(Please scan this QR Code to view the Draft Abridged Prospectus and DRHP)

DRAFT RED HERRING PROSPECTUS
Dated: June 30, 2026
Please read Section 26 and 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the ROC)
100% Book Built Issue

KUMAR COTTON MILLS LTD

CIN: U17710GJ1990PLC013562

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India.	Survey No. 108/1, Opp. Narol Village, B/H Narol Court, Narol, Ahmedabad, Daskroi, Gujarat- 382405, India.	Shahaji Annasaheb Patil Company Secretary & Compliance Officer	**E-mail:** kumarcotton@yahoo.com **Tel No:** +91-9825313598	**Website:** https://kumarcotton.com/

PROMOTERS OF THE COMPANY	Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal and Agarwal Rajendrakumar (HUF), Ajaykumar R Agrawal (HUF)

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE (IN ₹ LAKHS)	ELIGIBILITY
Fresh Issue	Upto 50,72,000 Equity Shares aggregating to ₹ [●] Lakhs	Nil	Upto 50,72,000 Equity Shares aggregating to ₹ [●] Lakhs	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue 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 under ***"Basis for Issue Price"*** on page 99 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 or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section ***"Risk Factors"*** beginning on page 18 of the Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in the Draft 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 the Draft 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.

LISTING

The Equity Shares Issued through the Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE ("BSE SME"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated [●] from BSE (BSE SME) for using its name in the Offer Document. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
SEREN CAPITAL Elevate Your Potential **Seren Capital Private Limited**	Akun Goyal / Deepak Soni	**Email:** info@serencapital.in **Tel. No.:** +91- 22- 46011058

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
Bigshare Services Pvt. Ltd. **Bigshare Services Private Limited**	Babu Rapheal	**Email:** ipo@bigshareonline.com **Tel No.:** 022 - 6263 8200

BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*	**BID/ISSUE OPENS ON: [●]****	**BID/ISSUE CLOSES ON: [●]*****

**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/ Issue Opening Date.*

***Our Company in consultation with the BRLM may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/Issue 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/Issue Closing Day.*

SUMMARY OF THE PRIMARY BUSINESS

Incorporated in 1990, our Company is engaged in the processing of woven and knitted fabrics through bleaching, dyeing, printing and finishing operations. The fabrics processed by us are primarily used in suiting, shirting, women's apparel, hosiery, nightwear and other garment applications. We undertake fabric processing on a job work basis as well as on an own account basis, under which we procure grey fabric, process it at our manufacturing facility and sell the processed fabric to our customers. Our customers primarily comprise garment manufacturers, textile manufacturers and processors, traders and wholesalers.

In August 2025, our Company acquired a 99% partnership interest in Aarjay Enterprises, a related party entity engaged in weaving operations through its own looms. Prior to December 2024, our Company also directly undertook weaving operations at its manufacturing facility. Pursuant to the realignment of its operations, the Company discontinued direct weaving operations after December 2024. Accordingly, at a standalone level, our present manufacturing activities are primarily focused on fabric processing, while weaving activities are undertaken through Aarjay Enterprises. For further details relating to the acquisition, consideration paid, relationship with Aarjay Enterprises, see ***"History and Certain Corporate Matters***" on page 154 of this DRHP.

We operate through the following principal business models:

Job work processing: Under this model, our customers supply grey or unfinished fabric to us for processing. We undertake bleaching, dyeing, printing, finishing and other processing activities in accordance with customer requirements, including requirements relating to color, shade, finish, dimensions and other quality parameters. Revenue under this model is derived from processing charges charged to customers.

Own-account processing and sale: Under this model, we procure grey fabric from suppliers, undertake the required processing activities at our manufacturing facility and sell the processed fabric to garment manufacturers, textile manufacturers and processors, traders and wholesalers.

Our Product-wise revenue for the last three financial years and stub period is as follows:

(Rs. In Lakhs, unless otherwise stated)

Particulars	**Apr 25-Dec 25**	**% of revenue**	**F.Y. 2024-25**	**% of revenue**	**F.Y. 2023-24**	**% of revenue**	**F.Y. 2022-23**	**% of revenue**
	Consolidated		**Standalone**		**Standalone**		**Standalone**	
<u>Business Activities:</u>								
Sale of fabrics processed on own account	12,628.04	54.42%	3,023.08	12.62%	1,155.99	4.65%	1,603.07	6.37%
Job work fabric-processing charges	8,644.53	37.25%	12,207.74	50.94%	11,849.33	47.64%	12,339.49	49.07%
Sale of grey fabric	1,009.69	4.35%	5,729.78	23.91%	8,476.29	34.08%	10,522.35	41.84%
Sale of textile-processing chemicals	446.69	1.92%	585.55	2.44%	319.41	1.28%	118.69	0.47%
Weaving job work charges	-	0.00%	132.44	0.55%	-	0.00%	-	0.00%
Sale of sized yarn	455.32	1.96%	2,264.64	9.45%	3,061.11	12.31%	533.65	2.12%
Total - A	**23,184.28**	**99.91%**	**23,943.23**	**99.91%**	**24,862.14**	**99.95%**	**25,117.25**	**99.87%**
Other Operating Revenue	20.85	0.09%	20.77	0.09%	12.38	0.05%	31.98	0.13%
Total - B	**20.85**	**0.09%**	**20.77**	**0.09%**	**12.38**	**0.05%**	**31.98**	**0.13%**
Grand Total (A+B)	**23,205.13**	**100.00%**	**23,964.00**	**100.00%**	**24,874.51**	**100.00%**	**25,149.23**	**100.00%**

** Pursuant to an operational realignment, the Company temporarily discontinued weaving operations at its own facility after December 2024. Accordingly, revenue from weaving job work represents revenue generated from our historical operations.*

STATE-WISE REVENUE ACROSS INDIA

(Rs. In Lakhs, unless otherwise stated)

Particulars	Apr'25 - Dec'25	% of Total Revenue	2024-25	% of Total Revenue	2023-24	% of Total Revenue	2022-23	% of Total Revenue
	(Consolidated)		(Standalone)		(Standalone)		(Standalone)	
In India								
Chhattisgarh	-	0.00%	-	0.00%	0.17	0.00%	-	0.00%
Delhi	955.66	4.12%	336.51	1.40%	356.27	1.43%	541.62	2.15%
Gujarat	18,927.71	81.57%	21,997.76	91.80%	20,969.36	84.30%	21,260.65	84.54%
Haryana	1.26	0.01%	-	0.00%	1.80	0.01%	6.79	0.03%
Karnataka	102.31	0.44%	-	0.00%	-	0.00%	3.50	0.01%
Madhya Pradesh	43.11	0.19%	3.00	0.01%	31.64	0.13%	25.30	0.10%
Maharashtra	900.51	3.88%	62.35	0.26%	60.35	0.24%	26.93	0.11%
Punjab	409.66	1.77%	21.38	0.09%	66.08	0.27%	0.02	0.00%
Rajasthan	677.37	2.92%	702.86	2.93%	1,903.59	7.65%	2,534.62	10.08%
Tamil Nadu	7.05	0.03%	16.17	0.07%	64.25	0.26%	56.51	0.22%
Uttar Pradesh	455.78	1.96%	55.87	0.23%	576.96	2.32%	186.02	0.74%
West Bengal	478.09	2.06%	403.75	1.68%	545.53	2.19%	297.49	1.18%
Andhra Pradesh	5.62	0.02%		0.00%		0.00%		0.00%
Total (A)	**22,964.13**	**98.96%**	**23,599.65**	**98.48%**	**24,576.01**	**98.80%**	**24,939.45**	**99.17%**
Other Countries								
Nepal	220.15	0.95%	343.58	1.43%	286.14	1.15%	177.80	0.71%
Total(B)	**220.15**	**0.95%**	**343.58**	**1.43%**	**286.14**	**1.15%**	**177.80**	**0.71%**
Other Operating Revenue (C)	20.85	0.09%	20.77	0.09%	12.38	0.05%	31.98	0.13%
Total Revenue from operations (A+B+C)	**23,205.13**	**100.00%**	**23,964.00**	**100.00%**	**24,874.51**	**100.00%**	**25,149.23**	**100.00%**

Revenue from our top 5 customers in is as given below:

(Rs. In Lakhs, unless otherwise stated)

Particular	December 31, 2025		March 31, 2025		March 31, 2024		March 31, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
	Consolidated		Standalone		Standalone		Standalone	
Top 5 Customers*	9,059.01	39.04%	11,464.88	47.84%	11,371.55	45.72%	10,810.28	42.98%

**The customers may vary across the fiscal/relevant period.*

KEY OPERATIONAL FACILITIES

Registered Office	160 New Cloth Market, Station Road, Ahmedabad-380 002
Manufacturing Unit	Survey No. 108/1,109/7, 109/8 and 109/9 Opp. Narol Village, B/H Narol Court, Ahmedabad-382405

BUSINESS STRENGTHS AND STRATEGIES

STRENGTH

1. Business model comprising job work processing and own-account processing
2. Experienced Promoters and management team
3. In-house quality-control and testing facilities

STRATEGIES

1. Backward Integration through installation of spinning facility
2. Expanding footprints across diverse geographies
3. Improving Operational Efficiency and Cost Competitiveness

For further *details, please refer to the chapter titled **"Our Business"** beginning on page 123 of the Draft Red Herring Prospectus*

SUMMARY OF THE INDUSTRY

India's textiles sector is one of the oldest and most diverse industries in the country, with roots stretching back centuries. It spans from traditional hand-spun and handwoven clusters to sophisticated capital-intensive mills, supported by a robust base of fibers and yarns ranging from cotton, jute, silk, and wool to polyester, viscose, and acrylic*).*The decentralized power loom, hosiery, and knitting segment remains the largest component, reflecting the industry's ability to cater to multiple consumer markets. Its close linkage with agriculture, reliance on natural resources like cotton, and strong cultural heritage give the Indian textiles industry a unique identity compared to other manufacturing sectors.

India has also established a strong position in technical textiles and specialty segments. The sector, valued at US$ 29 billion in 2024, is projected to reach US$ 45 billion by 2026, US$ 123 billion by 2035, and US$ 309 billion by 2047, making it one of the fastest-growing areas within the industry. Within this, the Mobil tech textiles market catering to automotive applications is expected to nearly double from US$ 2.32 billion in FY25 to US$ 4.57 billion by FY33, growing at a CAGR of 8.84%. India has also emerged as the second-largest manufacturer of PPE globally, with the segment expected to reach US$ 4.83 billion by 2033 at a CAGR of 10.4%. Another high-growth segment is sports technology, with India's sports technology market valued at US$ 501.3 million in 2025 and projected to reach US$ 1,528.5 million by 2034, growing at a CAGR of 12.79%.

According to ICRA, Indian apparel exporters are expected to see revenue grow by 9-11% in FY26. This will be driven by higher sales volumes and prices, supported by the "China Plus One" strategy and importers needing to restock inventory. As of February 2026, the Government continued development of seven PM MITRA Parks aimed at creating integrated textile manufacturing ecosystems with world-class infrastructure to reduce logistics costs and enhance global competitiveness of India's textile sector. *(Source: IBEF Textile & Apparel Market Industry report February 2026)*

*For further details, please refer to the chapter titled **"Industry Overview"** beginning on page 109 of the Draft Red Herring Prospectus.*

PROMOTERS OF THE ISSUER COMPANY

Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1.	Rajendraprasad Ramkumar Agarwal	Individual	Rajendraprasad Ramkumar Agarwal is the Promoter, Chairman and Managing Director of our company. He completed his Senior Secondary education in the year 1975 from Government Secondary School, Gandhinagar, and has over 47 years of experience in the Textile Industry. He has been associated with the Company since 2000. He commenced his career in 1979 and was associated with Vishal Textile a partnership firm, which was engaged in fabric trading and related textile business. He primarily oversees business development and finance of the company.
2.	Ajay Ramkumar Agrawal	Individual	Ajay Ramkumar Agrawal is the Promoter and Whole-Time Director of our company. He completed his Senior Secondary education in the year 1988 from Rajasthan Hindi High School, Rajasthan. He has been associated with the Company since its incorporation and has over 36 years of experience in the Textile Industry. He currently oversees sales and marketing operations executions of our Company.

3.	Kumar Rajendraprasad Agarwal	Individual	Kumar Rajendraprasad Agarwal is the Promoter and Non- Executive Director of our Company. He has been on the Board since 2017. He completed his Diploma in Financial Management in the year 2008 from Nipam Shah-AMA Centre. He has over 18 years of experience in the Textile Industry
4.	Agarwal Rajendrakumar (HUF)	HUF	NA
5.	Ajaykumar R Agrawal (HUF)	HUF	NA

For details in respect of our Promoters, please refer to the chapter titled ***"Our Promoters and Promoter Group"*** *beginning on page 172 of the Draft Red Herring Prospectus.*

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue of up 50,72,000 to Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] Lakhs by our Company.

Details of means of finance – The fund requirements for the object of the Offer is stated as follows:

(Rs. In Lakhs)

S. No	Particulars	Estimated Amount to be deployed and utilized in F.Y. 26-27	Estimated Amount to be deployed and utilized in F.Y. 27-28
1	Funding of capital expenditure towards set up of a new manufacturing facility	2467.93	-
2	Funding of Working Capital Requirements	850.00	-
3	General corporate purposes*	[●]	[●]
	Total	[●]	[●]

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.*

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Funding of capital expenditure towards set up of a new manufacturing facility

As part of our proposed expansion and backward integration within the textile value chain, our Company proposes to establish a manufacturing facility for undertaking spinning operations at Block No. 336, admeasuring 66,976 sq. metres, situated at Mouje Miroli, Taluka Dascroi, Sub-District Ahmedabad-II, Gujarat. The proposed project entails civil construction, purchase and installation of plant and machinery and development of related infrastructure for the proposed spinning facility.

The total estimated cost of the project is ₹2,591.33 lakhs. Our Company intends to utilise ₹2,467.93 lakhs from the Net Proceeds towards the project cost, comprising ₹935.27 lakhs towards civil construction work and ₹1,532.66 lakhs towards purchase and installation of plant and machinery. The balance project cost of ₹123.40 lakhs is proposed to be funded through internal accruals.

The total estimated cost for setting up the Proposed Facility comprises the following:

(Rs. in lakhs)

S. No	Particulars	Estimated Cost	Funds Deployed from Internal Accruals	Funds to be deployed from Internal Accruals	To be met from Issue Proceeds
1.	Civil Construction Work of Factory Shed	935.27	-	-	935.27

2.	Plant & Machinery	1532.66	-	-	1532.66
3.	Contingency*	123.40	-	123.40	-
	Total Cost	**2591.33**	**-**	**-**	**2467.93**

** Our Company has allocated a contingency amount of 5% of the project cost i.e.₹ 123.40 Lakhs from the net proceeds to cover potential expenses arising from increases in machinery costs (if any), and obtaining permissions, associated transportation & installation charges and expense related to other utilities which will be borne through internal accruals.*

2. To Meet Working Capital Requirements

With the expansion of the business company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banking facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements. Out of the Net Proceeds, our Company proposes to utilize ₹ 850.00 lakhs towards our Company's working capital requirements of the FY 2026-27, respectively, as detailed below. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed from the banks and internal accruals.
The working capital requirement set out below has been estimated on the basis of the standalone financial statements of our Company, working capital cycle, scale of operations, business requirements and management estimates. The details of our existing and proposed working capital requirements, along with the assumptions considered for determining the same, are set out below:

Details of Estimation of Working Capital requirement are as follows:

(Rs. in Lakhs)

Particulars	**March 31, 2023**	**March 31, 2024**	**March 31, 2025**	**For the Period ended Dec'25**	**March 31, 2026**	**March 31, 2027**
	Standalone Restated				**Standalone (Provisional)**	**Standalone (Estimated)**
Current Assets						
Inventories	2,221.32	1,923.18	2,244.71	2,910.94	1,862.37	2,185.73
Trade receivables	6,463.12	7,272.71	8,038.14	4,292.08	5,894.00	8,070.60
Current Investments	-	-	-	1,480.95	1,107.67	1,716.52
Short-Term Loans and Advances	1,104.82	698.81	875.57	681.84	786.45	912.55
Other Current Assets	9.39	9.39	10.49	14.23	18.97	22.77
Total Current Assets(A)	**9,798.65**	**9,904.08**	**11,168.90**	**9,380.04**	**9,669.46**	**12,908.16**
Current Liabilities						
Trade Payables	4,147.83	2,785.39	4,256.41	4,443.89	3,647.03	4,655.43
Other Current Liabilities	125.28	235.24	148.47	145.26	155.95	157.54
Short-Term Provisions	127.35	120.86	196.78	394.57	425.80	531.89
Total Current Liabilities(B)	**4,400.46**	**3,141.49**	**4,601.67**	**4,983.72**	**4,228.78**	**5,344.87**
Total Working Capital Requirement(A-B)	**5,398.19**	**6,762.59**	**6,567.24**	**4,396.33**	**5,440.68**	**7,563.29**
Funding Pattern:						
Internal Accruals*	**2,126.02**	**2,243.01**	**2,834.13**	**1,269.85**	**2,854.18**	**4,248.82**
From Borrowings	**3,272.18**	**4,519.57**	**3,733.10**	**3,126.48**	**2,586.50**	**2,464.48**
Net Proceeds from IPO						**850.00**

**Internal accruals generally comprise funds generated through the Company's regular business operations, including profits retained in the business after meeting operating expenses, taxes and routine working capital requirements. In the present case, the internal accruals proposed to be deployed towards the project will be funded primarily from liquidity generated from operations*

Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the standalone financial for the financial years ended March 31, 2023, March 31, 2024, March 31, 2025, standalone Stub period ended December 2025 and standalone provisional figures for financial years ended March 31, 2026 and standalone projected figures for financial year ended March 31, 2027.

Particulars	**March 31, 2023**	**March 31, 2024**	**March 31, 2025**	**For the Period ended Dec'25**	**March 31, 2026**	**March 31, 2027**
	Standalone Restated				**Standalone (Provisional)**	**Standalone (Estimated)**
Inventory Turnover -- Days	54	51	53	63	50	45
Trade Receivable Turnover -- Days	91	101	117	95	105	95
Trade Payable Turnover -- Days	108	87	87	103	95	90

Management's Justification for Holding Levels (Reasons for considering the above-mentioned days):

Inventories	Inventory days stood at 54 days in Financial Year 2022-23, 51 days in Financial Year 2023-24, 53 days in Financial Year 2024-25 and 50 days in Financial Year 2025-26 (Provisional). The movement in inventory days was primarily attributable to changes in the scale of processing operations, procurement cycle for dyes, chemicals, stores, spares, packing materials and other consumables, timing of customer orders and inventory requirements for execution of standalone business operations. Inventory days have been estimated at 45 days for Financial Year 2026-27. The reduction in inventory days is based on the Company's expected improvement in inventory turnover and planned procurement of materials in line with its standalone processing operations. Further, pursuant to the admission of our Company as a partner in M/s. Aarjay Enterprise with 99.00% share in profits/losses and capital contribution, the inventory relating to weaving operations, including raw material requirements for such activities, is maintained at the level of M/s. Aarjay Enterprise and has not been considered in the standalone working capital requirement of our Company.
Trade Receivable Turnover	Trade receivable days stood at 91 days in Financial Year 2022-23, 101 days in Financial Year 2023-24, 117 days in Financial Year 2024-25 and 105 days in Financial Year 2025-26 (Provisional). The movement in trade receivable days was primarily attributable to the timing of billing and collections, credit period extended to customers, customer-wise payment cycles and the level of standalone business operations of the Company. Trade receivable days have been estimated at 95 days for Financial Year 2026-27. The reduction in trade receivable days is based on the Company's expected improvement in collection efficiency, realisation of receivables in accordance with agreed credit terms and planned monitoring of customer outstanding balances. The trade receivables considered for the working capital requirement are based on the standalone operations of the Company and do not include receivables relating to M/s. Aarjay Enterprise.
Trade Payables	Trade payable days stood at 108 days in Financial Year 2022-23, 87 days in Financial Year 2023-24, 87 days in Financial Year 2024-25 and 95 days in Financial Year 2025-26 (Provisional). The movement in trade payable days was primarily attributable to changes in procurement volumes, supplier credit terms, timing of purchases and payment cycles in relation to the standalone business operations of the Company. Trade payable days have been estimated at 90 days for Financial Year 2026-27. The reduction in trade payable days is based on the Company's expected payment cycle, planned settlement of supplier dues and procurement requirements in line with its projected standalone processing operations. The trade payables considered for the working capital requirement are based on the standalone operations of the Company and do not include trade payables relating to M/s. Aarjay Enterprise.

Current Investment	Current investments comprise the Company's current capital account balance in M/s. Aarjay Enterprise, a partnership firm in which the Company holds 99.00% share in profits/losses and capital contribution. On a standalone basis, current investments have been estimated at ₹1,107.67 lakhs in Financial Year 2025-26 (Provisional) and ₹1,716.52 lakhs in Financial Year 2026-27. The increase in trade investments is primarily attributable to expected movement in the Company's current capital account with M/s. Aarjay Enterprise, including the Company's share of profits, capital contribution, withdrawals, if any, and other operational adjustments in the ordinary course of the partnership arrangement. Since the working capital requirement has been prepared on a standalone basis, the balance represents the Company's investment / current capital account in M/s. Aarjay Enterprise and does not include the working capital assets and liabilities of M/s. Aarjay Enterprise.
Short term Loans and Advances	Short-term loans and advances primarily comprise advances to suppliers, advances to staff, prepaid expenses, statutory advances and other operational advances incurred in the ordinary course of business. On a standalone basis, short-term loans and advances stood at ₹1,104.82 lakhs in Financial Year 2022-23, ₹698.81 lakhs in Financial Year 2023-24, ₹875.57 lakhs in Financial Year 2024-25 and ₹786.45 lakhs in Financial Year 2025-26 (Provisional). Short-term loans and advances have been estimated at ₹912.55 lakhs for Financial Year 2026-27. The increase is primarily attributable to expected advances to suppliers and other operational advances required for procurement of materials, services and utilities in line with the projected standalone business operations of the Company. The short-term loans and advances considered for the working capital requirement are based on the standalone operations of the Company and do not include advances relating to M/s. Aarjay Enterprise.
Other Current Assets	Other current assets comprise security deposit placed by the Company in relation to rented premises used for its business operations. On a standalone basis, other current assets stood at ₹9.39 lakhs in Financial Year 2022-23, ₹9.39 lakhs in Financial Year 2023-24, ₹10.49 lakhs in Financial Year 2024-25 and ₹18.97 lakhs in Financial Year 2025-26 (Provisional). Other current assets have been estimated at ₹22.77 lakhs for Financial Year 2026-27. The increase is primarily attributable to the expected security deposit requirement in relation to rented premises to be used for the Company's projected standalone business operations. The other current assets considered for the working capital requirement are based on the standalone operations of the Company and do not include other current assets relating to M/s. Aarjay Enterprise.
Other Current Liabilities	Other current liabilities primarily comprise statutory dues payable, advances received from customer, security from customer, salary payable and other operational liabilities arising in the ordinary course of business. On a standalone basis, other current liabilities stood at ₹125.28 lakhs in Financial Year 2022-23, ₹235.24 lakhs in Financial Year 2023-24, ₹148.47 lakhs in Financial Year 2024-25 and ₹155.95 lakhs in Financial Year 2025-26 (Provisional). Other current liabilities have been estimated at ₹157.54 lakhs for Financial Year 2026-27. The marginal increase is primarily attributable to expected operational liabilities, statutory dues and accrued expenses in line with the projected standalone business operations of the Company. The other current liabilities considered for the working capital requirement are based on the standalone operations of the Company and do not include other current liabilities relating to M/s. Aarjay Enterprise.
Short term Provisions	Short-term provisions primarily comprise provision for taxation, employee benefits and other provisions recognized in the ordinary course of business. On a standalone basis, short-term provisions stood at ₹127.35 lakhs in Financial Year 2022-23, ₹120.86 lakhs in Financial Year 2023-24, ₹196.78 lakhs in Financial Year 2024-25 and ₹425.80 lakhs in Financial Year 2025-26 (Provisional). Short-term provisions have been estimated at ₹531.89 lakhs for Financial Year 2026-27. The increase is primarily attributable to the expected increase in provision for

	taxation and other statutory / operational provisions in line with the projected profitability and standalone business operations of the Company. The short-term provisions considered for the working capital requirement are based on the standalone operations of the Company and do not include provisions relating to M/s. Aarjay Enterprise.

As certified by M/S. Bhupendra J Shah & Associates, Chartered accountant, Statutory auditor of our company, by way of their certificate dated 26th June 2026.

3. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

*For further details, please refer to the chapter titled **"Objects of the Issue"** on page 96 of the of the Draft Red Herring Prospectus.*

PRE AND POST ISSUE SHAREHOLDING OF PROMOTER(S), MEMBERS OF THE PROMOTER GROUP AND TOP 10 SHAREHOLDERS

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters (A)				
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%	[●]	[●]
2.	Ajay Ramkumar Agrawal	37,46,120	29.78%	[●]	[●]
3.	Kumar Rajendraprasad Agarwal	9,07,900	7.22%	[●]	[●]
4.	Agarwal Rajendrakumar (HUF)	5,04,000	4.01%	[●]	[●]
5.	Ajaykumar R Agrawal (HUF)	3,00,300	2.39%	[●]	[●]
	Sub Total (A)	**94,29,630**	**74.97%**	[●]	[●]
	Promoter Group (B)				
1.	Ashadevi Rajendraprasad Agarwal	12,25,000	9.74%	[●]	[●]
2.	Ramkumar & Sons (HUF)	2,10,000	1.67%	[●]	[●]
3.	Anju Ajay Agrawal	1,36,150	1.08%	[●]	[●]
4.	Pragati Kumar Agrawal	1,00,100	0.80%	[●]	[●]
	Sub Total (B)	**16,71,250**	**13.29%**	[●]	[●]
	Total	**1,11,00,880**	**88.26%**	[●]	[●]

Sr. No.	Pre-Issue shareholding			Post-Issue shareholding as at the date of Allotment			
	Shareholders	Number of	Share	At Floor Price (₹ [●])		At Cap Price (₹ [●])	
		Equit y Shar es	Holding (in %)	Number of Equity Shares	Share holding (in %)	Number of Equity Shares	Share holding (in %)
Promoter(s)							
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%	[●]	[●]%	[●]	[●]%
	Ajay Ramkumar Agrawal	37,46,120	29.78%	[●]	[●]%	[●]	[●]%
	Kumar Rajendraprasad Agarwal	9,07,900	7.22%	[●]	[●]%	[●]	[●]%
	Agarwal Rajendrakumar (HUF)	5,04,000	4.01%	[●]	[●]%	[●]	[●]%
	Ajaykumar R Agrawal (HUF)	3,00,300	2.39%	[●]	[●]%	[●]	[●]%
	Total (Promoters)	**94,29,630**	**74.97%**	[●]	[●]%	[●]	[●]%
Members of Promoter Group							
2.	Ashadevi Rajendraprasad Agarwal	12,25,000	9.74%	[●]	[●]%	[●]	[●]%
	Ramkumar & Sons (HUF)	2,10,000	1.67%	[●]	[●]%	[●]	[●]%
	Anju Ajay Agrawal	1,36,150	1.08%	[●]	[●]%	[●]	[●]%
	Pragati Kumar Agrawal	1,00,100	0.80%	[●]	[●]%	[●]	[●]%
	Total (Promoter Group)	**16,71,250**	**13.29%**	[●]	[●]%	[●]	[●]%
Public Shareholders (top 10 shareholders)							
3.	Nilesh Tradelink Private Limited	6,85,650	5.45%	[●]	[●]%	[●]	[●]%
	Anup Traders Private Limited	4,89,650	3.89%	[●]	[●]%	[●]	[●]%

	Kamladevi Agarwal	1,41,400	1.12%	[●]	[●]%	[●]	[●]%
	Ramnivas Agarwal	1,41,400	1.12%	[●]	[●]%	[●]	[●]%
	Vishal Jitendrabhai Dave	16,800	0.13%	[●]	[●]%	[●]	[●]%
	Pravinbhai Patel	1,400	0.01%	[●]	[●]%	[●]	[●]%
	Nemchand Chhotalal Shah	70	0.02%	[●]	[●]%	[●]	[●]%
Total (Public Shareholders)		**14,76,370**	**11.74%**	[●]	[●]%	[●]	[●]%
Total (aggregate)		**1,25,77,250**	**100.00%**	[●]	[●]%	[●]	[●]%

Notes:

1) *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 advertisements until date of prospectus.*
2) *Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.*

SUMMARY OF RESTATED FINANCIAL INFORMATION

Following are the details as per the restated financial statements on Consolidated basis for the period ended on December 31, 2025 and Standalone basis for the financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in Lakhs)

Sr. No	Particulars	For the period / year ended			
		December 31, 2025	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**
		Consolidated	**Standalone**	**Standalone**	**Standalone**
1	Share capital	1,257.73	179.68	179.68	179.68
2	Net Worth	4,041.58	3,135.86	2,659.55	2,479.09
3	Revenue from operations	23,205.13	23,964.00	24,874.51	25,149.23
4	EBITDA	2,112.62	1,653.95	1,390.61	1,360.64
5	Net Profit/(Loss) as Restated - attributable to equity shareholders	905.71	476..32	180.45	218.44
6	Basic Earnings per share	7.20	3.79	1.43	1.74
7	Diluted Earnings per share	7.20	3.79	1.43	1.74
8	Return on Equity	25.24%	16.44%	7.02%	8.42%
9	NAV per Equity Shares (based on Weighted Average Number of Shares - With Bonus issue effect)	32.13	24.93	21.15	19.71
10	Total borrowings	10,126.54	6,478.96	6,520.13	5,652.83
11	Cash flow from operating activities	**2,209.08**	**1,567.14**	**-61.22**	**181.45**
12	Cash flow from investing activities	**-465.83**	**-983.29**	**-195.77**	**-343.93**
13	Cash flow from financing activities	**-1,587.78**	**-558.59**	**258.31**	**152.77**

*For further details, please refer to the chapter titled **"Restated Financial Statements"** beginning on page 178 of the Draft Red Herring Prospectus.*

SUMMARY OF KEY PERFORMANCE INDICATORS

(₹ *In Lakhs except percentages and ratios*)

Key Financial Performance	Apr'25-Dec'25 (Consolidated)	FY 2024-25 (Standalone)	FY 2023-24 (Standalone)	FY 2022-23 (Standalone)
Revenue from operations [(1)]	23,205.13	23,964.00	24,874.51	25,149.23
EBITDA [(2)]	2,112.62	1,653.95	1,390.61	1,360.64
EBITDA Margin [(3)]	9.10%	6.90%	5.59%	5.41%
PAT [(4)]	905.71	476.32	180.45	218.44
PAT Margin [(5)]	3.90%	1.99%	0.73%	0.87%
RoE (%) [(6)]	25.24%	16.44%	7.02%	8.42%
RoCE (%) [(7)]	10.58%	11.63%	8.88%	9.24%
Net Worth	4,041.58	3,135.86	2,659.55	2,479.09
Repetitive customers % [(9)]	69.10%	79.10%	88.19%	82.12%

**The financial information for the nine months period ended December 31, 2025 is consolidated and includes M/s. Aarjay Enterprise, as applicable, pursuant to the investment made by / admission of our Company as partner in M/s. Aarjay Enterprise on August 23,2025.*

Notes:

[(1)] Revenue from operation means revenue from sales, service and other operating revenues.
[(2)] EBITDA is calculated as Profit before tax + Depreciation + Finance cost - Other Income.
[(3)] EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
[(4)] PAT is taken as Profit for the year attributable to the Shareholders of the Company.
[(5)] PAT Margin is calculated as Profit for the year attributable to Shareholders of the Company divided by revenue from operations.
[(6)] Return on Equity is the ratio of Profit for the year attributable to Shareholders of the Company and Average Shareholder Equity.
[(7)] Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings and short-term borrowings + deferred tax liability.
[(8)] Net Worth is calculated as total shareholder's funds.
[(9)] Revenue from repeat customers represents revenue generated during the relevant fiscal year or period from customers who were also invoiced in the immediately preceding financial year. The percentage of revenue from repeat customers is calculated by dividing revenue from repeat customers by total revenue from operations for the respective fiscal year or period.

*For further details, please refer to the chapter titled **"Basis for Issue Price"** beginning on page 99 of the Draft Red Herring Prospectus.*

RISK FACTORS

The below mentioned risks are the top 10 internal risk factors as per the Draft Red Herring Prospectus:

1. A significant portion of our revenue from operations is generated from fabric processing services undertaken on a job work basis, and any reduction in demand for such services, failure to meet customer-specific requirements or loss of key customers could materially and adversely affect our business, financial condition, results of operations and cash flows.

2. Majority of our revenue is derived from a limited number of customers, and any reduction in orders from such customers may adversely affect our business, financial condition, results of operations and cash flows.

3. Majority of our sales are concentrated in Gujarat, and our registered office and manufacturing units are also located in Gujarat, and any adverse developments affecting this region may adversely affect our business, results of operations and financial condition.

4. We are significantly dependent on a limited number of suppliers for procurement of our raw materials and consumables required for our operations, and any disruption in supply, non-availability of materials of the required quality or volatility in raw material prices may adversely affect our business, financial condition, results of operations and cash flows.

5. Our Company has acquired a 99% stake in Aarjay Enterprises, a related party entity engaged in weaving activities, and any inability to derive the expected operational benefits from such acquisition may adversely affect our business.

6. Our business is dependent on the performance of the textile and apparel industry, and any slowdown or adverse developments in such industry may adversely affect our business, financial condition, results of operations and cash flows.

7. We have temporarily discontinued weaving operations at our own facility and are presently focused on fabric processing activities; any inability to effectively manage this operational realignment may affect our business, results of operations, financial condition and cash flows.

8. We require certain approvals, licenses, registrations and permits to operate our business and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.

9. There are outstanding legal proceedings involving our Company, Promoters and Directors. Any adverse decision could impact our cash flows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.

10. We propose to set up a spinning facility, which is a new operational vertical for our Company, and any delay in implementation, cost escalation, approval-related issue, under-utilisation or inability to operate such facility may adversely affect our business, results of operations, financial condition and cash flows**.**

*For further details, please refer to the chapter titled **"Risk Factors"** beginning on page 18 of the Draft Red Herring Prospectus.*

THE DETAILS OF WEIGHTED AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER

PARTICULARS	NUMBER OF EQUITY SHARES HELD AS ON DATE*	WEIGHTED AVERAGE COST OF ACQUISITION ("WACA") PER EQUITY SHARE (IN ₹)*	WACA PER EQUITY SHARES ACQUIRED IN LAST ONE YEAR*
Promoter(s)			
Rajendraprasad Ramkumar Agarwal	39,71,310	2.46	Nil
Ajay Ramkumar Agrawal	37,46,120	5.62	Nil
Kumar Rajendraprasad Agarwal	9,07,900	13.31	Nil
Agarwal Rajendrakumar (HUF)	5,04,000	4.96	Nil
Ajaykumar R Agrawal (HUF)	3,00,300	6.49	Nil

Weighted average cost of acquisition of all shares transacted in the one year and three years preceding the date of draft offer document / offer document.

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price (₹[●]) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last one year preceding the date of the Draft Red Herring Prospectus	Nil	[●]	0
Last three years preceding the date of the Draft Red Herring Prospectus	Nil	[●]	0

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
Sr. No.	**Name**	**Designation (Independent / Whole-Time / Executive / Nominee)**
1.	Rajendraprasad Ramkumar Agarwal	Chairman and Managing Director
2.	Ajay Ramkumar Agrawal	Whole-time director
3.	Khushal Mithlesh Goyle	Whole-time director
4.	Kumar Rajendraprasad Agarwal	Non- Executive Director
5.	Shwetaben Arvindbhai Saparia	Independent Director
6.	Ankitkumar Surendrakumar Agrawal	Independent Director
7.	Shahaji Annasaheb Patil	Company Secretary

8.	Tejendrasinh Dilipsinh Chavada	CFO

*For further details, please refer to the chapter titled **"Our Management"** beginning on page 157 of the Draft Red Herring Prospectus.*

AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the Restated Financial Statements.

SUMMARY TABLE OF OUTSTANDING LITIGATIONS

A summary of outstanding litigations proceedings involving our Company, Promoters, Directors, KMPs, SMPs and Group Company (to the extent material to our Company) as on the date of the draft Red Herring Prospectus are as below:

(₹ in lakhs)

S. No.	Name of Entity	Criminal Proceedings	Tax Proceedings	Actions by statutory and regulatory authorities	Other Material Litigation	Aggregate amount involved
1.	**Company**					
	By the Company	-	-	-	-	-
	Against the Company	-	06	-	-	11.92
2.	**Promoters & Directors**					
	By the Promoters & Directors	-				
	Against the Promoters & Directors	-	03	-	-	69.35
3.	**Group Company**					
	By the Company	-	-	-	01	9.25
	Against the Company	-	03	-	-	123.04
4.	**Controlled Entity (Aarjay Enterprises)***					
	By the Firm	-	-	-	-	-
	Against the Firm	-	01	-	-	0.52

***As on date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary company. However, our company has invested in a partnership firm namely Aarjay Enterprise for a profit-sharing ratio of 99%.*

*For further details, please refer to the chapter titled **"Outstanding Litigations and Material Developments"** beginning on page 298 of the Draft Red Herring Prospectus.*

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013/1956 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Draft Herring Prospectus is contrary to the provisions of the Companies Act, 2013/1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Draft Red Herring Prospectus are true and correct.