry of Corporate Affairs.

ii. A meeting of the Board of Directors shall be held at least four (4) times every year and not more than 120 days shall lapse between two (2) Board meetings.

iii. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

iv. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

b. When meeting to be convened

i) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.

ii) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

c. Quorum

The quorum for the Board meeting shall be as provided above.

d. Chairman

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his/her absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairperson of the meeting.

e. Questions at Board Meeting how decided

Subject to provisions of the Act, questions arising at any meeting of the Board shall be decided by a simple majority of votes, and in case of equality of votes, the chairman shall have second or casting vote.

f. Circular Resolution

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held provided that a Draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any necessary papers, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

g. Acts of Board or Committee notwithstanding Defect in Appointment

All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

h. General Powers of the Company vested in Board

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The Board shall also undertake the corporate social responsibility activities under the provisions of the Act.

The Board may at any time and from time to time by authority letter,
, power of attorney or otherwise appoint any person or persons to be the authorized persons, delegates or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such periods and subject to such conditions as the Board may from time to time think fit, and may contain powers enabling such authorized persons, delegates or attorneys as aforesaid to sub-delegate/authorise all or any of the powers, authorities and discretions for the time being vested in them.

i. Borrowing powers

Subject to the provisions of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow money from time to time including but not limited to fund based and non-fund based credit facilities from Bankers and other eligible lenders, loans, fixed deposits etc. for the purpose of the business of the Company to be secured in such manner and upon such terms and conditions as the Board of Directors may thinks fit.

j. Issue of Debentures

The Board has power to issue debentures of various kinds from time to time.

The Board may, from time to time, at its discretion raise for the purpose of the Company's business such of money as they think fit. The Board may raise any such sums as aforesaid by the issue, at such price as it may think fit, of debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Board may think expedient.

k. Delegate Powers

Subject to the provisions of the Act including Section 179, as applicable, the Board may, from time to time, and at any time, delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than its power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

18. BOARD MAY APPOINT COMMITTEES

i. The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated confirms to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.

ii. The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

a. Chairman of Committee of Directors

i. Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

b. Functioning of the Committee

i. A Committee may meet and adjourn as it thinks fit.

ii. Questions arising at any meeting of a Committee shall be determined by a simple majority of votes of the members present.

iii. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

19. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Subject to the provisions of the Act;

i) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

The Board shall have the power to appoint an individual as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.

A whole time director / chief financial officer / company secretary of the Company are severally authorised to sign any document or proceeding requiring authentication by the Company or any contract made by or on behalf of the Company.

Any provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

20. STATUTORY REGISTERS

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company only by the persons entitled thereto under the Act, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to aforesaid the Board shall have a power to refuse inspection to any other person, at its discretion.

21. FOREIGN REGISTERS

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such Articles as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

22. DIVIDENDS AND RESERVE

i. Company in general meeting may declare dividends.

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

ii. Interim dividends

Subject to the provisions of the Act, the Board may from time-to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

iii. Dividends only to be paid out of profits

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as are serve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time-to-time, think fit.

iv. Carry forward of profits

The Board may subject to provisions of the Act also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

v. Payments in Advance

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

vi. Dividends to be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

vii. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

viii. Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause herein before contained, entitled to become a member, until such person shall become a member in respect of such shares.

ix. Dividend how Remitted

A dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may inwriting direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

x. Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

xi. Receipt of one holder sufficient

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

xii. No interest on Dividends

No dividend shall bear interest against the Company.

xiii. Waiver of Dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

23. WINDING UP

The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

24. ACCOUNTS

Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

The Board shall be entitled from time to time to determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

No member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

The books of accounts of the Company relating to past periods shall be preserved in good order in compliance with applicable laws.

25. UNPAID OR UNCLAIMED DIVIDEND

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "unpaid dividend account". No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. "investors education and protection fund".

26. INDEMNITY AND INSURANCE

Directors and officers right to indemnity

(a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, chief executive officer, chief financial officer, company secretary and officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity except such suits, proceedings, cost, charges, losses, damage and expenses, if any, that such director, manager, company secretary and officer shall incur or sustain, by or through his own willful neglect or default.

(b) Subject as aforesaid, every director, managing director, manager, chief executive officer, chief financial officer, company secretary and officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the gross negligence, willful misconduct or bad faith acts or omissions of such director, managing director, manager, chief executive officer, chief financial officer, company secretary or officer.

27. INSURANCE

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

28. CAPITALISATION

i. The Company in General Meeting by Ordinary Resolution may, upon the recommendation of theBoard, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the Profit and Loss Account or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause no. 2 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause no. 3 either in or towards :-

(a) paying up any amount for the time being unpaid on any shares held by such members respectively;

(b) paying up in full un-issued shares of the Company to the allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).

i. A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid Bonus Shares.

ii. the Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

iii. Any agreement made under such authority shall be effective and binding on such members.

29. SECRECY CLAUSE

Every director, manager, auditor, secretary, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required, by the Director, before and any time after entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions, operations, business and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law.

30. NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUTPERMISSION

No member or other person (not being a Director) shall, without the prior written permission of the Chairperson of the Company or Managing Director be entitled to visit or inspect any property or premises of the Company or to require discovery of or any information respecting any detail of the Company's trading, operation or business, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Chairperson/Managing Director, it would be inexpedient in the interest of the Company to disclose.

We, the several persons, whose names, address and description are subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association.

Sr. No	Names, Addresses, Description and Occupation	DIN / PAN	Place	Signature of Subscriber	Witness
1	Sh. Amit Kandhari S/o Krishan Kandhari R/o 292-A, Police Lines, Amritsar (Industrialist)	01412828	Amritsar	Sd/-	Witness to Signatures Sd/- Sanjeev Gupta S/o Sh. Harish Chander (Chartered Accountant) Chownk Bijli, Kt. Jaimal Singh, Amritsar
2	Sh. Sanjeev Kandhari S/o Krishan Kandhari R/o 292-A, Police Lines, Amritsar (Industrialist)	01412837	Amritsar	Sd/-	
3	Sh. Krishan Kumar Kandhari S/o Jagan Nath Kandhari R/o 292-A, Police Lines, Amritsar (Industrialist	-	Amritsar	Sd/-	

Date:15.01.1996
Place: Amritsar

SECTION XIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of this Red Herring Prospectus and the Prospectus which will be filed with the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid /Offer Closing Date (except for such agreements executed after the Bid / Offer Closing Date).

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts for The Offer

1. Offer Agreement dated January 10, 2025 as amended by the amendment agreement dated July 18, 2025 between our Company, the Selling Shareholders and the Book Running Lead Manager.

2. Registrar Agreement dated January 10, 2025 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Market Making Agreement dated July 19, 2025 between our Company, the Selling Shareholders, the Book Running Lead Manager and the Market Maker.

4. Underwriting Agreement dated July 18, 2025 between our Company, the Selling Shareholders, the Book Running Lead Manager and the Underwriter.

5. Syndicate Agreement dated July 19, 2025 entered into between our Company, the Selling Shareholders, the Book Running Lead Manager, the Syndicate Member and the Registrar to the Offer.

6. Escrow and Sponsor Bank Agreement dated July 11, 2025 between our Company, the Selling Shareholders, the Book Running Lead Manager, Banker to the Offer, Syndicate Member and the Registrar to the Offer.

7. Share Escrow Agreement dated July 18, 2025 between our Company, the Selling Shareholders and the Share Escrow Agent.

8. Tripartite agreement between the CDSL, our Company and the Registrar to the Offer dated July 22, 2024.

9. Tripartite agreement between the NSDL, our Company and the Registrar to the Offer dated September 26, 2024.

10. Monitoring Agency Agreement dated July 12, 2025 between our Company and Monitoring Agency.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of Incorporation dated January 29, 1996 issued under the name 'Kaytex Fabrics Private Limited'.

3. Fresh Certificate of Incorporation dated December 19, 2024 issued under the name 'Kaytex Fabrics Limited' pursuant to conversion of our company from Private Limited Company to Public Limited Company.

4. Resolution of the Board of Directors dated December 23, 2024 authorizing the Offer and other related matters.

5. Resolution of the Shareholders dated December 27, 2024 authorizing the Offer and other related matters.

6. Resolution of the Board of Directors of our Company dated February 17, 2025 approving the Draft Red Herring Prospectus.

7. Resolution of the Board of Directors of our Company dated July 21, 2025 approving the Red Herring Prospectus.

8. Resolution dated July 05, 2025, passed by Audit Committee approving the key performance indicators of our Company.

9. Certificate dated January 20, 2025 and June 20, 2025 issued by Er. Rohit Kapoor, Chartered Engineer certifying the details of the installed and production capacity of our manufacturing facilities, proposed capacity expansion for digital printing, plant and machineries installed at our manufacturing facilities and verification of the quotations for the objects of the offer.

10. Certificate dated July 15, 2025, issued by M/s. S G U R & Co, Chartered Accountants certifying the key performance indicators of our Company.

11. Authorisations and consent letters from the Selling Shareholders in relation to the Offer for Sale.

12. Consent dated January 30, 2025 from D&B to rely on and reproduce "*Report on Digital Textile Printing Industry in India*" dated January 30, 2025, in whole or as specifically agreed by D&B, and include their name in this Red Herring Prospectus.

13. Industry report titled "*Report on Digital Textile Printing Industry in India*" dated January 30, 2025, issued by D&B which is a paid report and was commissioned by us pursuant to an engagement letter dated December 28, 2024, exclusively in connection with the Offer.

14. Written consent dated July 15, 2025 from M/s. S G U R & Co, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated June 24, 2025, on our Restated Financial Information; and (ii) their report dated July 15, 2025, on the statement of special tax benefits included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

15. Copies of Audited Financials of our Company for the financial years March 31, 2025 and Annual Reports for the financial years March 31, 2024 and 2023.

16. Consent of our Directors, Selling Shareholders, BRLM, Syndicate Members, the Legal Counsel to the Company, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, and Company Secretary and Compliance Officer, as referred to in their specific capacities.

17. Due Diligence Certificate dated February 17, 2025 addressed to NSE from the Book Running Lead Manager.

18. Due Diligence Certificate dated July 21, 2025 addressed to SEBI from the Book Running Lead Manager.

19. In-principle listing approvals dated May 28, 2025 issued by NSE.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Sanjeev Kandhari
Chairman and Managing Director
DIN: 01412837

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Amit Kandhari
Executive Director
DIN: 01412828

Date July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____
Shelly Kandhari
Non-Executive Director
DIN: 10752302

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Priti Kandhari
Non-Executive Director
DIN: 10752385

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rahul Tandon
Independent Director
DIN: 06372536

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajiv Arora
Independent Director
DIN: 01522045

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY AND OFFICER OF OUR COMPANY

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Rubina Mahajan
Company Secretary and Compliance Officer

Date: July 21, 2025
Place: Amritsar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines or regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure or undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Amit Kandhari
Chief Financial Officer

Date: July 21, 2025
Place: Amritsar

DECLARATION BY SELLING SHAREHOLDER

I hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about or in relation to me, as a Selling Shareholder, and the Equity Shares being offered by me in the Offer, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Sanjeev Kandhari

Date: July 21, 2025
Place: Amritsar

DECLARATION BY SELLING SHAREHOLDER

I hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about or in relation to me, as a Selling Shareholder, and the Equity Shares being offered by me in the Offer, are true and correct. I assume no responsibility, for any other statements, disclosures or undertakings including any of the statements, disclosures or undertakings made or confirmed by the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

SIGNED BY THE PROMOTER SELLING SHAREHOLDER

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Amit Kandhari

Date: July 21, 2025
Place: Amritsar