



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



KUMAR COTTON MILLS LTD
CIN: U17710GJ1990PLC013562

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

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, Agarwal Rajendrakumar (HUF) and 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 this Draft Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 this 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 this 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
 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 C.	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.



DRAFT RED HERRING PROSPECTUS

100% Book Built Issue

Dated: June 30, 2026

Please read Section 26 and 32 of the Companies Act, 2013

(This DRHP will be updated upon filing with the ROC)

KUMAR COTTON MILLS LTD
CIN: U17710GJ1990PLC013562

Our Company was incorporated as “Kumar Cotton Mills Private Limited” on March 30, 1990 under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at the Extraordinary general meeting held on July 24, 2025 and the name of our Company was changed from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.” vide fresh certificate of incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U17710GJ1990PLC013562.

Registered Office: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat- 380002, India.
Corporate Office: Survey No. 108/1, Opp. Narol Village, B/H Narol Court, Narol, Ahmedabad, Daskroi, Gujarat- 382405, India.
Contact Person: Shahaji Annasaheb Patil, Company Secretary & Compliance Officer
Tel No: +91-9825313598; **E-mail:** kumarcotton@yahoo.com; **Website:** <https://kumarcotton.com/>
Promoters of our Company: Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Agarwal Rajendrakumar (HUF) and Ajaykumar R Agrawal (HUF)

DETAILS OF THE ISSUE		
INITIAL PUBLIC OFFER OF UPTO 50,72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF KUMAR COTTON MILLS LTD (“OUR COMPANY” OR “KCMIL” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS(“PUBLIC ISSUE”) OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 28.74% AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.		
THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND ALL EDITION OF [●], A REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE (“BSE SME”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.		
In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.		
The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%), subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the “Net QIB Portion. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance 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 only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue 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 Net QIB Portion for proportionate allocation to QIBs. Further, the SEBI ICDR Regulations read with SEBI ICDR (Amendment) Regulations, 2025, states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to 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. Subject to the availability of shares in non-institutional investors’ category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) (Amendment) Regulations, 2025. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled “Issue Procedure” on page 346 of this Draft Red Herring Prospectus.		
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 “ <i>Basis for Issue Price</i> ” 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 “ <i>Risk Factors</i> ” beginning on page 18 of this Draft Red Herring Prospectus.		
ISSUER’S ABSOLUTE RESPONSIBILITY		
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 this 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 this 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 this 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 Issue Document. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited(“BSE”).		
BOOK RUNNING LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE
 Seren Capital Private Limited Address: Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra – 400059 Tel. No.: +91-22-46011058 Email: info@serencapital.in Investor Grievance Email: investor@serencapital.in Website: https://serencapital.in/ Contact Person: Akun Goyal/Deepak Soni SEBI Regn. No. INM000013156		 Bigshare Services Private Limited Address: Pinnacle Business Park, Office no S6-2 ,6th floor, Mahakali Caves Road , Next to Ahura Centre, Andheri East Mumbai, Mumbai, Maharashtra-400093 Telephone: 022 - 6263 8200 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C. SEBI Registration Number: INR0000001385 CIN: U99999MH1994PTC076534
BID/ISSUE PERIOD		
ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]*	BID/ISSUE OPENS ON: [●]**	BID/ISSUE CLOSES ON: [●]***

*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may, in consultation with the BRLM, 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.

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
I.	GENERAL	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	15
	FORWARD LOOKING STATEMENTS	17
II.	RISK FACTORS	18
III.	INTRODUCTION	
	THE ISSUE	44
	SUMMARY OF OUR FINANCIAL STATEMENTS	46
	SUMMARY OF CONTINGENT LIABILITIES	52
	SUMMARY OF RELATED PARTY TRANSACTIONS	53
	GENERAL INFORMATION	57
	CAPITAL STRUCTURE	67
	OBJECTS OF THE ISSUE	84
	BASIS FOR ISSUE PRICE	99
	STATEMENT OF POSSIBLE TAX BENEFITS	106
IV.	ABOUT THE COMPANY	
	INDUSTRY OVERVIEW	109
	OUR BUSINESS	123
	KEY INDUSTRIAL REGULATIONS AND POLICIES	144
	HISTORY AND CORPORATE STRUCTURE	154
	OUR MANAGEMENT	157
	OUR PROMOTERS & PROMOTER GROUP	172
	DIVIDEND POLICY	177
V.	FINANCIAL INFORMATION OF THE COMPANY	
	RESTATED FINANCIAL STATEMENTS	178
	OTHER FINANCIAL INFORMATION	262
	STATEMENT OF FINANCIAL INDEBTEDNESS	263
	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	273
	CAPITALISATION STATEMENT	297
VI.	LEGAL AND OTHER INFORMATION	
	OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	298
	GOVERNMENT AND OTHER STATUTORY APPROVALS	305
	OUR GROUP COMPANIES	313
	OTHER REGULATORY AND STATUTORY DISCLOSURES	317
VII.	ISSUE RELATED INFORMATION	
	TERMS OF THE ISSUE	331
	ISSUE STRUCTURE	340
	ISSUE PROCEDURE	346
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	379
VIII.	MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY	382
IX.	OTHER INFORMATION	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	408
	DECLARATION	409

SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, 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 Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the sections **“Statement of Possible Tax Benefits”**, **“Financial Information of the Company”** and **“Main Provisions of the Articles of Association”** on page 106, 178 and 382 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Terms	Description
“KCML”, “the Company”, “our Company”, “Issuer” or “Kumar Cotton Mills Ltd.”	Kumar Cotton Mills Ltd, a Company incorporated in India under the Companies Act, 1956, having its Registered office at 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India.
“Aarjay Enterprises”, “Aarjay” or “Controlled Partnership Entity.”	Aarjay Enterprise, a partnership firm engaged in weaving activities, in which our Company was admitted as a partner pursuant to the Third Supplemental Deed of Partnership dated August 23, 2025, with 99% profit / loss sharing ratio.
“we”, “us” or “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

Company related terms

Term	Description
AOA/ Articles/ Articles of Association	The articles of association of our Company, as amended.
Audit Committee	Audit Committee of our Company as described in the chapter titled “Our Management” beginning on page 163 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being Bhupendra J. Shah & Associates (Firm Registration No.- 121812W).
Bankers to our Company	State Bank of India
Board of Directors/ the Board/ our Board	The board of directors of our Company, as constituted from time to time. For further details of our Directors, please refer to section titled “Our Management” beginning on page 157 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Tejendrasinh Dilipsinh Chavada.
CIN	Corporate Identification Number in this case U17710GJ1990PLC013562.
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company, Shahaji Annasaheb Patil.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “Our Management” on page 159 of this Draft Red Herring Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DP ID	Depository’s Participant’s Identity Number.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.

Term	Description
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as set out in section titled “Our Group Companies” on page 313.
Independent Chartered Accountant	The Independent Chartered Accountant appointed by our Company, namely, Shivam Soni & Co.
Independent Chartered Engineer	The Independent Chartered Engineer appointed by our Company, namely, Garg & Associates.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “Our Management” on page 159 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE2L7B01016.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled “Our Management” on page 167 of this Draft Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Kumar Cotton Mills Ltd. as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Rajendraprasad Ramkumar Agarwal.
Materiality Policy	The policy adopted by our Board on December 01, 2025, for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 166 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	An individual resident outside India who is a citizen of India, as defined under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time.
Promoter(s)	Shall mean promoters of our company i.e. Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Agarwal Rajendrakumar (HUF) and Ajaykumar R Agrawal (HUF). For further details, please refer to section titled “Our Promoters & Promoter Group” beginning on page 172 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our Promoter Group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “Our Promoters and Promoter Group” beginning on page 175 of this Draft Red Herring Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat- 380002, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information/ Statements	The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at and for the Nine months ended on December 31, 2025 and F.Y. ended on March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit & Loss for the Nine months period ended December 31, 2025 and F.Y. ended March 31, 2025, March 31, 2024 and March 31, 2023 and the Restated Cash Flows Statement for the Nine months period ended December 31, 2025 and F.Y. ended March 31, 2025, March 31, 2024 and March 31, 2023 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Unless specified otherwise refers to Registrar of Companies, Ahmedabad, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad- 380013, Gujarat.
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled “Our Management” beginning on page 165 of this Draft Red Herring Prospectus.

Term	Description
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Shareholders	Shareholders of our Company from time to time.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Balvantrai Ramkumar Agarwal and Rajendraprasad Ramkumar Agarwal.

Issue Related Terms

Terms	Description
Draft Abridged Prospectus	Draft Abridged Prospectus means a memorandum containing such salient features of this DRHP as specified by SEBI in this behalf.
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Fresh Issue.
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 (s)	A successful applicant 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 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion i.e. up to [●] equity shares which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an individual investors who applies for minimum application size, linked to a UPI ID, which will be blocked in relation to a Bid by an individual investors who applies for minimum application size Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Applicant/ ASBA Investor	Any prospective investor(s)/applicant(s) in this Issue who apply(ies) through the ASBA process in terms of the Prospectus.

Terms	Description
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the issue.
Bankers to the Issue / Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled “ Issue Procedure ” beginning on page 370 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “ Bidding ” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of individual investors who applies for minimum application size Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such individual investors who applies for minimum application size and mentioned in the Bid cum Application Form and payable by the individual investors who applies for minimum application size or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all editions of the Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and in case of any revision, the extended Bid/ issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all editions of the Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and in case of any revision, the extended Bid/ issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidders /First Bidder/Applicant	Bidder(s) 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.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Seren Capital Private Limited, SEBI Registered Category-I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Bid-cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
BSE SME	SME Platform of BSE Limited.

Terms	Description
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. None of the categories of investors are allowed to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Bid-cum-Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com .
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as applicable, 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, following which Equity Shares may be Allotted to successful Bidders in the Issue.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names are mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	[●]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Ltd. ("SME Exchange") ("BSE SME").
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated June 30, 2026, as being filed with BSE SME.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.

Terms	Description
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fresh Issue	The fresh issue of up to 50,72,000 Equity Shares by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the Issue document. Provided that any Issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the Issue document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Manager.
Individual investors who apply for minimum application size	Individual investors who apply for minimum application size i.e. two lots (amount not less than Rs. 2,00,000) in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LLP	Limited Liability Partnership.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the Individual Investors who applies for minimum application size by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] 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 Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled "Objects of the Issue" beginning on page 84. of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.

Terms	Description
Non-Institutional Bidders	All Bidders that are not QIBs, Individual Investors who applies for the minimum Application value, for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ Objects of the Issue ” beginning on page 84 of this Draft Red Herring Prospectus.
Issue Agreement	The Issue Agreement dated June 22, 2026, between our Company and Book Running Lead Manager, Seren Capital Private Limited.
Issue Closing Date	The date on which Issue closes for subscription. In this case being [●].
Issue Opening Date	The date on which Issue opens for subscription. In this case being [●].
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Red Herring Prospectus being ₹ [●] per Equity share, as determined by our Company in consultation with the BRLM.
Issue/ Public Issue/ Issue size/ Initial Public Offer/ Initial Public Offering/ IPO	The Initial Public Offer of up to 50,72,000 Equity shares of ₹ 10/- each at Issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Portion of individual investors who applies for minimum application size	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to individual investors who applies for minimum application size.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Project Report	Project Report dated June 25, 2026, obtained by our Company from, Garg and Associates, in respect of the Capital Expenditure Report for the proposed project through Net Proceed.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation 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 Issue Price or Anchor Investor Issue Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
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 Issued and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.

Terms	Description
Refund Account	The 'no-lien' and 'non-interest bearing' 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/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids.
Registrar Agreement	The agreement dated June 22, 2026, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable. None of the bidders are allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
SCPL	Seren Capital Private Limited.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time and which offer the

Terms	Description
	service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on 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.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SME Exchange	SME Platform of the BSE i.e. BSE SME.
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time.
Specified Securities	Equity shares issued through this Draft Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the category of individual investors who applies for minimum application size into the UPI.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriter, our Company and BRLM.
UPI	UPI is an instant payment system developed by the NPCI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allows instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
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/DIL1/CIR/P/2021/47 dated March 31, 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 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request/ Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI-linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Issue in accordance with the UPI Circulars on Streamlining of Public Issues.
UPI PIN	Password to authenticate UPI transaction.

Terms	Description
Venture Capital Fund/ VCF	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue 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, as per circulars issued by SEBI.

Technical and Industry Related Terms

Term	Description
GSM	Grams per Square Meter
IBEF	India Brand Equity Foundation
ISO	International Organization for Standardization
Mtr. / Mtrs.	Meter/Meters
MT	Meters tonnes
PC	Polyester Cotton
pH Value	Potential of Hydrogen
PV	Polyester Viscose
TM	Trademark
TPD	Tonnes per day

Conventional terms and Abbreviations

Abbreviation	Full Form
Rs./ Rupees/ INR/ ₹	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt.	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. Com	Bachelor of Commerce
BBA	Bachelor of Business Administration
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder.

Abbreviation	Full Form
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CPI	Consumer Price Index
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
MD	Managing Director
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under.
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GST	Goods and Services Tax

Abbreviation	Full Form
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBC	The Insolvency and Bankruptcy Code, 2016
ICA	Independent Chartered Accountant
ICAI	The Institute of Chartered Accountants of India
ICE	Independent Chartered Engineer
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDAI	Insurance Regulatory and Development Authority of India
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
LLB	Bachelor of Law
BRLM	Book Running Lead Manager
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Master of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians

Abbreviation	Full Form
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or 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 the 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 the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PGeMBA	Post Graduate in e- Management and Business Administration Programme
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SMP	Senior Management Personnel
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/ Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Abbreviation	Full Form
Wilful Defaulter(s)	Company or person categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WPI	Wholesale Price Index
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

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

Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum 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.

Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared for the Nine Months period ended December 31st 2025 and the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled ***“Financial Information of the Company”*** beginning on page 178 of this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled ***“Financial Information of the Company”*** beginning on page 178 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section ***“Definitions and Abbreviations”*** on page 1 of this Draft Red Herring Prospectus. In the section titled ***“Main Provisions of the Articles of Association”***, on page 382 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the DRHP was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Issue Price”*** on page 99 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources and neither we, nor the BRLM, have independently verified such information.

Currency of Financial Presentation

All references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “**Industry Overview**” throughout the Draft Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” on page 18, 123 and 273 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product/service portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key management personnel and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. General Economic, Political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Our Company’s ability to successfully implement its growth strategy and expansion plans;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of environmental problems & uninsured losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoters;
19. The performance of the financial markets in India and globally;
20. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled **“Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on page 18,123 and 273 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance.

Neither our Company nor our directors or our Officers or Book Running Lead Manager or Underwriter 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 requirements, our Company, the promoter and the BRLM will ensure that bidders in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on [●],[●] and [●] respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate, and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IBEF Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in future.*

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 18 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 273 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.

INTERNAL RISK FACTORS

- 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.*

Our Company is primarily engaged in the processing of various types of fabrics, such as 100% cotton, cotton Lycra fabrics, cotton blends, polyester blends, polyester-viscose fabrics and rayon-based fabrics, on a job work basis. These fabrics are supplied for further conversion into garments and other textile products through downstream processes such as cutting, stitching and finishing. Revenue from fabric processing charges contributed approximately 37.29%, 50.99%, 47.66% and 49.13% of our total revenue from operations for the period ended December 31, 2025 and Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively.

Under our job work arrangements, customers generally provide the grey fabric fabric to our company for processing and prescribe specific processing requirements relating to colour, design, finish, shrinkage, colour fastness and other technical and quality parameters. Accordingly, our business is significantly dependent on our ability to consistently meet such customer-specific requirements, maintain quality standards and adhere to delivery schedules. Any failure to meet such requirements may result in rejection of processed fabrics, re-processing costs, customer claims, cancellation or reduction of orders and loss of customers.

Our job work business is dependent on demand from garment manufacturers, textile processors, traders and wholesalers who outsource their fabric processing requirements to us. Further, our operations are exposed to risks arising from reduced outsourcing of processing activities by customers, changes in customer requirements and preferences, increased competition, pricing pressures and adverse developments in the textile and apparel industry. Since we generally undertake job work assignments pursuant to purchase orders and do not have long-term arrangements with a majority of our customers, there can be no assurance that our customers will continue to place orders with us at historical levels or at all.

Any significant reduction in demand for our fabric processing services, inability to meet customer-specific requirements, loss of key customers or failure to secure new job work orders on commercially acceptable terms could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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.

Our business model is primarily based on the receipt of purchase orders from our customers, and we do not enter into long-term agreements that provide assured revenues. As a result, our revenue visibility is limited and depends on the continuity of relationships with our customers and their ordering patterns. There can be no assurance that such customers will continue to place orders with us at the same levels, on the same terms, or at all. Any reduction, modification, delay, or cancellation of orders by our customers may adversely impact our revenues and cash flows. In the textiles and apparel industry, customer demand is influenced by factors such as fashion trends, seasonality, changes in sourcing strategies and overall economic conditions. Our customers may also choose to engage alternative suppliers who offer more competitive pricing, larger capacities, or broader product offerings.

The contribution of our top 10 customers as a percentage of revenue from operations during nine months period ended December 31, 2025, and Fiscal 2025 is disclosed hereunder:

Top 10 customers for nine months period ended 31st December 2025

(Rs. in lakhs except percentage)				
Sr. No.	Particulars	Segment	Amount	% of Revenue from operations
1	Customer 1	Trader of Textile Products	3,375.27	14.55%
2	Customer 2	Manufacturer of denim fabric	2,468.77	10.64%
3	Customer 3	Manufacturer of grey and finished fabric	1,508.81	6.50%
4	Customer 4	Trader of Textile Products	1,152.88	4.97%
5	Customer 5	Trader of Textile Products	553.28	2.38%
6	Customer 6	Trader of Textile Products	435.72	1.88%
7	Customer 7	Trader & Retailer of Textile Products	363.47	1.57%
8	Customer 8	Trader of Textile Products	290.95	1.25%
9	Customer 9	Trader of Textile Products	285.86	1.23%
10	Customer 10	Trader of Textile Products	275.69	1.19%
	Total		10,710.70	46.16%
	Grand Total		23,205.13	

Top 10 customers for F.Y. ended 31st March 2025:

(Rs. in lakhs except percentage)				
Sr No.	Particulars	Segment	Amount	% of Revenue from operations
1	Customer 1	Manufacturer of grey and finished fabric	7,030.76	29.34%
2	Customer 2	Trader of Textile Products	1,726.13	7.20%
3	Customer 3	Manufacturer of denim fabric	1,090.65	4.55%
4	Customer 4	Manufacturer of fabric	953.51	3.98%
5	Customer 5	Wholesaler and distributor	663.83	2.77%

6	Customer 6	Trader of Textile Products	595.87	2.49%
7	Customer 7	Trader of Textile Products	476.40	1.99%
8	Customer 8	Trader of Textile Products	443.16	1.85%
9	Customer 9	Wholesaler and distributor	388.70	1.62%
10	Customer 10	Wholesaler and distributor	254.93	1.06%
	Total		13,623.94	56.85%
	Grand Total		23,964.00	

Top 10 customers for F.Y. ended 31st March 2024 :

(Rs. in lakhs except percentage)

Sr No.	Particulars	Segment	Amount	% of Revenue from operations
1	Customer 1	Manufacturer of grey and finished fabric	7,097.73	28.53%
2	Customer 2	Trader of Textile Products	1,586.32	6.38%
3	Customer 3	Trader of Textile Products	1,223.70	4.92%
4	Customer 4	Manufacturer of cotton and polyester fabric	760.45	3.06%
5	Customer 5	Wholesaler and distributor	703.35	2.83%
6	Customer 6	Manufacturer of Textile Fabric, Shopping Bags & Waterproof Tent	538.18	2.16%
7	Customer 7	Wholesaler and distributor	505.47	2.03%
8	Customer 8	Manufacturer of Cotton fabric	463.14	1.86%
9	Customer 9	Trader of Textile Products	460.90	1.85%
10	Customer 10	Manufacturer of Cotton and other fabrics	368.64	1.48%
	Total		13,707.88	55.10%
	Grand Total		24,874.51	

Top 10 customers for F.Y. ended 31st March 2023 :

(Rs. in lakhs except percentage)

Sr. No.	Particulars	Segment	Amount	% of Revenue from operations
1	Customer 1	Manufacturer of grey and finished fabric	6,406.02	25.47%
2	Customer 2	Wholesaler and distributor	1,461.04	5.81%
3	Customer 3	Manufacturing and Exporting of Textile products	1,148.65	4.57%
4	Customer 4	Trader of Textile Products	1,113.34	4.43%
5	Customer 5	Manufacturer of cotton and polyester Fabric	681.22	2.71%
6	Customer 6	Manufacture different type of fabric	615.33	2.45%
7	Customer 7	Spinning, Weaving, Processing of denim & bottom weight suiting fabrics.	479.34	1.91%
8	Customer 8	Wholesaler and distributor	446.78	1.78%
9	Customer 9	Manufacturing of various fabrics	443.69	1.76%
10	Customer 10	Manufacturer of Cotton and other fabrics	424.33	1.69%
	Total		13,219.74	52.58%
	Grand Total		25,149.23	

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. 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.

A significant portion of our revenue from operations is derived from customers located in Gujarat. Further, our registered office, manufacturing units and principal operational activities are also located in Gujarat. Accordingly, our business is exposed to risks arising from concentration of customers and operations in a single geographical region.

Any adverse developments affecting Gujarat, including a slowdown in the textile industry or textile processing clusters, reduction in demand from customers located in the region, disruption in transportation networks or supply chains, power outages or increase in power tariffs, shortage or increase in cost of water, fuel or other utilities, labor shortages or labor unrest, natural calamities including floods or heavy rainfall, industrial accidents, changes in state-level regulatory requirements, environmental or pollution control restrictions, directions from local or state authorities, disruption in industrial infrastructure, increase in local competition or adverse changes in local market conditions, may affect our ability to procure orders, undertake production, process fabrics, dispatch finished goods or collect receivables from customers.

The following table sets forth the bifurcation of revenue (geography-wise) for the nine-month period ended December 31, 2025 and for Fiscal 2025, 2024 and 2023.

(Rs. In Lakhs except %, 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%

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.

Since a substantial portion of our revenues and operations are concentrated in Gujarat, any adverse development affecting the region, including slowdown in textile clusters, disruption in transportation or utilities, labour-related issues, regulatory actions, natural calamities or adverse local market conditions, may affect our ability to procure orders, undertake production, dispatch products or realize receivables from customers, and may adversely affect our business, results of operations, financial condition and cash flows.

Further, any inability to expand our customer base or operations beyond Gujarat may limit our growth prospects and increase our dependence on the economic and industry conditions prevailing in the region. While our Company intends to explore opportunities to

expand its customer base in other markets, there can be no assurance that we will be able to do so in a timely manner, on commercially acceptable terms, or at all. Accordingly, our geographic concentration may increase our exposure to region-specific risks, and our historical performance may not be indicative of our future results.

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.

Our fabric processing operations require raw materials and consumables, including grey fabric, yarn, dyes, colours, chemicals and other materials, which are procured from various suppliers. The availability, quality and pricing of such materials are subject to market conditions, demand and supply dynamics, supplier performance, transportation costs and other factors beyond our control.

Our cost of raw materials consumed for the nine-months period ended on December 31, 2025, and for Fiscal 2025, Fiscal 2024, and Fiscal 2023 amounted to ₹ 15,823.56 Lakhs, ₹ 15,064.51 Lakhs, ₹ 14,506.11 Lakhs, and ₹ 14,944.25 Lakhs, respectively, representing 68.19 %, 62.86 %, 58.32 %, and 59.42 % of our revenue from operations for the corresponding periods. For further details relating to our raw materials and sourcing, please refer to the section titled **“Our Business – Raw Materials”** on page 138 of this Draft Red Herring Prospectus.

Details of purchases from our top 1, top 3, top 5, and top 10 suppliers for the nine-month period ended on December 31, 2025 and for the financial years ended March 31, 2025, 2024, and 2023 are set out below:

Our top 10 suppliers for nine months period ended December 31, 2025:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2482.11	15.36%
2	Top 3 Suppliers	6,416.43	39.71%
3	Top 5 Suppliers	7,965.57	49.29%
4	Top 10 Suppliers	9,956.49	61.62%

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.

Our top 10 suppliers for the fiscal, 2025:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	1,368.73	9.26%
2	Top 3 Suppliers	3,534.92	23.91%
3	Top 5 Suppliers	4,692.83	31.75%
4	Top 10 Suppliers	7,029.87	47.56%

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.

Our top 10 suppliers for the fiscal, 2024:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2,402.64	16.61%
2	Top 3 Suppliers	4,556.10	31.50%
3	Top 5 Suppliers	5,779.36	39.96%
4	Top 10 Suppliers	7,590.93	52.47%

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.

Our top 10 suppliers for the fiscal, 2023:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2,271.67	15.26%
2	Top 3 Suppliers	3,737.49	25.11%
3	Top 5 Suppliers	4,940.57	33.19%
4	Top 10 Suppliers	6,822.78	45.83%

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.

We do not have long-term contracts or assured supply arrangements with most of our suppliers, we generally procure our raw materials through purchase orders. There is a risk that one or more of such suppliers or partners may discontinue operations, reduce capacity or

otherwise be unable to supply materials on acceptable terms. Any delay, disruption or increase in the cost of procurement of raw materials or processed materials, or the time required to identify and onboard alternative suppliers may disrupt our manufacturing operations, affect our ability to fulfil orders and adversely affect our revenues, profitability, business operations and cash flows.

Further, the prices and availability of grey fabric and yarn are linked to fluctuations in cotton and yarn prices, while the prices of dyes, colours, chemicals and other consumables may be affected by changes in demand and supply dynamics, commodity prices, transportation costs, regulatory changes, global supply chain disruptions and geopolitical developments. Our cost structure is also impacted by operational expenses such as power, water, fuel, labour, transportation, rentals and other overheads. Any increase in such costs may increase our cost of production and operations.

Any increase in the prices of raw materials, consumables or other operating costs may not be fully or immediately recoverable from our customers due to competitive pressures, purchase order-based arrangements and prevailing market conditions. Further, any disruption in supply, non-availability of materials of the required quality, delay in delivery or deterioration in supplier performance may affect our production schedules and ability to fulfil customer orders. Any such event may adversely affect our business, results of operations, financial condition, cash flows and profitability.

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.*

Our Company acquired 99% stake in Aarjay Enterprises, a related party entity engaged in weaving activities and having its own looms. The acquisition was undertaken in the context of our operational realignment, pursuant to which our Company has temporarily discontinued weaving operations at its own facility and our direct manufacturing operations are presently focused on fabric processing activities.

Our ability to derive operational benefits from Aarjay Enterprises depends on several factors, including effective operational coordination of weaving and processing schedules, availability and utilization of weaving capacity, timely supply of grey fabric, quality consistency, cost management, availability of labour and utilities, machinery uptime and compliance with applicable laws. . Any disruption in the operations of Aarjay Enterprises, including machinery breakdowns, labour issues, quality variations, delay in supply of grey fabric, lower-than-expected utilization, increase in operating costs or non-compliance with applicable approvals may affect our production planning and ability to execute customer orders.

Further, Aarjay Enterprises is a related party entity and transactions or arrangements with it may involve risk relating to governance, arm's length pricing, approval of related party transactions, accounting treatment, operational control and potential conflicts of interest. Any failure to comply with applicable requirements or to manage such arrangements on commercially reasonable terms may adversely affect our business, reputation, results of operations, financial condition and cash flows.

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.*

Our Company is engaged in the processing of fabrics, including dyeing, printing and finishing activities, on its own account as well as on a job work basis. Accordingly, demand for our products and services is significantly influenced by the performance of the textile and apparel industry in India and globally, as well as by the demand from garment manufacturers, fabric traders, retailers and other downstream participants in the textile value chain.

Demand for our products and processing services is linked to trends in the textile and apparel sector, including consumer spending patterns, growth in the apparel and fashion industry, export demand, changes in consumer preferences with respect to fabric quality, design and pricing, and overall economic conditions. Any slowdown in the textile and apparel industry or reduction in demand for fabrics and textile products may adversely affect the demand for our products and processing services and, consequently, our revenues.

The textile and apparel industry is cyclical in nature and is influenced by several factors, including changes in consumer preferences and spending patterns, demand from domestic and international markets, availability and prices of raw materials, government policies and regulations, export incentives, import duties, labor availability, foreign exchange fluctuations, inflation, interest rates and general economic conditions. Any adverse developments in these factors may reduce demand for our products and processing services and adversely affect our revenues and profitability.

Further, the industry is highly competitive and is subject to changing consumer preferences, pricing pressures and evolving market trends. Accordingly, any sustained slowdown or adverse developments in the textile and apparel industry may have a material adverse effect on 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.*

Our Company commenced weaving activities in 2005. Pursuant to an operational realignment, our Company temporarily discontinued weaving operations at its own facility after December 2024, and our direct manufacturing operations are presently focused on fabric processing activities, including bleaching, dyeing, printing, sizing and finishing of fabrics.

As a result, our ability to undertake fabric processing activities depends on timely procurement of grey fabric in the required quantity and quality and at commercially acceptable prices from Aarjay Enterprises, in which our Company has acquired a 99% stake, and from suppliers in the open market. Any delay, shortage, quality variation, increase in procurement cost, disruption in weaving operations of Aarjay Enterprises, or inability to source adequate grey fabric may affect our production planning, processing schedule, order execution and delivery timelines.

Further, effective management of this operational realignment requires coordination between procurement, quality inspection, processing schedules, inventory planning and customer delivery requirements. Any mismatch between the availability of grey fabric and customer specifications, including fabric type, quality, quantity, pricing or delivery timelines, may result in production delays, lower capacity utilisation, additional costs, order cancellations or loss of customers. Any such event may adversely 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.*

We require certain statutory and regulatory permits, licenses and approvals to operate our business. As mentioned in the chapter titled **“Government and Other Statutory Approvals”**, we believe that we have obtained requisite permits and licenses which are adequate to run our business, however we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

As on the date of this Draft Red Herring Prospectus, applications made by our Company for updating its name and address in the records of the Professional Tax Registration Certificate, recording the change in the name of our Company in the No Objection Certificate for Ground Water Abstraction (Gujarat), and renewal of the factory license for modification of the employee limit specified in the license to work a factory in respect of its manufacturing unit situated at Narol, Ahmedabad, Gujarat. are pending approval with the respective authorities. Further, our Company is yet to obtain registration under the Contract Labour (Regulation and Abolition) Act, 1970.

In addition, as on the date of this Draft Red Herring Prospectus, applications made by Aarjay Enterprise, for renewal of the license to work a factory in respect of its manufacturing unit situated at Plot Nos. 680, 681 and 683, Opp. Jagannath Industrial Park, Paldi Kankam, Dascroi, Bareja, Ahmedabad, Gujarat – 382425, India, and for updating the address recorded in its Tax Deduction Account Number (TAN) and Goods and Services Tax (GST) registration certificate, are pending approval with the respective authorities.

Any failure to obtain, renew, update the required approvals and change of ownership in a timely manner, or any suspension, revocation or adverse regulatory action in relation to such approvals, may result in operational disruptions, monetary penalties or other regulatory consequences, which could adversely affect our business, financial condition and results of operations. Further, the net Proceeds of the Issue will not be utilized for the settlement of any penalties, fines or liabilities arising out of such non-compliance.

We cannot assure you that the approvals, licenses, registrations and permits already issued to us will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof or pursuant to any regulatory action. Any denial, suspension or revocation of such approvals may adversely affect our business and results of operations. For further details regarding material approvals which have not been obtained or are pending, see **“Government and Other Statutory Approvals”** on page 305 of this Draft Red Herring Prospectus.

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.*

There are outstanding legal proceedings involving our Company, Promoters and Directors. For details, see **“Outstanding Litigation and Material Developments”** beginning on page 298 of this Draft Red Herring Prospectus.

Litigation involving the company:*(₹ in lakhs)*

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	Nil	Nil
Tax proceedings		
Direct Tax	6	11.92
Indirect Tax	Nil	Nil
Other Pending material litigation against the company	Nil	Nil
Total	6	11.92

Litigations involving the Group Company/Controlled Partnership Entity:*(in lakhs)*

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	Nil	Nil
Other Pending material litigation by the company	1	9.25
Total	1	9.25
Tax proceedings		
Direct Tax	4	123.56
Indirect Tax	Nil	Nil
Total	4	123.56

Litigations involving our Promoters & Directors:*(in lakhs)*

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal proceedings filed by the Company	Nil	Nil
Tax proceedings		
Direct Tax	3	69.35
Indirect Tax	Nil	Nil
Other Pending material litigation against the company	Nil	Nil
Total	3	69.35

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the authorities concerned, which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 298 of this Draft Red Herring Prospectus.

Any adverse decision in the above cases could have impact on our cashflows 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- utilization or inability to operate such facility may adversely affect our business, results of operations, financial condition and cash flows..**

We currently undertake our manufacturing operations at our facility located at Survey No. 108/1 and Survey Nos. 109/7 and 109/8, Village Sim, Taluka Narol, Ahmedabad, Gujarat. To support the backward integration in our textile operations, we plan to establish a new manufacturing facility Block No 336 (Old Block No.59) admeasuring 66976 Sq. Mtrs. of Mouje Miroli, Taluka Dascroi, Sub district Amhedabad-11. For further details, please refer to the section titled “**Objects of the Issue- Funding of capital expenditure towards setting up of a new manufacturing facility**” of this Draft Red Herring Prospectus.

Our existing manufacturing operations are primarily focused on fabric processing activities, including bleaching, dyeing, printing, sizing and finishing of fabrics. Spinning operations involve different operational requirements, including procurement and storage of cotton or other fibres, operation and maintenance of spinning machinery, yarn quality control, power requirements, waste management, skilled manpower, production planning and compliance with applicable approvals. Any inability to manage such operational requirements may affect the implementation, stabilization or utilization of the proposed spinning facility.

Our expansion plans are subject to risks and uncertainties associated with project implementation, including delays in execution, cost overruns, labor shortages, increase in costs of plant and machinery and other inputs, delays in procurement and installation of equipment, and other unforeseen factors beyond our control. Such expansion is also subject to compliance with the terms and conditions of land allotment and obtaining requisite governmental, statutory and regulatory approvals, including approvals relating to factory operations and utilities such as power and water. There can be no assurance that such approvals will be obtained in a timely

manner or at all, or that the project will be completed within the anticipated timelines or budgeted costs. Any material deviation from estimated costs or delays in implementation may adversely affect our ability to achieve the intended operational efficiencies and economic benefits from such expansion.

Further, the proposed expansion may place additional demands on our managerial, operational and financial resources. Our ability to manage such expansion will depend on our ability to strengthen our systems, processes, workforce, internal controls and operational capabilities. There can be no assurance that our existing systems, procedures and controls will be adequate to support the proposed facility, and any failure to effectively manage such expansion may result in increased costs, operational inefficiencies, lower utilisation and reduced profitability.

There can be no assurance that the proposed spinning facility will achieve the expected capacity utilisation, operational efficiency, yarn quality, cost benefits or reduction in dependence on external suppliers. The proposed facility may also expose us to risks relating to availability and price volatility of cotton or other fibres, changes in demand for yarn, competition from existing spinning units, increase in power and labour costs, inventory holding requirements and working capital requirements. Any delay, cost escalation, under-utilisation or inability to realise the expected benefits from the proposed spinning facility may adversely affect our business, results of operations, financial condition and cash flows.

11. Certain of our operational premises such as warehouse facilities, solar units, including the manufacturing facilities of Aarjay Enterprises Partnership Firm, are operated from rented premises, and any non-renewal or termination of such lease arrangements may adversely affect our business, financial condition and results of operations.

Our business operations are dependent on leased, licensed and permissively occupied properties, and any inability to continue occupying such properties or renew the underlying arrangements may adversely affect our business, financial condition and results of operations.

As on the date of this Draft Red Herring Prospectus, certain of our operational facilities, including our solar units, godown/storage facility and proposed manufacturing unit, are situated on properties taken on lease or rent from third parties and related parties. Further, a portion of our existing manufacturing facility situated at Survey Nos. 109/7 and 109/8, Opposite Narol Village, Behind Narol Court, Narol, Ahmedabad, Gujarat – 382405, is owned by Ms. Karishma Rajendraprasad Agrawal, a relative of our Promoters. Our Company occupies and uses the said premises pursuant to a lease deed dated May 25, 2024, executed with Ms. Karishma Rajendraprasad Agrawal for a period of nine years commencing from April 1, 2024, at a monthly lease rental of ₹15,000.

Furthermore, certain of our lease agreements have not been duly registered as required under the Registration Act, 1908, and appropriate stamp duty has not been paid in accordance with the Indian Stamp Act, 1899. These irregularities may affect the enforceability of such lease agreements, potentially impacting our operations and financial condition.

There can be no assurance that we will be able to renew such lease arrangements on the same or similar terms, or at all, or that alternative premises will be available on commercially acceptable terms within a reasonable timeframe. Any failure to renew such arrangements or secure alternative premises may result in disruption to our operations, increased occupancy costs and may adversely affect our business, financial condition and results of operations.

12. Any disruptions, breakdown or shutdown of our manufacturing operations at our existing facilities could have an adverse effect on our business, financial condition, results of operations and cash flows.

We conduct our operations through one of our manufacturing facilities situated at Narol, Ahmedabad. Our business is dependent upon our ability to effectively manage our facility, which is subject to various operating risks, including those beyond our control, such as the machinery breakdown, failure of equipment or industrial accidents, labour disputes, severe weather conditions, fire, power interruption, natural disasters etc. While there have been no such instances during the period ended Dec'25 and for Fiscals 2025, 2024 and 2023, any significant malfunction or breakdown of our machinery, our equipment, our production setup, our IT systems or any other part of our manufacturing processes or systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair or properly maintain manufacturing assets in a timely manner or at all, our operations may need to be suspended until we repair or replace them and there can be no assurance that the new manufacturing assets will be repaired, procured and/or integrated in a timely manner.

We also require substantial electricity for our facilities which is sourced from state electricity board. In case the supply is not available for any reason, our production schedule may be hampered or if our electricity suppliers increase the price for electricity, our cost of production and profitability would be materially adversely affected. Further, natural disasters or adverse conditions may occur in the geographical areas in which we operate including severe weather, tropical storms, floods, excessive rainfalls as well as other events beyond our control. If for any reason electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns; increased costs associated with restarting production and the loss of production in progress. While there have been no significant electricity disruptions for the nine months period ended December 31, 2025, and during the Fiscals 2025, 2024 and 2023, however, we cannot assure you that there will not be any electricity disruption in the future.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. While we seek to ensure a continuous supply of our products to our customers, our customer relationships, business and financial results may be adversely affected by any disruption of operations at our manufacturing facility due to any of the factors mentioned above.

13. Our Company had negative cash flow from operating activities in Fiscal 2024, and any negative cash flows in the future may adversely affect our liquidity, business operations and financial condition.

We have experienced negative cash flow in Fiscal 2024, details of which has been listed below:

<i>(in lakhs)</i>				
Particulars	April'25- Dec'25	Fiscal 2025	Fiscal 2024	Fiscal 2023
Net cash flow from/ (used in) operating activities	2,209.08	1,567.14	-61.22	181.45

Cash flows from operating activities are important for meeting working capital requirements, servicing debt, funding capital expenditure and supporting our business operations. The negative cash flow from operating activities in Fiscal 2024 was primarily on account of working capital movements during the year. There can be no assurance that we will not experience negative cash flows in the future. Any sustained negative cash flows may require us to rely on external borrowings or other sources of funding, which may increase our finance costs and adversely affect our liquidity, business operations, financial condition and results of operations.

For further details, please refer “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 178 and 273 respectively.

14. Certain Equity Shares forming part of our public shareholding, continue to be held in physical form, including by corporate shareholders that have been struck off from the register of companies.

As on the date of this Draft Red Herring Prospectus, certain Equity Shares of our Company forming part of the public shareholding continue to be held in physical form. This includes two corporate shareholders under the public category, namely Nilesch Tradelink Private Limited, holding 6,85,650 Equity Shares, and Anup Traders Private Limited, holding 4,89,650 Equity Shares, aggregating to 11,75,300 Equity Shares, whose names continue to appear in the register of members of our Company. As per the records available with MCA master data, the aforesaid companies have been struck off from the register of companies and are presently not in active status. Since the aforesaid corporate shareholders have been struck off, they may not be in a position to undertake dematerialization, transfer, transmission or any other corporate action in respect of the Equity Shares held by them, unless they are restored in accordance with applicable law or appropriate orders, directions or valid legal documents are obtained from the competent authority.

Further, our Company has five individual shareholders under the public category, excluding the corporate shareholders referred to above, holding an aggregate of 3,01,070 Equity Shares in physical form. As on the date of this Draft Red Herring Prospectus, such shareholders have not completed the requisite procedural formalities for dematerialization of the Equity Shares held by them. Accordingly, such Equity Shares also continue to remain in physical form and are recorded in the names of the respective shareholders in the register of members of our Company.

Any request in relation to dematerialization, transfer, transmission, claim or other corporate action in respect of such Equity Shares shall be processed by our Company in accordance with applicable law, upon receipt of valid documents, approvals, orders or directions, as may be required. Any delay, dispute, claim, regulatory direction or legal proceeding in relation to such Equity Shares may result in administrative burden, additional costs or complications in maintaining or updating our shareholding records, which may adversely affect our compliance processes

15. There have been certain discrepancies, errors and delays in filings relating to forms submitted with the Registrar of Companies (“RoC”) under the provisions of the Companies Act, 2013/1956 and the rules made thereunder. In addition, we have been unable to trace some of our secretarial records including Annual Returns, director’s appointment/ resignation forms, auditor related forms, Cost Audit Report forms, Allotment form and other forms filed with ROC prior to FY 2006.

There have been certain discrepancies, errors and delays in filings relating to forms submitted with the Registrar of Companies (“RoC”) under the provisions of the Companies Act, 2013/1956 and the rules made thereunder. In addition, We have been unable to trace certain historical secretarial and corporate records of our Company, including Annual Returns, forms relating to appointment and resignation of directors, auditor-related forms, cost audit report forms, Form 2 / return of allotment in respect of the allotment of 18,200 Equity Shares, and certain other forms filed with the Registrar of Companies prior to Fiscal 2006. Accordingly, information relating to the return of allotment of 18,200 Equity Shares has been disclosed in the section titled “Capital Structure” beginning on page 67 of this Draft Red Herring Prospectus, based on the limited information available with our Company and the physical search report prepared by B.S. Vyas & Associates, dated June 26, 2026 (“RoC Search Report”)

16. Inventories and trade receivables form a major part of our current assets and ineffective management of the same could adversely affect our business, cash flows, profitability and liquidity.

Our business requires significant working capital investment, particularly in inventories and trade receivables, which constitute a substantial portion of our current assets. Our results of operations are dependent on our ability to efficiently manage both. Effective inventory management requires accurate estimation of customer demand, production schedules and anticipated order volumes. Any miscalculation in demand forecasting or changes in customer preferences may result in accumulation of finished goods or raw materials, leading to higher holding costs, risk of damage or obsolescence and increased pressure on working capital. Conversely, inadequate inventory levels may affect our ability to execute orders in a timely manner, which may adversely affect our relationships with customers and our revenues. Consolidated financial for the nine months period ended on December 31, 2025, and standalone financial for the financial years ended March 31, 2025, 2024 and 2023, our inventories were ₹ 6263.38 lakhs, ₹ 2244.71 lakhs, ₹ 1923.18 lakhs and ₹ 2221.32 lakhs, respectively.

Our trade receivables primarily arise from sales to distributors and other customers under our business-to-business operations. The realization of such receivables is subject to agreed credit terms and may be impacted by delays in payments or defaults by customers. Delays in realization of receivables may adversely impact our liquidity and increase our reliance on working capital borrowings.

Our trade receivables stood at ₹ 8688.76 lakhs, ₹ 8038.14 lakhs, ₹ 7272.71 lakhs and ₹ 6463.12 lakhs on consolidated financials for the nine months period ended December 31, 2025, and standalone financials for the financial years ended March 31, 2025, 2024 and 2023, respectively. Any delay or default by customers in meeting their payment obligations may adversely affect our cash flows and may require us to arrange additional funding, which could increase our finance costs and adversely impact profitability.

Accordingly, any inability to effectively manage inventories and receivables may materially and adversely affect our business, financial condition, results of operations and cash flows.

17. We operate in a competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

The textile and apparel industry in which we operate is highly competitive and fragmented, with a large number of small and medium-sized domestic and international players. Our current and potential competitors include entities with longer operating histories, established brand recognition, larger customer bases and greater financial, marketing and distribution resources. Some of the significant competitors in the organised segment include Vinny Overseas Limited and Mandhana Industries Limited.

Certain competitors may enjoy advantages over us, including economies of scale, stronger customer relationships, access to superior design capabilities, more extensive distribution networks and the ability to source raw materials at lower costs. Some competitors may also benefit from higher operating efficiencies, larger marketing budgets, better access to capital, or the ability to offer more aggressive pricing and promotional schemes. Additionally, players in the unorganized segment may compete primarily on price, thereby exerting pressure on overall margins in the industry.

Our competitors may, among other things:

- expand their presence in markets or customer segments where we operate.
- offer products at lower prices or provide more competitive commercial terms.
- increase production capacity, resulting in higher supply and downward pricing pressure.
- develop products or specifications that compete with our offerings.
- source raw materials at more competitive prices or
- deploy greater financial resources toward pricing strategies or customer acquisition.

If we are unable to compete effectively, we may face pressure on revenues, margins, or market share. There can be no assurance that we will be able to successfully compete against existing players or new entrants in the future and any inability to do so may adversely affect our business, financial condition, and results of operations and prospects.

18. There have been instances of delays in payment of certain statutory dues, including ESIC, PF and GST. Any cognizance being taken by respective authorities or future delays or non-compliance in payment of statutory obligations may result in penalties, interest liabilities, or regulatory actions, which could adversely impact our business, financial condition, results of operations and cash flows.

Our Company is required to pay certain statutory dues including employee provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, GST and Professional Taxes. In compliance with the provisions of the Income-tax Act, we are also required to deduct taxes at source at prescribed rates.

There have been certain instances of delays in payment of statutory dues in the past by our Company for FY 2022-23, 2023-24, 2024-25 and FY 2025-26, which have been belatedly paid by us with an additional fee or interest. The details of such delays are set out below:

GST Returns Delay Filings

Financial Year	Location	Month	Due Date	Date of Filing	Delay in No of Days
2022-23	Gujarat	Jun-22	20-07-2022	21-07-2022	1
2023-24	Gujarat	Oct-23	20-11-2023	21-11-2023	1

PF Payment Delays

Financial Year	Month	Due Date	Date of Filing	Delay in No of Days	No. of Employees	Delayed Amount
2022-23	May-22	15-06-2022	10-08-2022	56	28	0.63
	Jun-22	15-07-2022	10-08-2022	26	27	0.63
	Jan-23	15-02-2023	17-02-2023	2	29	0.72
2023-24	May-23	15-06-2023	20-06-2023	5	29	0.90
	Sep-23	15-10-2023	18-10-2023	3	30	1.01
2024-25	Aug-24	15-09-2024	17-09-2024	2	30	1.00
2025-26	Aug-25	15-09-2025	20-09-2025	5	23	0.66
	Nov-25	15-12-2025	18-12-2025	3	23	0.62

ESIC Payment Delays

Financial Year	Month	Due Date	Date of Filing	Delay in No of Days	No. of Employees	Delayed Amount
2022-23	May-22	15-06-2022	27-06-2022	12	36	0.10
	Jun-22	15-07-2022	11-08-2022	27	36	0.11
	Jan-23	15-02-2023	20-02-2023	5	30	0.12
2023-24	May-23	15-06-2023	21-06-2023	6	26	0.12
	Sep-23	15-10-2023	19-10-2023	4	25	0.12
	Oct-23	15-11-2023	18-11-2023	3	26	0.11
	Nov-23	15-12-2023	16-12-2023	1	25	0.07
	Feb -24	15-03-2024	18-03-2024	3	25	0.10
2024-25	April-24	15-05-2024	16-05-2024	1	25	0.11
	June-24	15-07-2024	16-08-2024	32	17	0.11
	July-24	15-08-2024	16-08-2024	1	17	0.12
	Aug-24	15-09-2024	17-09-2024	2	17	0.11
2025-26	Nov-25	15-12-2025	22-12-2025	7	15	0.10

PT Payment Delays

Financial Year	Month	Due Date	Date of Filing	Delay in No of Days	Delayed Amount
2024-25	Apr-24	15-05-2024	16-05-2024	1	0.40
	Sep-24	15-10-2024	16-10-2024	1	0.45
2025-26	May-25	15-06-2025	17-06-2025	2	0.42
	Jul-25	15-08-2025	18-08-2025	3	0.45
	Aug-25	15-09-2025	16-09-2025	1	0.46
	Sep-25	15-10-2025	17-10-2025	2	0.44
	Dec-25	15-01-2026	17-01-2026	2	0.43
	Jan-26	15-02-2026	17-02-2026	2	0.44
	Feb-26	15-03-2026	17-03-2026	2	0.43
	Mar-26	15-04-2026	17-04-2026	2	0.43

19. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. While we have shortlisted vendors and obtained quotations from them, we are yet to place orders or enter into definitive agreements with the vendors in relation to such capital expenditure requirements.

We intend to utilize up to ₹ 2467.93 lakhs out of the Net Proceeds for funding capital expenditure requirements for the proposed expansion of new manufacturing unit at Block No 336 (Old Block No.59) admeasuring 66,976 Sq. Mtrs. of Mouje Miroli, Taluka Dascroi, Sub district Amhedabad-11. Out of which ₹ 935.27 lakhs earmarked for funding capital expenditure requirements for the civil construction work of factory shed and ₹ 1532.66 lakhs is proposed to be utilized towards purchase of plant and machinery. For details, please refer to section ***"Objects of the Issue – Funding of capital expenditure towards setup of a new manufacturing facility"*** on page 85 of this DRHP.

The proposed expansion involves capital expenditure prior to realization of anticipated benefits and is subject to risks inherent in construction and implementation projects. These risks include potential cost overruns, delays in project execution, increase in material or equipment costs, delays or deficiencies in supply and installation of machinery, design or construction defects, shortage of skilled labor, delays in receipt of statutory or regulatory approvals, and other unforeseen circumstances beyond our control. There can be no assurance that the project will be completed within the estimated timelines or budgeted costs, or that the anticipated operational efficiencies and economic benefits will be achieved.

The expansion will require certain statutory approvals and/or amendments to existing approvals, including consents to establish and amended consents to operate, as applicable. Any delay in obtaining such approvals may affect the implementation schedule of the project.

Our long-term capital requirements may increase in connection with the proposed expansion and future growth plans. Our ability to raise additional capital, whether through debt or equity, will depend on various factors, including prevailing economic conditions, availability of credit, investor confidence and our operational performance. If we raise funds through equity or equity-linked instruments, it may result in dilution of shareholding. If we raise funds through debt, it may increase our interest obligations and subject us to additional restrictive covenants. Further, the proposed expansion may lead to an increase in finance costs, depreciation and other related expenses in the near term, which may affect our profitability and cash flows.

In addition, the proposed expansion and anticipated growth may place additional demands on our managerial, operational and financial resources. Our ability to manage such growth will depend on timely strengthening of our operational systems, financial controls and human resources. Any inability to implement the expansion efficiently or to generate adequate returns from such investment may adversely affect our business, financial condition, cash flows and results of operations.

20. We are subject to stringent quality requirements and any failure in our quality control processes, prescribed standards, or in maintaining customer service, including recruitment and retention of key personnel, may result in cancellation of orders, liability exposure, reputational damage and may adversely impact our business, results of operations and financial condition.

Our business involves processing of fabrics in accordance with customer requirements, including specifications relating to colour shades, finishes, shrinkage, GSM, pH value, rubbing fastness, colour fastness, fabric hand-feel and other quality parameters. Under the job work model, customers provide fabric to our Company for processing, and under our own purchase and processing model, we process procured fabric for sale to customers. Any failure to meet agreed specifications or quality parameters may result in reprocessing, rejection of processed fabrics, price reductions, order cancellations, delayed payments, claims from customers or loss of repeat business.

Textile processing involves multiple stages, including bleaching, dyeing, printing, washing, drying, finishing, inspection and packaging. Quality issues may arise due to process deviations, machinery malfunction, improper chemical application, shade variation, fabric defects, inadequate testing, human error or inconsistency in raw materials, dyes or chemicals. Further, in cases where customer-owned fabric is processed by us, any damage, defect or quality deviation during processing may expose us to commercial disputes or liability for such fabric.

Our ability to meet customer requirements is dependent on the effective functioning of our internal quality control systems, in-house laboratory facilities and personnel engaged in production, testing, quality assurance, maintenance and customer coordination. Any inability to maintain adequate quality control processes, retain skilled technical personnel, or comply with applicable quality management requirements, including certifications and customer audits, may affect our ability to service existing customers or secure new orders.

If we are unable to consistently meet customer specifications, quality expectations or applicable standards, our customer relationships, reputation, revenue from operations, results of operations, financial condition and cash flows may be adversely affected.

21. Our operations are subject to environmental, health, safety and pollution control requirements, and any non-compliance may adversely affect our business.

Our manufacturing operations involve various fabric processing activities, including bleaching, dyeing, printing and finishing, which require the use of dyes, chemicals, caustic soda, steam and water and result in the generation of effluents and other waste materials.

Accordingly, our operations are subject to various environmental, health, safety and pollution control laws and regulations, including those relating to the handling, storage and disposal of chemicals and hazardous substances, discharge of effluents, emissions, workplace safety and employee health.

We operate an effluent treatment plant at our manufacturing facility for the treatment of wastewater generated from dyeing, bleaching, washing, printing and other wet processing activities to support compliance with applicable environmental norms. Our operations also involve the use of steam boilers, thermic fluid heaters and other machinery that are subject to health and safety requirements.

Any failure to obtain, renew or maintain requisite environmental approvals, consents, licences or permits, or any failure to comply with applicable environmental, health and safety laws and regulations, could result in the imposition of penalties, fines, liabilities, litigation, suspension of operations, revocation of permits, closure directions or the requirement to incur substantial capital expenditure to remedy such non-compliance. In addition, accidental releases, equipment failures, fires, explosions, leakages of chemicals or inadequacies in our pollution control systems may expose us to environmental claims, third-party liabilities, reputational damage and business interruptions.

Further, environmental regulations in India may become more stringent over time, requiring us to incur additional expenditure towards installation or upgradation of pollution control equipment, waste management systems, safety infrastructure and compliance monitoring mechanisms. Any material non-compliance with environmental, health, safety and pollution control requirements or any inability to manage these risks effectively could materially and adversely affect our business, financial condition, results of operations and cash flows.

22. Our failure to identify and adapt to evolving industry trends, textile processing technologies, environmental requirements and customer preferences may adversely affect our business, results of operations, financial condition and cash flows.

Our Company is engaged in fabric processing activities, including bleaching, dyeing, printing, sizing and finishing of fabrics. We undertake processing of fabrics under the job work model as well as through our own purchase and processing model. The textile processing industry is subject to changes in customer preferences, fashion trends, fabric types, colour shades, finishes, processing techniques, quality parameters, environmental requirements, chemical usage norms, packaging requirements and delivery expectations.

Our customers may require processed fabrics meeting revised specifications relating to colour consistency, shade matching, shrinkage, GSM, fabric feel, fastness parameters, finishing quality, print design, fabric durability and other product attributes. Further, demand for specific fabric categories, designs, prints, finishes and processing methods may change based on market trends and customer requirements. If we are unable to identify such changes or upgrade our processing capabilities, machinery, quality control systems, testing processes, manpower or production practices in a timely manner, we may face product rejections, customer complaints, lower order inflows, increased re-processing requirements or higher operating costs.

Further, any inability to comply with evolving environmental, effluent treatment, chemical handling, utility usage or other regulatory requirements applicable to textile processing operations may affect our ability to operate efficiently and may require us to incur additional expenditure. Accordingly, any failure to identify and adapt to evolving industry trends, textile processing technologies, regulatory requirements, customer specifications or market preferences may adversely affect our business, results of operations, financial condition and cash flows.

23. Our capacity utilization levels vary across machines and product categories, and any inability to optimally utilize our installed capacity may adversely affect our operating efficiency, business, financial condition, results of operations and cash flows.

Our business is dependent on the efficient utilization of our manufacturing facilities engaged in fabric processing, weaving and yarn sizing activities. We process various categories of fabrics, including suiting, shirting and hosiery fabrics, and our production capacities are dependent upon the operating efficiencies of our key manufacturing equipment, including stenter machines, air jet looms and sizing machines. The utilization of these machines depends on order flow, product mix, customer requirements, availability of raw materials, labour, utilities, market demand and operational planning.

The installed capacity and capacity utilization for these units for the nine-month period ended December 31, 2025 and Fiscals 2025, 2024 and 2023, as certified by the Chartered Engineer, are set out below:

Manufacturing Unit: Kumar Cotton Mills Ltd.**Located at: 108/1, OPP. NAROL VILLAGE, NAROL, AHMEDABAD, GUJARAT**

Particulars	Product Description	Unit of measurement	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	April'25-Dec'25
Air Jet Looms						
Total Installed capacity of Air Jet Looms		Mtr.	85,84,800.00	85,84,800.00	85,84,800.00	52,01,840.00
Actual Production	Grey Fabric	Mtr	71,09,317.00	73,09,491.00	45,25,525.00	Nil
Total Capacity utilisation (%)		%	82.81%	85.14%	52.72%	Nil
Stenter Machine						
Total Installed Capacity of Stenter Machine		Mtr.	5,62,10,000.00	5,62,10,000.00	6,23,42,000.00	4,67,56,500.00
Actual Production	Suiting Fabric	Mtr.	1,74,38,922.00	1,92,13,466.00	1,96,28,207.18	1,37,88,064.00
Product-wise utilisation (%)		%	31.02%	34.18%	31.48%	29.49%
Actual Production	Shirting Fabric	Mtr	1,54,62,859.00	1,67,14,190.00	2,02,09,405.00	1,42,76,541.00
Product-wise utilisation (%)		%	27.51%	29.74%	32.42%	30.53%
Actual Production	Hosiery Fabric	Mtr	72,07,160.50	60,65,113.50	78,61,851.00	61,60,936.28
Product-wise utilisation (%)		%	12.82%	10.79%	12.61%	13.18%
Actual Production	Rayon Fabric	Mtr	84,35,091.00	1,30,54,983.00	1,28,08,814.00	1,11,28,211.50
Product-wise utilisation (%)		%	15.01 %	23.23%	20.55%	23.80%
Total Actual Production		Mtr	4,85,44,032.50	5,50,47,752.5	6,05,08,277.18	4,53,53,752.78
Total Capacity utilization (in %)		%	86.36%	97.93%	97.06%	97.00%
Sizing Machine						
Total Installed Capacity		Mtr.	1,02,20,000.00	1,02,20,000.00	1,02,20,000.00	76,65,000.00
Actual Production	Sized Yarn	Mtr.	9,17,160.00	57,03,744.56	39,43,644.88	7,69,943.60
Total Capacity Utilization (%)		%	8.97%	55.81%	38.59%	10.04%

*Pursuant to an operational realignment, the Company temporarily discontinued weaving operations at its own facility after December 2024. Further, the Company sold 19 looms to a third party as on 3rd September 2025. Accordingly, the Company's direct manufacturing operations are presently focused on fabric processing activities, and the actual production relating to weaving operations has been disclosed only up to December 2024.

Aarjay Enterprises: Plot No- 680,681, 683 Opp, Jaganath Industrial Park, Paldi- Kankaj, Dascroi, Bareja, Ahmedabad, Gujarat-382425

Particulars	Product Description	Unit of measurement	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	April'25-Dec'25*
Air Jet Looms						
Total Installed capacity of Air Jet Looms		Mtr.	Nil	Nil	Nil	44,01,600.00
Actual Production	Grey Fabric	Mtr	Nil	Nil	Nil	32,65,927.50
Total Capacity utilization (%)		%	Nil	Nil	Nil	74.19%

**Pursuant to the Third Supplemental Deed of Partnership dated August 23, 2025, Kumar Cotton Mills Limited was admitted as a partner in Aarjay Enterprise with 99% profit / loss sharing ratio. Accordingly, the production undertaken by Aarjay Enterprise from August 23, 2025 to December 31, 2025 has been considered for the purpose of disclosure of production and capacity utilization, based on the ownership interest and operational control acquired by our Company and as certified by Garg & Associates, Chartered Engineer vide certificate dated June 24th, 2026.*

Any underutilization of installed capacity may result in lower absorption of fixed costs and may affect profitability. Conversely, high utilization of key machines may increase the risk of production bottlenecks, machine breakdowns, maintenance requirements and inability to accept additional orders. Any inability to balance capacity utilization across different processes may adversely affect our operating efficiency, business, results of operations and financial condition.

24. Any negative publicity regarding our Company, operations and services, whether substantiated or not, including concerns about product quality or customer service issues, could adversely impact our reputation, consumer trust and market position, which may materially affect our business, financial condition and results of operations.

Our business depends significantly on maintaining the quality of our operations and services and preserving our reputation among customers, suppliers and other stakeholders. Any adverse publicity, whether substantiated or otherwise, in relation to the quality of our processed fabrics, manufacturing practices, timely delivery, customer service, environmental compliance, labour practices or any other aspect of our operations may tarnish our reputation in the market.

The textile processing industry is highly competitive and customers are particularly sensitive to product quality, consistency, timely delivery and service standards. Even isolated incidents of negative publicity, whether arising from actual deficiencies, misinformation, actions of third parties or unsubstantiated allegations, may result in a decline in customer confidence and adversely affect our ability to obtain and retain orders.

Further, in an environment of increasing digital penetration and social media usage, adverse publicity, negative customer feedback or allegations concerning our Company can spread rapidly and influence public perception on a large scale. Such publicity may also attract heightened scrutiny from regulatory authorities, customers, suppliers and other stakeholders. Negative publicity may arise from customer complaints, allegations relating to product quality or defects, workplace accidents, environmental incidents, disputes with employees or business partners, litigation, regulatory proceedings or any other events associated with our operations.

Any erosion of our reputation or loss of customer confidence may impair our ability to retain existing customers, attract new customers, maintain long-term business relationships or sustain our competitive position in the textile processing industry. Accordingly, any negative publicity concerning our Company, our products or our operations may have a material adverse effect on our reputation, customer confidence, business operations, financial condition, results of operations and cash flows.

25. We depend on third-party transportation arrangements for procurement of raw materials and dispatch of processed fabrics and other products, and any disruption in such transportation services may adversely affect our business, results of operations, financial condition and cash flows.

Our business operations require timely procurement of raw materials, including grey fabric, yarn, dyes, chemicals, fuel, packaging materials and other consumables, as well as dispatch of processed fabrics and other products to our customers. While our Company operates certain in-house vehicles for routine movement of finished products, we also depend on third-party transporters and local logistics service providers for procurement, movement and delivery of materials and products.

Any disruption in transportation services due to non-availability of vehicles, increase in freight costs, fuel price fluctuations, labour strikes, road blockages, accidents, regulatory restrictions, natural calamities, delay by transporters, disruption in local transport networks

or other events beyond our control may affect our ability to procure raw materials on time or dispatch finished products as per agreed delivery schedules.

Further, delays or damage during transportation may result in production delays, inventory shortages, increase in costs, inability to meet customer delivery timelines, customer claims, order cancellations or loss of business. Any such disruption in transportation and logistics arrangements may adversely affect our business, results of operations, financial condition and cash flows.

26. We are dependent upon the experience and skill of our Promoters, Key Managerial Personnel and Senior Management Personnel for conducting our business and undertaking our day-to-day operations. The loss of or our inability to retain, such persons could materially and adversely affect our business performance. In addition, excess rate of attrition amongst the personnel engaged by our Company may have an adverse impact on our business operations.

Our business operations and future growth are significantly dependent on the industry knowledge, leadership and vision of our Promoters, Key Managerial Personnel (KMPs) and Senior Management Personnel. Their experience, technical expertise and established relationships with customers, suppliers and other stakeholders provide us with a competitive advantage. Any loss of such personnel, whether due to resignation, retirement, illness, or otherwise, could disrupt our operations, impair our ability to execute business strategies and adversely impact our performance.

For details pertaining to the profile of our Directors please refer to heading titled ‘**Brief Profile of our Directors**’ in chapter ‘**Our Management**’ on page 159 of this Draft Red Herring Prospectus and for details pertaining to the Key Management Personnel and Senior Management Personnel of our Company and their respective functions, please refer to chapter “**Our Management**” on page 167 and 169 respectively of this Draft Red Herring Prospectus.

There can be no assurance that we will be able to retain or replace these personnel. The loss of any of such personnel or our inability to replace them may restrict our growth prospects, affect our ability 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.

In addition, our employee attrition rate has varied over the past periods and increased from 18.72% in FY 2023-24 to 18.85% in the nine months period ended December 31, 2025. This elevated level of employee turnover can impact our productivity by increasing training costs and disrupting operational efficiency. Furthermore, replacing skilled personnel can be time-consuming and expensive, potentially hindering our ability to execute our business strategy effectively. These factors could ultimately have an adverse impact on our business, results of operations and overall financial condition.

The following table outlines the attrition rate of employees for the specified periods:

Particulars	2022-23	2023-24	2024-25	April 2025 to December 2025
Attrition rate*	19.08%	18.72%	18.74%	18.85%

* Calculated as the number of employees who left during the period divided by the average of the opening and closing number of employees for the respective financial year/period.

27. Our Company is using a trademark, which is not registered under the Trademarks Act, 1999 as on date of Draft Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third-party intellectual property rights.

Our Company has filed an application for registration of its trademark  under Class 24 with the Registrar of Trademarks. The application has completed the “*formalities check pass*” stage and is currently pending for registration. Until such registration is granted, we do not have statutory protections accorded to a registered trademark in respect of such mark. There can be no assurance that the said trademark will be registered in due course or that objections, oppositions or other claims by third parties will not be raised.

If we are unable to secure registration of the trademark or effectively protect our intellectual property rights, our brand recognition, goodwill and competitive position may be affected. We may also be required to incur costs in pursuing registration, defending objections or initiating or defending legal proceedings to protect our intellectual property rights. Any such proceedings may be time consuming and involve significant costs, and the outcome thereof cannot be assured.

Further, any unauthorized use or infringement of our intellectual property may not be detected in a timely manner or may not be effectively prevented or remedied. Any failure to protect our intellectual property rights may adversely affect our business, financial condition and results of operations. For further details, see “**Our Business – Intellectual Property**” on page 140 of this Draft Red Herring Prospectus.

28. We have certain contingent liabilities and commitments, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.

Our contingent liabilities and commitments Consolidated financial for the nine-month period ended on December 31, 2025 and Standalone financial as of Fiscal 2025, Fiscal 2024 and Fiscal 2023 are as follows:

Particulars	For the nine months period ended December 31, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Contingent Liabilities	336.94	169.05	169.05	169.05
Total	336.94	169.05	169.05	169.05

If any such contingent liability or commitment materializes, it could have an adverse effect on our results of operations, financial condition and cash flows. For details, see “Restated Financial Statements- Annexure 33- Restated Statement of Contingent Liabilities” on page 255.

29. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members/entities. These transactions, inter-alia includes, rent, sales, purchase, remuneration, loans and advances etc. For details, please refer to “*Annexure 30- Related Party Transactions*” under Section titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 245 and 67 respectively of this Draft Red Herring Prospectus.

While our Company believes that all such transactions have been conducted on an arm’s length basis and are accounted as per AS 18 and are in compliance with the provisions of the Companies Act, 2013 and other applicable laws, however there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Our Company has entered into such transactions due to easy proximity and quick execution.

Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

30. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact on our operations adversely.

Our business operation requires significant working capital specifically for raw materials, work in progress and finished goods to undertake manufacturing operations. The working capital requirements of our Company are as below:

(in lakhs)

Particulars	For the period ended December 31, 2025*	Fiscal 2025	Fiscal 2024	Fiscal 2023
Current Assets (excluding cash and cash equivalents)	9,380.04	11,168.90	9,904.08	9,798.65
Current Liabilities (excluding short-term borrowings)	4,983.72	4,601.67	3,141.49	4,400.46
Working Capital	4,396.33	6,567.24	6,762.59	5,398.19

* The working capital requirement set out above has been computed on the basis of the standalone financial statements of our Company, after considering the historical working capital cycle, business operations, projected scale of operations. Accordingly, the above working capital requirement pertains only to the standalone operations of our Company.

Our growing scale and expansion may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

31. Our business is labor-intensive and any work stoppages, increased wage demands, or challenges in recruiting and retaining skilled personnel may adversely affect our operations, customer relationships and financial performance.

Our operations require a substantial workforce across various functions, including production, quality control, warehousing, packaging and logistics. The availability, productivity and cost of labor are critical to our business. Disruptions such as absenteeism, labor unrest, strikes, or other work stoppages can lead to production delays, missed delivery deadlines and strained customer relationships.

Moreover, increases in wage levels—whether due to statutory revisions in minimum wage, collective bargaining outcomes, or competitive pressures—can significantly raise our operating costs. If we are unable to recruit and retain employees under commercially viable terms, or if we face challenges in training and retaining skilled manpower, our profitability may be adversely impacted.

Additionally, given the concentration of our operations in specific regions, any adverse developments in local labor markets, including shortages of skilled or semi-skilled workers, may exacerbate these risks. As a result, our dependence on labor exposes us to uncertainties that may materially and adversely affect our business, financial condition and results of operations.

32. *Our operations and the work force are exposed to a variety of occupational and operational hazards, which may adversely affect our business, financial condition and results of operations.*

Our manufacturing and processing operations involve multiple activities, including bleaching, dyeing, printing, washing, drying, mercerizing, finishing, sizing, inspection, packaging and material handling. These operations require use of plant and machinery, boilers, steam, compressed air, dyes, chemicals, caustic soda, fuel, water and electrical equipment, which expose our workforce, contract labour and facilities to inherent occupational and operational risks.

Such risks may arise from machinery breakdown or malfunction, electrical faults, boiler-related incidents, fire, chemical exposure, leakage or spillage, handling of hot water, steam or processing chemicals, workplace accidents, failure of safety systems, improper material handling, environmental incidents or other unforeseen events. In addition, our operations may be affected by external events such as floods, heavy rainfall, earthquakes, industrial disruptions or other natural or man-made events, which may cause damage to our facilities, machinery, inventory or infrastructure, or result in disruption of operations.

Any such incident may result in injury to employees or contract labour, loss of life, damage to plant and machinery, raw materials, customer-owned fabric, finished goods or other assets, environmental impact, regulatory actions, penalties, claims from employees, contract labour, customers or third parties, or suspension or disruption of operations. Such occurrences may also require us to incur additional expenditure towards repair, replacement, remediation, compensation, insurance claims, compliance measures or restoration of operations.

While there have been no instances of loss of life or severe injuries at our manufacturing facilities during the nine-month period ended December 31, 2025 and in Financial Years 2024-25, 2023-24 and 2022-23, there can be no assurance that such incidents will not occur in the future. If any occupational or operational hazards materialize, our business, results of operations, financial condition, cash flows and reputation may be adversely affected.

33. *If we are not able to successfully manage our growth, our business and results of operations may be adversely affected.*

The continued growth of our Company depends on our ability to manage our existing fabric processing operations, expand our customer base, improve capacity utilization, procure raw materials and utilities at commercially acceptable terms, and implement our proposed expansion plans. Our business strategies include expanding our geographical presence and setting up a spinning facility for manufacturing yarn to support backward integration in our textile operations. For further details, please refer to the section titled **“Our Business – Our Business Strategies”** on page 127 of this Draft Red Herring Prospectus.

As our operations scale, we may be required to manage increased production volumes, larger procurement requirements, additional manpower, higher working capital needs, enhanced quality control processes, expanded customer servicing requirements and greater coordination between procurement, processing, dispatch and sales functions. Further, implementation of the proposed spinning facility may require us to strengthen our operational systems, technical capabilities, internal controls, compliance processes and workforce.

There can be no assurance that we will be able to effectively manage such growth or that our existing infrastructure, personnel, systems, procedures and controls will be adequate to support our expanded operations. Any inability to execute our growth strategies, manage costs, maintain product quality, retain skilled personnel, secure adequate orders, integrate the proposed spinning facility with our existing operations, or respond to market conditions may adversely affect our business, results of operations, financial condition and cash flows.

34. *Our insurance coverage may not be adequate to protect us against certain operating hazards, and this may have a material adverse effect on our business.*

Our manufacturing and processing operations are exposed to risks inherent to textile processing facilities, including breakdown or failure of plant and machinery, electrical faults, workplace accidents, fire, explosion, riots, strikes, natural calamities such as floods and earthquakes, environmental incidents and other events beyond our control. Such events may result in injury or loss of life, damage to our manufacturing facilities, plant and machinery, stock, raw materials, customer-owned fabrics, finished goods and other assets, or may cause disruption or shutdown of our operations. For further details, please refer to section **“Our Business – Insurance”** on page 142 of this DRHP.

While we believe that our Company has obtained insurance policies covering certain assets and risks, including plant and machinery, building, furniture and fixtures, fittings, equipment and stock, as applicable. For further details, please refer to the section titled “Our Business – Insurance” on page 142 of this Draft Red Herring Prospectus

There can be no assurance that the insurance coverage obtained by us will be adequate to cover any loss or damage suffered by us, or that such coverage will continue to be available on commercially acceptable terms. Further, any claim made by us may be rejected, delayed, disputed or settled for an amount lower than the loss incurred. If we suffer any uninsured or under-insured loss, or if the amount of any insured loss exceeds our insurance coverage, we may be required to incur additional costs, which may adversely affect our business, results of operations, financial condition and cash flows.

35. We have incurred significant indebtedness which exposes us to various risks which may have an adverse-effect on our business and results of operations.

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flow, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on May 31, 2026, our total outstanding indebtedness was ₹ 10,301.59 lakhs.

Our significant indebtedness in future may result in a substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 263 of this Draft Red Herring Prospectus.

36. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory part/components loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the recent past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Though we have insurance losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

37. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected. While we have not experienced any such instance in the recent past, there can be no assurance that we will not experience any such adverse event in future.

Such misconduct or errors may be difficult to detect in a timely manner, particularly in areas involving raw material procurement, fabric processing, chemical usage, inventory movement, customer orders, dispatch documentation, receivables management, accounting entries, statutory filings and related party transactions. Any such incident may result in financial losses, operational disruption, incorrect financial or operational reporting, customer disputes, regulatory actions, penalties or litigation.

There can be no assurance that such systems will be sufficient to prevent or detect all instances of employee misconduct or errors. Any failure to identify, prevent or remediate such incidents in a timely manner may adversely affect our business, results of operations, financial condition, cash flows and reputation.

38. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.

The proposed fund requirement for capital expenditure and working capital requirements, as detailed in the section titled "Objects of the Issue", is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure

or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the section ***“Objects of the Issue- Details of Utilization of Net Proceeds”*** beginning on page 85 of this Draft Red Herring Prospectus.

39. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.*

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guaranteed obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see ***“Statement of Financial Indebtedness”*** on page 263 of the Draft Red Herring Prospectus.

40. *The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.*

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “Objects of the Issue”. The fund requirement and deployment, as mentioned in the ***“Objects of the Issue”*** on page 97 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

41. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*

We intend to utilize the Net Issue Proceeds towards: (a) funding of capital expenditure towards setting up of a new manufacturing facility; (b) funding of working capital requirements and (c) general corporate purposes. For further details of the proposed objects of the Issue, see ***“Objects of the Issue – Details of Utilization of Net Proceeds”*** on page 85 of this Draft Red Herring Prospectus. At this stage, we cannot determine with any certainty if we would require Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval by way of a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by redeploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

42. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to nature of products to be manufactured and assumptions relating to operational efficiencies. Thus, actual utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facility. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facility included in this Draft Red Herring Prospectus. For further information, see the section titled **“Our Business - Installed Capacity & Capacity Utilizations”** on page 135 of this Draft Red Herring Prospectus.

43. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section **“Dividend Policy”** on page 177 of the Draft Red Herring Prospectus.

44. Certain key performance indicators for certain listed industry peers, included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.

Pursuant to the requirements of the SEBI ICDR Regulations, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the **“Basis for Issue Price”** beginning on page 99 of the Draft Red Herring Prospectus. Although this information is sourced from and relied upon on the consolidated audited financial statements of the relevant listed industry peers as available on the websites of the Stock Exchanges, including the annual reports of the respective companies submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There may be different methodologies and formulas used to compute various ratios.

45. Our operations are dependent on availability of power, water and other utilities at our processing facilities. Any interruption may adversely affect processing and dispatch.

Our processing operations require regular and adequate supply of power, water, fuel and other utilities for undertaking activities such as bleaching, dyeing, printing, sizing, finishing and other related processes. Any disruption in the availability of such utilities due to power outages, water shortage, breakdown of utility infrastructure, restrictions imposed by utility providers, natural calamities, regulatory action or any other reason may result in interruption or temporary suspension of our operations.

Further, any delay or inadequacy in the supply of power, water or other utilities may affect our ability to process fabrics within scheduled timelines, meet customer requirements, undertake timely dispatches and maintain production efficiency. In the event we are required to procure alternate sources of utilities or operate at lower efficiency, our operating costs may increase. Any prolonged or frequent interruption in the availability of utilities may adversely affect our business, results of operations, cash flows and financial condition.

46. There is no monitoring agency appointed by our Company to monitor the utilization of the Issue proceeds.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹5,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

47. Our Promoters and Promoter Group will continue to exercise significant control over our Company after the Issue and their interests may differ from the interests of other shareholders.

Our Promoters and members of the Promoter Group presently hold 86% of the Equity Share capital of our Company. Further, after completion of the Issue, our Promoters and Promoter Group will continue to hold a significant portion of the post-Issue paid-up Equity Share capital of our Company. Accordingly, they will continue to exercise significant influence over matters requiring shareholders’

approval, including composition of our Board of Directors, declaration of dividends, approval of related party transactions, alteration of share capital, corporate actions, business strategy and other matters requiring ordinary or special resolutions.

Our Promoters and Directors are also interested in our Company to the extent of their shareholding, dividend entitlement, remuneration, reimbursement of expenses, loans advanced, guarantees provided, if any, and benefits arising from their directorship or association with our Company. There can be no assurance that our Promoters will exercise their rights as shareholders in a manner that is aligned with the interests of all shareholders.

Such concentration of ownership may also have the effect of delaying, preventing or deterring any change in control of our Company. Further, our Promoters may be able to influence decisions that may conflict with the interests of other shareholders or may not be in the best interests of our Company. Any such exercise of control or conflict of interest may adversely affect our business, results of operations, financial condition and cash flows.

For further details, please refer to the chapters titled **“Our Business”**, **“Our Promoters and Promoter Group”**, **“Capital Structure”** and **“Restated Financial Statements – Related Party Transactions”** on pages 123, 172, 67 and 178 respectively, of this Draft Red Herring Prospectus.

48. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our company is lower than the Issue Price as may be decided by the company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter **“Capital Structure”** beginning on page 67 of this Draft Red Herring Prospectus.

49. Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.

Our promoter along with the promoter group will continue to hold collectively 88.26% of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

50. There is no guarantee that the Equity Shares of our Company will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with applicable Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until the Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

51. Loans obtained by our Company have been secured on personal guarantees of our Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Promoters.

Our Company has availed loan facilities from Small Industries Development Bank of India (“SIDBI”), which are secured, inter alia, by irrevocable and unconditional joint and several personal guarantees provided by Shri Ajay Ramkumar Agrawal and Shri Kumar Rajendraprasad Agarwal in favour of SIDBI for repayment of dues outstanding under the loan facilities, including interest and other monies payable by our Company. The said guarantees are joint and several in nature and the guarantors may be liable to SIDBI in the manner prescribed under the relevant financing documents.

In the event of any default, non-payment or non-compliance with the terms and conditions of the financing arrangements, SIDBI may invoke the personal guarantees provided by the aforesaid Promoters. Any such invocation may adversely affect the financial position, net worth and reputation of the relevant Promoters and may also affect their ability to provide continued support to our Company.

For further details regarding the borrowings availed by our Company, please refer to the section titled **“Statement of Financial Indebtedness”** on page 263 of this Draft Red Herring Prospectus.

52. Certain data mentioned in this Draft Red Herring Prospectus has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

53. Our financial information for the nine months period ended December 31, 2025 is not strictly comparable with our financial information for prior periods due to consolidation of Aarjay Enterprise from August 23, 2025

Our Restated Financial Information for the nine months period ended December 31, 2025 has been prepared on a consolidated basis and includes the financial information of Kumar Cotton Mills Limited and Aarjay Enterprise, a partnership firm engaged in weaving activities. Pursuant to the Third Supplemental Deed of Partnership dated August 23, 2025, our Company was admitted as a partner in Aarjay Enterprise and holds 99.00% share in its profits, losses and capital contribution. Accordingly, Aarjay Enterprise has been considered as a controlled entity of our Company from August 23, 2025.

The financial information of Aarjay Enterprise has been consolidated from August 23, 2025, being the date from which our Company obtained 99.00% interest in its profits, losses and capital contribution. Accordingly, the assets and liabilities of Aarjay Enterprise as at December 31, 2025 and its income and expenses for the period from August 23, 2025 to December 31, 2025 have been considered in our consolidated financial information for the nine months period ended December 31, 2025.

However, our Restated Financial Information for Fiscal 2025, Fiscal 2024 and Fiscal 2023 has been prepared on a standalone basis and does not include the financial information of Aarjay Enterprise. Accordingly, our financial information for the nine months period ended December 31, 2025 may not be strictly comparable with our financial information for prior periods, including in respect of revenue from operations, expenses, profit, assets, liabilities, cash flows, financial ratios and other operating and financial parameters.

Any comparison of our financial performance, financial position, cash flows or ratios across such periods should therefore be read in light of the change in basis of preparation of financial information. Investors should not consider our financial information for the nine months period ended December 31, 2025 as being directly comparable with our financial information for Fiscal 2025, Fiscal 2024 and Fiscal 2023. Any reliance on such period-to-period comparison without considering the effect of consolidation may result in an inaccurate assessment of our business, financial condition, results of operations, cash flows and prospects.

54. Certain sections of this Draft Red Herring Prospectus disclose information from industry report and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

This Draft Red Herring Prospectus includes information on the textiles and apparel industry, market size, growth prospects and competitive landscape that has been derived from publicly available industry reports, government publications, databases and other third-party sources. While we believe such information to be reliable, we have not independently verified the accuracy, completeness or timeliness of such data. Industry publications may also rely on assumptions and methodologies that may not remain valid in the future. Accordingly, investors should not place undue reliance on such information when making investment decisions relating to our Company.

Further, industry reports are prepared on the basis of information as of specific dates and may not reflect the latest developments, market conditions or disruptions, including those relating to changes in government policies, global trade dynamics, raw material availability or technological innovations. Such reports also cannot always capture unorganised segments of the industry, which form a significant part of the Indian textiles and apparel market. To the extent industry data used in this Draft Red Herring Prospectus is inaccurate, incomplete or not reflective of current conditions, our disclosures based on such data may also be inaccurate or misleading. Accordingly, reliance on information derived from industry reports and third-party publications involves inherent risks and any such reliance in making an investment decision in the Issue may have a material adverse effect on investors' assessment of our business, prospects, financial condition and results of operations.

EXTERNAL RISK FACTORS

55. Adverse global economic developments and geopolitical conflicts may adversely affect the Indian economy, our business and the trading price of our Equity Shares.

Our Company is incorporated in India and our operations are conducted primarily in India. Accordingly, our business and financial performance are influenced by economic conditions in India. Any slowdown in India's economic growth, reduction in discretionary consumer spending, or adverse trends in the textile and apparel industry may impact demand for our products. Further, a decline in consumer demand or changes in purchasing behavior may lead to reduced order volumes from our customers, and may also affect inventory offtake. Such factors could have an adverse impact on our revenue, profitability and cash flows.

The Indian economy and securities markets are also influenced by economic developments and volatility in securities markets in other countries. Investors' responses to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Adverse developments in global financial markets, including tightening of global liquidity, increased risk aversion, credit market disruptions, or adverse macroeconomic developments in major economies, may affect capital flows into India and could contribute to increased volatility in Indian financial markets.

Further, adverse macroeconomic trends, including changes in interest rates, inflation levels, exchange rates, global commodity cycles and energy prices may impact India's economic environment and could adversely affect our input costs, working capital requirements and overall operating environment. Any significant disruption in financial markets could also restrict access to capital or increase cost of capital for corporate borrowers in India. Any of these factors could materially and adversely affect our business, financial condition, results of operations, cash flows and the trading price of our Equity Shares.

56. Natural disasters, pandemics, geopolitical conflicts, terrorism, civil unrest and other force majeure events could materially and adversely affect our business and profitability.

Our business operations are subject to risks arising from events beyond our control, including natural disasters such as floods, earthquakes, cyclones, extreme weather conditions and other calamities, as well as pandemics, epidemics, civil unrest, strikes, terrorist attacks, war, public health emergencies and other force majeure events.

Such events may adversely affect our manufacturing facilities, production operations, availability of manpower, procurement and transportation of raw materials, utility availability, including electricity and water supply, and our ability to process and dispatch products in accordance with customer requirements. Government authorities may also impose restrictions on movement of goods or personnel, temporary closure of facilities or other regulatory measures during such events, which may disrupt our operations.

Any such event may also affect our suppliers, customers and other counterparties, resulting in delay or reduction in orders, disruption in procurement, deterioration of raw materials or finished goods, increased costs or delay in realization of receivables.

Accordingly, any natural disaster, pandemic, epidemic, civil unrest or other force majeure event may adversely affect our business operations, results of operations, financial condition and cash flows.

57. Any future issuance of Equity Shares or sale of Equity Shares by our Promoters or other shareholders may dilute your shareholding and adversely affect the trading price of our Equity Shares.

Any future issuance of Equity Shares or equity-linked securities by our Company may dilute the ownership interest of existing shareholders and may adversely affect earnings per share and other financial metrics. Further, any sale of substantial Equity Shares in the public market after completion of the Issue, including by our Promoters or other significant shareholders, or the perception that such sales may occur may adversely affect the market price of the Equity Shares. An increase in the supply of Equity Shares may lead to downward pressure on the market price and may adversely affect investor sentiment.

58. The Equity Shares have not been previously listed, and an active or liquid trading market may not develop or be sustained after listing.

Prior to the Issue, there has been no public market for our Equity Shares. Although our Equity Shares are proposed to be listed on the Stock Exchange, there can be no assurance that an active or liquid trading market will develop or be sustained after listing. The liquidity and trading volume of our Equity Shares may depend on several factors, including investor interest, our financial performance, industry conditions, market sentiment, availability of public float and general conditions in the Indian securities markets. Limited trading volumes may affect the ability of investors to sell their Equity Shares at desired prices or within the desired timeframe. Accordingly, investors may not be able to sell their Equity Shares easily or at prices favorable to them, which may adversely affect the marketability and trading price of our Equity Shares.

59. Changes in applicable laws, regulations and policies in India, including labour, tax and regulatory frameworks, may adversely affect our business and financial performance.

Our business is subject to various laws and regulations in India, including those relating to textiles, environmental protection, pollution control, boilers, electricity, water usage, hazardous chemical handling, labour and employment, taxation, factory operations, health and safety, and corporate governance. The regulatory environment in India is evolving, and any changes in applicable laws, regulations, government policies or their interpretation may increase our compliance requirements and costs.

Changes in environmental and pollution control regulations, labour laws, taxation laws, industrial and factory regulations, electricity and utility regulations, export-import policies, or any other laws and regulations applicable to our operations may require us to incur additional expenditure, modify our business practices or obtain additional approvals and compliances. Any failure to comply with

applicable laws or any adverse regulatory developments may adversely affect our business, financial condition, results of operations and cash flows.

60. Increase in inflation, interest rate fluctuations and currency movements in India may lead to increased costs and a decline in profits.

India has experienced inflationary pressures in the past. Inflation may increase costs relating to raw materials, transportation, labour, utilities and other operational expenses. In particular, inflationary trends may increase costs of commodity-linked inputs such as Grey fabric, which form primary raw material for our products. Inflation may also increase costs associated with logistics, packaging, repairs and maintenance and other overheads.

High inflation may lead to higher interest rates and tighter credit conditions. Increased interest rates may raise borrowing costs and may also reduce overall economic activity, which could negatively impact demand for products supplied to infrastructure and industrial customers. In addition, inflationary pressures may make it more difficult for us to forecast and manage costs and may adversely affect our margins, particularly in circumstances where we are unable to pass on increased costs to customers in a timely manner.

Further, fluctuations in foreign exchange rates may affect the cost of imported raw materials and inputs used in our products, whether procured directly or through domestic suppliers. In addition, any sustained inflationary environment, interest rate increases or adverse currency movements may materially and adversely affect our business, financial condition, results of operations and cash flows.

61. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets have experienced significant volatility from time to time. The regulation and monitoring of Indian securities markets and activities of investors, brokers and other participants may differ from those in other countries. Instability in global financial markets has negatively affected the Indian economy in the past and may again cause increased volatility in Indian financial markets and, directly or indirectly, adversely affect the Indian economy and capital markets.

The market price of the Equity Shares may be affected by factors beyond our control, including changes in domestic and global economic conditions, changes in interest rates and inflation, geopolitical events, changes in Government policies, and investor sentiment. Such volatility may affect trading volume and liquidity of the Equity Shares, irrespective of our operating performance.

Any sustained volatility in Indian securities markets may adversely affect the market price of the Equity Shares and investors may not be able to sell the Equity Shares at prices they desire or at all.

SECTION III – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS	
Equity Shares issued through Public Issue ^{(1) (2)}	Issue of up to 50,72,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs.
Out of which:	
Issue Reserved for the Market Makers	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Net Issue to the Public	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Out of which*	
A. QIB Portion ⁽⁴⁾	Not more than [●] Equity Shares of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs .
Of Which	
Anchor Investor	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Of Which	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
Of Which	
(a) One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs	Up to [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] Lakhs
(b) Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10 Lakh	Up to [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] Lakhs
C. Individual investors Portion who applies for minimum application size	Not Less than [●] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,25,77,250 Equity Shares of face value of ₹ 10 each
Equity Shares outstanding after the Issue	Upto [●] Equity Shares of face value ₹ 10 each
Use of Net Proceeds by our Company	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 84 of this Draft Red Herring Prospectus.

*Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Issue paid up equity share capital of our company are being issued to the public for subscription.*
- (2) The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on May 04, 2026, and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on May 27, 2026.*
- (3) The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to 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. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.*
- (4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Investors at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

Our Company, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance 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 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “**Issue Procedure**” beginning on page 346 of this Draft Red Herring Prospectus.

SUMMARY OF OUR FINANCIAL STATEMENT

ANNEXURE-1 RESTATED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

(₹ In Lakhs)

Particulars	Annexure No.	As at December 31, 2025	As at March 31,		
			2025	2024	2023
		(Consolidated)	(Standalone)	(Standalone)	(Standalone)
I. EQUITY AND LIABILITIES					
<u>(1) Shareholder's Funds</u>					
(a) Share Capital	5	1,257.73	179.68	179.68	179.68
(b) Reserves and Surplus	6	2,783.85	2,956.19	2,479.87	2,299.42
<u>(2) Minority Interest</u>	6a	1,457.84	-	-	-
<u>(3) Non-Current Liabilities</u>					
(a) Long-Term Borrowings	7	4,829.87	2,745.86	2,000.56	2,380.65
(b) Deferred Tax Liability(Net)	8	-	-	-	-
(c) Long-term Provisions	9	65.44	50.09	39.95	32.71
<u>(4) Current Liabilities</u>					
(a) Short Term Borrowing	10	5,296.67	3,733.10	4,519.57	3,272.18
(b) Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises; and	11	-	-	-	-
(ii) total outstanding dues other than micro enterprises and small enterprises	11	7,299.00	4,256.41	2,785.39	4,147.83
(c) Other current liabilities	12	167.69	148.47	235.24	125.28
(d) Short-Term Provisions	13	617.93	196.78	120.86	127.35
Total		23,776.01	14,266.59	12,361.12	12,565.09
II.ASSETS					
<u>(1) Non-Current Assets</u>					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	14	4,893.44	2,359.82	2,098.57	2,464.26
(ii) Intangible Assets	14	54.64	-	-	-
(iii) Capital work-in-progress	14	1,609.44	242.72	-	-
(b) Non-Current Investment	15	0.12	0.12	0.12	0.12
(c) Deferred Tax Assets (net)	8	187.69	222.60	211.83	180.41
(d) Long-term loans and advances		-	-	-	-
(e) Other non-current assets	16	127.22	153.37	22.67	4.76
<u>(2) Current Assets</u>					
(a) Inventories	17	6,263.38	2,244.71	1,923.18	2,221.32
(b) Trade receivables	18	8,688.76	8,038.14	7,272.71	6,463.12
(c) Cash & Bank Balances	19	665.17	119.06	123.85	116.90
(d) Short-Term Loans And Advances	20	1,271.93	875.57	698.81	1,104.82
(e) Other Current Assets	21	14.23	10.49	9.39	9.39
Total		23,776.01	14,266.59	12,361.12	12,565.09

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
Chairman & Managing Director
DIN: 00400787

Ajay Ramkumar Agarwal
Whole Time Director
DIN: 00400818

Tejendrasinh Dilipsinh Chavada
Chief Financial Officer
PAN: AJYPC3396E

Shahaji Annasaheb Patil
Company Secretary
M. No.: A53268

ANNEXURE-2
RESTATED STATEMENT OF PROFIT & LOSS

(₹ In Lakhs)

	Particulars	Annexure No.	For the Period ended December 31, 2025	For the year ended March 31,		
				2025	2024	2023
			(Consolidated)	(Standalone)	(Standalone)	(Standalone)
A	Revenue:					
	Revenue From Operations	22	23,205.13	23,964.00	24,874.51	25,149.23
	Other Income	23	52.56	36.77	39.37	44.04
	Total Income		23,257.70	24,000.77	24,913.89	25,193.27
B	Expenses:					
	Cost of Material Consumed	24	15,823.56	15,064.51	14,506.11	14,944.25
	Changes in inventories of finished goods and work in progress	25	-397.30	-696.55	295.72	-309.41
	Employee benefit expenses	26	852.77	1,015.40	916.84	788.18
	Finance Costs	27	304.23	517.41	609.00	503.05
	Depreciation and amortization expenses	28	613.67	536.19	575.86	609.10
	Other Expenses	29	4,813.48	6,926.69	7,765.24	8,365.57
	Total Expenses		22,010.42	23,363.66	24,668.76	24,900.73
C	Profit before exceptional, extraordinary items and tax		1,247.28	637.11	245.12	292.53
	Less: Exceptional Items & Extra ordinary items		-	-	-	-
D	Profit before tax		1,247.28	637.11	245.12	292.53
E	Tax expenses:					
	Current tax		364.13	171.56	96.10	103.55
	Deferred Tax Expenses/(income)		-25.50	-10.77	-31.42	-29.45
F	Restated Profit after tax before share of profit of minority interest (D-E)		908.65	476.32	180.45	218.44
G	Less: Share of profit attributable to Minority Interest		2.94	-	-	-
H	Restated Profit attributable to the shareholders of the company (F-G)		905.71	476.32	180.45	218.44
I	Weighted Average no. of Shares	32	1,25,77,250	1,25,77,250	1,25,77,250	1,25,77,250
J	Earning per Equity Share of face value of Rs.10/- each.					
	(1) Basic in Rs.		7.20	3.79	1.43	1.74
	(2) Diluted in Rs.		7.20	3.79	1.43	1.74

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
Chairman & Managing Director
DIN: 00400787

Ajay Ramkumar Agarwal
Whole Time Director
DIN: 00400818

Tejendrasinh Dilipsinh Chavada
Chief Financial Officer
PAN: AJYPC3396E

Shahaji Annasaheb Patil
Company Secretary
M. No.: A53268

ANNEXURE-3
RESTATED CASH FLOW STATEMENT

(₹ In Lakhs)

Particulars	For the period ended December 31, 2025 (Consolidated)	For the year ended March 31,		
		2025 (Standalone)	2024 (Standalone)	2023 (Standalone)
Cash Flow From Operating Activities:				
Net Profit before tax as per Profit And Loss A/c	1,247.28	637.11	245.12	292.53
Adjustments for:				
Depreciation & Amortization Expense	613.67	536.19	575.86	609.10
Interest Income on Fixed Deposit	-18.93	-4.88	-11.04	-5.60
Interest on Income Tax Refund	-	-5.47	-13.98	-
Interest Expenses	304.23	517.41	609.00	503.05
Gratuity Expense	10.74	10.61	8.20	7.69
Bad debt written off	15.32	-	-	-
(Profit)/ Loss on Sale of Fixed Asset	-33.34	-21.92	-9.00	-10.20
Operating Profit Before Working Capital Changes	2,138.96	1,669.04	1,404.16	1,396.57
Adjusted for (Increase)/ Decrease in:				
(Increase)/Decrease in Short Term Loans & Advances	-264.01	-176.76	406.01	-246.94
(Increase)/Decrease in Long Term Loans & Advances	-	-	-	0.80
(Increase)/Decrease in Trade Receivable	3,424.97	-765.43	-809.59	-354.64
(Increase)/Decrease in Inventories	-1,027.81	-321.53	298.15	-125.49
Increase/(Decrease) in Other Current Liabilities	-314.34	-86.77	109.97	115.97
Increase/(Decrease) in Trade Payables	-1,591.92	1,471.02	-1,362.45	-548.47
(Increase)/Decrease in Other Non Current Assets	42.57	-130.70	-17.91	-4.76
(Increase)/Decrease in Other Current Assets	-	-1.10	-	8.91
Increase/(Decrease) in Short Term & Long Term Provisions	164.80	75.46	-7.45	24.68
Net Working capital Adjustment	434.25	64.19	-1,383.26	-1,129.93
Cash Generated From Operations	2,573.22	1,733.23	20.90	266.63
Net Income Tax paid/ refunded	-364.13	-166.08	-82.12	-85.18
Net Cash Flow from/(used in) Operating Activities: (A)	2,209.08	1,567.14	-61.22	181.45
Cash Flow From Investing Activities:				
Purchases of Fixed Assets	-609.82	-1,085.18	-241.39	-367.15
Proceed from Sales of Property, Plant & Equipment	80.30	66.94	40.22	21.85
Interest on Fixed Deposit	18.93	4.88	11.04	5.60
(Increase)/Decrease in Investments (Fixed Deposits more than 3 months)	44.76	30.07	-5.64	-4.23
Net Cash Flow from/(used in) Investing Activities: (B)	-465.83	-983.29	-195.77	-343.93
Cash Flow from Financing Activities:				
Increase/(Decrease) in Long Term Borrowing	-556.05	745.29	-380.09	57.71
Increase/(Decrease) in Short Term Borrowing	-475.00	-786.47	1,247.39	598.10
Increase/(Decrease) in Capital by Minority Partners	-252.50	-	-	-
Interest Expenses	-304.23	-517.41	-609.00	-503.05
Net Cash Flow from/(used in) Financing Activities (C)	-1,587.78	-558.59	258.31	152.77
Net Increase/(Decrease) in Cash & Other Bank Balances (A+B+C)	155.46	25.27	1.32	-9.72
Cash & Cash Equivalents As At Beginning of the Year/Period	33.43	8.16	6.84	16.56
Cash & Cash Equivalents As At End of the Year/Period	188.89	33.43	8.16	6.84

Notes:

1. Components of Cash & Cash Equivalents	As at December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Cash In Hand	50.93	33.43	8.16	6.84
Balance with Banks	137.96	-	-	-
Total	188.89	33.43	8.16	6.84

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

As per our report of even date

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
 Partner
 Membership No. 130278
 UDIN : 26130278LTTWAK5044
 Place : Ahmedabad
 Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
 Chairman & Managing Director
 DIN: 00400787

Ajay Ramkumar Agarwal
 Whole Time Director
 DIN: 00400818

Tejendrasinh Dilipsinh Chavada
 Chief Financial Officer
 PAN: AJYPC3396E

Shahaji Annasaheb Patil
 Company Secretary
 M. No.: A53268

SUMMARY OF CONTINGENT LIABILITIES

CONTINGENT LIABILITIES AND COMMITMENTS

Following is the summary of the Contingent Liabilities and Commitments of the Company:

(Rs. In Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Contingent Liabilities				
(a) Claims against the company not acknowledged as debt;	-	-	-	-
Income Tax	7.02	6.50	6.50	6.50
(b) Bank Guarantees issued:				
Against Torrent (Electricity board) - Kumar Cotton	152.00	152.00	152.00	152.00
Against DGFT - Kumar Cotton	10.55	10.55	10.55	10.55
Against UGVCL (Electricity board) - Aarjay	167.37			
(c) Other money for which the company is contingently liable	-	-	-	-
Commitments				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-	-	-
(c) Other commitments (Refer Note 3)	-	-	-	-
Total	336.94	169.05	169.05	169.05

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

3. Corporate guarantee given on behalf of related concern:

The Company, jointly with Venus Denim, Aarjay Developers and certain promoter/directors in their personal capacity, has extended corporate/personal guarantee to ICICI Bank Limited against credit facilities of ₹2,500.00 lakhs (Term Loan ₹2,000.00 lakhs and Cash Credit ₹500.00 lakhs) sanctioned to Aarjay Enterprise, an associate concern, vide Credit Arrangement Letter dated November 2, 2021. No outflow is expected as the facility is being regularly serviced by the borrower.

For further details, please refer to Annexure 33 - Restated Summary Statement of Contingent Liabilities and Commitments of the chapter titled “*Financial Information of the Company*” on page 178 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

In accordance with the requirements of Accounting Standard - 18, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported as under:

A. List of Related Parties as per AS-18

Particulars	Name of Related Parties	Nature of Relationship
Directors and Key Managerial Personnel (KMP)	Rajendraprasad Ramkumar Agarwal	Chairman and Managing Director (w.e.f. 01.12.2025)
	Ajay Ramkumar Agarwal	Whole Time Director (w.e.f. 01.12.25)
	Kumar RajendraPrasad Agarwal	Non -Executive Director (w.e.f. 01.12.25)
	Khushal Mithlesh Goyle	Whole Time Director (w.e.f. 01.12.25)
	Shahaji Annasaheb Patil	Company Secretary and Compliance Officer (w.e.f. 01.12.25)
	Govind Hansaji Prajapati	Chief Financial Officer (from 01.12.25 to 30.05.26)
	Tejendrasinh Dilipsinh Chavada	Chief Financial Officer (w.e.f. 01.06.26)
Relative of Director	Anjudevi A Agarwal	Relative of Director
	Ashadevi R Agarwal	Relative of Director
	Tanya Ajay Agarwal	Relative of Director
	Pragati Kumar Agarwal	Relative of Director
	Karishma Agarwal	Relative of Director
	Karan Traders (Karan M Goyal)	Relative of Director
	Avon Trading (Mithelesh Goyal HUF)	Relative of Director
	Swati K Goyle	Relative of Director
	Karan M Goyle	Relative of Director
	Meena M. Goyle	Relative of Director
	Mithilesh S. Goyle	Relative of Director
	Nilam K. Goyle	Relative of Director
Enterprises in which KMP/Relative of KMP can exercise significant influence	Aarjay Enterprise	Enterprise controlled by KMP
	Aarjay Devlopers	Enterprise controlled by KMP
	Kumar Spintex Pvt. Ltd.	Common Director
	Venus Denim	Enterprise controlled by KMP
	Bonanza Textile Pvt. Ltd	Common Director
	Pinaz Texfab Private Limited	Common Director
	Jash Trading	Enterprise controlled by KMP
	Vishal Spintex	Enterprise controlled by KMP
	Vedant Denim	Enterprise controlled by KMP
	Rajendraprasad R Agarwal HUF	HUF of Director
	Kumar Agarwal HUF	HUF of Director
	Ajay Agarwal HUF	HUF of Director

Particulars	As at Year/Period ended			
	31.12.2025	31.03.2025	31.03.2024	31.03.2023
	Consolidated	Standalone	Standalone	Standalone
(i) Transactions with Director /Promoters, KMP and Relative of Directors				
(a) Remuneration				
Ajay Ramkumar Agarwal	18.00	24.00	12.00	12.00
Rajendraprasad Ramkumar Agarwal	18.00	24.00	24.00	24.00
Kumar RajendraPrasad Agarwal	18.00	24.00	24.00	24.00
Khushal Mithlesh Goyle	5.20	7.20	6.80	6.00
(b) Salary to Relative/KMP				
Karishma Agarwal	9.00	14.00	10.25	9.00

Pragati Kumar Agarwal	6.75	9.00	9.00	9.00
Swati K Goyle	1.00	5.98	5.38	4.18
Dhaval Ajay Agarwal	18.00	19.50	12.00	-
Karan M Goyle	1.49	5.98	-	-
Meena M. Goyle	-	2.98	2.98	2.98
Mithilesh S. Goyle	-	2.98	2.98	-
Nilam K. Goyle	1.00	5.98	5.38	4.18
Govind Hansaji Prajapati	0.86	-	-	-
Shahaji Annasaheb Patil	0.29	-	-	-
(c) Rent Income				
Aarjay Enterprise	-	4.20	4.20	2.10
Bonanza Textile Pvt. Ltd	-	-	-	1.80
Vedant Denim	-	-	-	1.02
(d) Interest Expenses				
Ajay Ramkumar Agarwal	13.08	15.56	7.34	32.96
Rajendraprasad Ramkumar Agarwal	14.73	49.80	161.69	143.01
Karishma Agarwal	6.14	9.09	10.02	10.78
(e) Loan Taken from Directors & relative of directors				
Ajay Ramkumar Agarwal	195.00	349.32	272.28	401.76
Rajendraprasad Ramkumar Agarwal	259.68	512.38	350.07	452.00
Kumar R.Agarwal	50.00	-	-	-
Rajendraprasad R Agarwal HUF	-	14.03	12.57	14.68
Aarjay Devlopers	133.46	-	-	-
Anjudevi A Agarwal	-	14.50	8.87	10.75
Ashadevi R Agarwal	104.38	248.64	11.25	22.75
Kumar Agarwal HUF	-	14.01	12.47	11.54
Ajay Agarwal HUF	-	14.01	18.27	15.78
Karishma Agarwal	165.84	-	-	-
(f) Loan Repaid to Directors & relative of directors				
Ajay Ramkumar Agarwal	360.45	159.14	356.96	631.58
Rajendraprasad Ramkumar Agarwal	573.38	583.51	1,019.99	345.18
Kumar R.Agarwal	-	-	-	5.50
Rajendraprasad R Agarwal HUF	46.77	-	-	0.51
Anjudevi A Agarwal	2.00	3.50	2.54	-
Ashadevi R Agarwal	25.15		1.75	2.47
Kumar Agarwal HUF	54.27	5.00	-	5.00
Ajay Agarwal HUF	78.59	-	-	-
Tanya Ajay Agarwal	6.45	-	-	10.00
Karishma Agarwal	38.67	18.14	18.14	18.14
(g) Provision for Gratuity				
Rajendraprasad Ramkumar Agarwal	20.00	20.00	20.00	20.00
Ajay Ramkumar Agarwal	18.58	18.93	17.70	16.61
Khushal Mithlesh Goyle	4.03	4.95	4.33	3.21
Karishma Agarwal	2.01	2.06	1.19	0.47
Pragati Kumar Agarwal	2.79	2.38	1.46	0.86
Dhaval Ajay Agarwal	2.24	1.33	0.26	-

(ii) Transactions with Enterprises in which KMP/Relatives of KMP can exercise significant influence				
(a) Purchase of Goods/Services/Consumables Items				
Aarjay Enterprise	75.44	1,368.73	592.53	1,010.62
Jash Trading (Khushal Goyal HUF)	7.70	9.00	9.98	11.42
Karan Traders (Karan M Goyal)	27.07	4.80	10.94	11.70
Avon Trading (Mithlesh Goyal HUF)	6.00	9.00	9.00	11.57
Jyoti Traders (Karan M Goyal HUF)	6.00	9.00	9.00	8.87
Venus Denim	2,579.73	1,132.41	-	3.63
Vishal Spintex	-	3.65	80.86	70.24
Pinaz Texfab Private Limited	73.75	-	-	-
(b) Sales of Goods/ Services				
Aarjay Enterprise	1,508.81	7,030.76	7,097.73	6,406.02
Venus Denim	70.96	72.18	48.35	118.65
Bonanza Textile Pvt. Ltd.	-	-	-	24.73
(iii) Balances Outstanding				
Particulars	As at Year/Period ended			
	31.12.2025	31.03.2025	31.03.2024	31.03.2023
	Consolidated	Stand alone	Stand alone	Stand alone
Director Remuneration Payable				
Ajay Ramkumar Agarwal	-	-	1.38	1.21
Rajendraprasad Ramkumar Agarwal	-	-	7.94	8.99
Kumar RajendraPradsad Agarwal	1.51	2.55	1.82	0.03
Khushal Mithlesh Goyle	0.50	-	-	-
Remuneration Payable to KMP/Relative				
Karishma Agarwal	0.57	3.08	-	-
Pragati Kumar Agarwal	12.24	6.39	1.21	7.20
Dhaval Ajay Agarwal	-	-	0.90	-
Govind Hansaji Prajapati	0.86	-	-	-
Shahaji Annasaheb Patil	0.28	-	-	-
Salary Advance to KMP/Relative				
Nilam K. Goyle	-	-	-	3.50
Rent Receivable				
Aarjay Enterprise	-	4.96	4.54	2.48
Bonanza Textile Pvt. Ltd	-	0.15	-	0.32
Vedant Denim	-	-	3.19	3.19
Loan Outstanding to Directors & relative of directors				
Ajay Ramkumar Agarwal	129.03	282.71	78.53	156.61
Rajendraprasad Ramkumar Agarwal	84.01	384.45	410.75	935.15
Kumar R. Agarwal	50.00	-	-	-
Rajendraprasad R Agarwal HUF	-	46.77	32.74	20.17
Anjudevi A Agarwal	31.07	33.07	22.07	15.74
Ashadevi R Agarwal	362.63	283.41	34.78	25.28
Aarjay Devlopers*	133.46	-	-	-
Kumar Agarwal HUF	-	54.27	45.27	32.80

Ajay Agarwal HUF	-	78.59	64.59	46.34
Tanya Ajay Agarwal	-	6.45	6.45	6.45
Pragati Kumar Agarwal	10.00	10.00	10.00	10.00
Karishma Agarwal	211.00	77.69	86.74	94.86
Minority Interest				
Minority Interest and Current Capital pertaining to Minority Partners	1,457.84	-	-	-
Trade Payables Outstanding Balances				
Jash Trading (Khushal Goyal HUF)	-	2.50	-	-
Karan Traders (Karan M Goyal)	8.18	39.18	-	-
Avon Trading (Mithesh Goyal HUF)	2.05	1.75	4.50	-
Jyoti Traders (Karan M Goyal HUF)	2.75	0.75	-	-
Venus Denim	127.08	10.32	-	0.13
Pinaz Texfab Private Limited	92.27		-	-
Vishal Spintex	0.53	-	6.48	-
Trade Receivables Outstanding Balances				
Aarjay Enterprise	-	4,021.94	3,862.60	1,762.29
Venus Denim	25.60	31.28	18.54	32.88

Disclosure in respect of Investment in Partnership Firm

Particulars	% of Stake	Amount invested	Share of profit up to December 31, 2025	Total Amount
Aarjay Enterprise	99%	2,890.00	290.95	3,180.95

*During the period, pursuant to the partnership agreement dated August 23, 2025, the Company was admitted as a partner in Aarjay Enterprise, a related party partnership firm, with 99.00% share in profits and losses. The Company made an investment of ₹2,890.00 lakhs in the partnership firm.

Note:

1. List of Related parties has been identified by the management and relied upon by the Auditor.
2. Sales, Purchases of Goods, Services and other income from related parties is disclosed exclusive of GST amount.

Terms & Conditions:

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists. For the financial years under reporting, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Loans from related parties:

The Company had taken loans from related parties for business requirements. These loans are unsecured in nature and is payable on demand as described in Note 7(A).

GENERAL INFORMATION

Brief Summary:

Our Company was incorporated as “Kumar Cotton Mills Private Limited” on March 30, 1990 under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at the Extraordinary general meeting held on July 24, 2025 and the name of our Company was changed from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.” vide fresh certificate of incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U17710GJ1990PLC013562.

GENERAL INFORMATION

Registered Office	160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India. Tel. No.: 9825313598 Email: kumarcotton@yahoo.com Website: https://kumarcotton.com/ CIN: U17710GJ1990PLC013562 Registration Number: 013562
Corporate Office	Survey No. 108/1, Opp. Narol Village, B/H Narol Court, Narol, Ahmedabad, Daskroi, Gujarat- 382405, India. Tel. No.: 9825313598 Email: kumarcotton@yahoo.com Website: https://kumarcotton.com/ CIN: U17710GJ1990PLC013562 Registration Number: 013562

Address of the ROC:

Registrar of Companies, Ahmedabad

Ministry Of Corporate Affairs,
ROC Bhavan, Opp Rupal Park Society, Behind
Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat
Phone: 079-27438531
Email: roc.ahmedabad@mca.gov.in
Website: www.mca.gov.in

Board of Directors:

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

Name of Director	Designation	DIN	Address
Rajendraprasad Ramkumar Agarwal	Chairman and Managing Director	00400787	104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.
Ajay Ramkumar Agrawal	Whole-time director	00400818	101, 102, 103 Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.
Khushal Mithlesh Goyle	Whole-time director	02068313	D/3, Charul Flats, Panjarapole, Ambavadi, Ahmedabad City, Ahmedabad, Gujarat, 380015
Kumar Rajendraprasad Agarwal	Non-Executive Director	07999068	104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.
Shwetaben Arvindbhai Saparia	Independent Director	10083476	Bus stand pachhad, Adityana, Porbandar, Gujarat-360545
Ankitkumar Surendrakumar Agrawal	Independent Director	10118085	19, Agresen society, Manasarovar Road, Palanpur, Banaskantha, Gujarat- 385001

For further details in relation to our directors, please refer to chapter titled “Our Management” on page 159 of this Draft Red Herring Prospectus.

Chief Financial Officer	Company Secretary and Compliance Officer
Tejendrasinh Dilipsinh Chavada Kumar Cotton Mills Ltd. Address: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India. Tel. No.: +91 9825313598 Email: kumarcotton@yahoo.com	Shahaji Annasaheb Patil Kumar Cotton Mills Ltd. Address: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India. Tel. No.: +91 9825313598 Email: cs@kumarcotton.com

Investor Grievances:

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

All grievances relating to the Issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

Details of Key Intermediaries pertaining to this Issue and Our Company:

Book Running Lead Manager to the Issue	Legal Advisor to the Issue
Seren Capital Private Limited Address: Office no. 601 to 605, Raylon Arcade, Kondivita, J.B. Nagar, Mumbai, Maharashtra - 400059 Tel No.: +91-22-46011058 Email: info@serencapital.in Investor Grievance Email: investor@serencapital.in Website: https://serencapital.in/ Contact Person: Akun Goyal/Deepak Soni SEBI Reg. No.: INM000013156	M/s Asha Agarwal & Associates Address: 118, Shila Vihar, Gokulpura, Jhotwara, Jaipur 302012, Rajasthan Tel No.: +91 9950933137 Email: ashaagarwalassociates@gmail.com Contact Person: Ms. Asha Agarwal
Registrar to the Issue	Peer Reviewed Statutory Auditor
Bigshare Services Private Limited Address: Pinnacle Business Park, Office no S6-2 ,6th floor, Mahakali Caves Road , Next to Ahura Centre, Andheri East Mumbai, Mumbai, Maharashtra-400093 Telephone: 022 - 6263 8200 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C. SEBI Registration Number: INR000001385	Bhupendra J. Shah & Associates Chartered Accountants, Address: 203/2, New Cloth Market, 2 nd Floor, O/s. Raipur Gate, Ahmedabad-380002. Phone: +91 9924155881 Email: audit@caagupta.com Contact Person: Ankit Ashokkumar Gupta Membership No: 130278 F.R.N.: 121812W Peer Review Certificate No: 019720
Bankers to the Company	Banker to the Issue/Refund Banker/ Sponsor Bank*
State Bank of India Address: Ground Floor, Zodiac Avenue, Opp. Commissioner's Bungalow, Near Law Garden, Ahmedabad- 380006. Contact Person: Anand Kumar Email: sbi.60438@sbi.co.in Phone: +91 07926420278	[•]

Website: https://sbi.bank.in/	
Syndicate Member*	
[●]	

**The Bankers to the Issue, Refund banker, Sponsor Bank and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus.*

Designated Intermediaries:

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link

<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>

Investors are requested to refer the SEBI website for updated list of SCSBs and their 33 designated branches.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

Syndicate SCSB Branches

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

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

Registrar to the issue and Share Transfer Agents ("RTA")

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

Collecting Depository Participants ("CDP")

The list of the Collecting Depository Participants (CDPs) eligible to accept Bid-cum-Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Brokers to the Issue

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

Expert Opinion

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer, (ii) the Independent Chartered Accountant certificates issued in connection with this Issue, and (iii) the certificates provided in the sections titled “*Restated Financial Statements*” and “*Statement of Possible Tax Benefits*” on pages 178 and 106 respectively, of this Draft Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be interpreted as defined under the U.S. Securities Act of 1933.

Inter-se Allocation of Responsibilities

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

Appraisal and Monitoring Agency

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 5,000 Lakhs. Since the Issue size is below ₹ 5,000 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Trustees

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

Debenture Trustees

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

Filing of Issue Documents with the Designated Stock Exchange/SEBI/ROC

The Draft Red Herring Prospectus has been filed with BSE Limited, Phiroze Jeejeebhoy tower, Dalal Street, Mumbai 400001, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at <http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>.

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and all editions of regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running

Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company
- The Book Running Lead Manager in this case being **Seren Capital Private Limited**,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;

The Registrar to the Issue, in this case being the **Bigshare Services Private Limited**;

- The Escrow Collection Banks/ Bankers to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI (ICDR) Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net issue shall be available for allocation to individual investors who apply for minimum application size, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Further, Individual investors who apply for minimum application size cannot revise their Bids during the Bid/Issue Period and cannot withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for individual investors who applies for minimum application size Portion where allotment to each individual investors who applies for minimum application size shall not be less than the minimum bid lot, subject to availability of Equity Shares in individual investors who applies for minimum application size Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the 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 terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, individual investors who applies for minimum application size applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 346 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 346 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “**Issue Procedure**” on page 346 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date ⁽¹⁾	[•]
Bid/Issue Closing Date ⁽²⁾	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

⁽¹⁾ Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations.

⁽²⁾ Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

The above timetable is indicative and does not constitute any obligation on our Company 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 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any

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

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for individual investors who applies for minimum application size and non-institutional Bidders. The time for applying for individual investors who applies for minimum application size on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Further, Individual investors who apply for minimum application size cannot revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to individual investors who applies for minimum application size, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

Underwriting

Our Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the underwriter [●].

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[●]	[●]	[●]	[●]

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

Change in Auditors during the last three years:

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Name of Auditor/Auditors Firm	Date of Change	Reason
N S M S & Associates Chartered Accountants, O/S Raipur Gate, 191/1, New Cloth Market, Raipur Darwaja, Ahmedabad, Gujarat- 380002, India. Email: ncshah_1984@yahoo.co.in Contact Person: Nitin C Shah Membership No: 034633	AGM Dated- September 30, 2022 (Date of Re-Appointment)	Appointed as Auditor of the company for 5 consecutive financial years i.e. F.Y-2022-27
N S M S & Associates Chartered Accountants, O/S Raipur Gate, 191/1, New Cloth Market, Raipur Darwaja, Ahmedabad, Gujarat- 380002, India. Email: ncshah_1984@yahoo.co.in Contact Person: Nitin C Shah Membership No: 034633	May 04, 2026 (Date of Resignation)	Due to pre-occupation
Bhupendra J. Shah & Associates Chartered Accountants, 203/2, New Cloth Market, 2 nd Floor, O/s. Raipur Gate, Ahmedabad-380 002. Email: audit@caagupta.com Contact Person: Ankit Ashokkumar Gupta Membership No: 130278	May 27, 2026 (Date of Appointment due to Casual vacancy)	Appointment in case of casual vacancy For FY 2025-26

Details of the Market Making arrangement for this Issue

Our Company and the BRLM has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

Name	[●]
Correspondence Address	[●]
Tel No.	[●]
E-mail	[●]
Website	[●]
Contact Person	[●]
SEBI Registration No.	[●]
Market Maker Registration No.	[●]

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

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

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by BSE and SEBI in this matter from time to time.

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE SME and SEBI from time to time.
- The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME platform of BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- The Market Maker(s) shall have the right to terminate said arrangement by giving six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker 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, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers 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 or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

- **Risk containment measures and monitoring for Market Makers:** BSESME will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

- **Punitive Action in case of default by Market Makers:** BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker; in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME platform:

S. No.	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)	Market Price Slab (in Rs.) Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/ BSE from time to time.

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

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Red Herring Prospectus:

(₹ in Lakhs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORIZED SHARE CAPITAL 1,80,00,000 Equity Shares having Face Value of ₹ 10/- each	1800.00	-
B	ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE 1,25,77,250 Equity Shares having Face Value of ₹10/- each	1257.73	-
C	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS Up to 50,72,000 Equity Shares having Face Value of ₹ 10/- each at a price of ₹ [●] per share ⁽¹⁾	507.20	[●]
	WHICH COMPRISES OF:		
D	RESERVATION FOR MARKET MAKER PORTION [●] Equity Shares of Face Value of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	NET ISSUE TO PUBLIC Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	OF WHICH:		
	At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to individual investors who applies for minimum application size	[●]	[●]
	At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds.	[●]	[●]
F	ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE* [●] Equity Shares of face value of ₹10/- each		[●]
G	SECURITIES PREMIUM ACCOUNT		
	Before the Issue (as on date of this Draft Red Herring Prospectus)		Nil
	After the Issue		[●]

*To be updated upon finalization of Issue Price.

(1) The Present Issue of upto 50,72,000 Equity Shares of Face Value of ₹10 in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated May 04, 2026 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members dated May 27, 2026.

Classes of Shares:

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

NOTES TO THE CAPITAL STRUCTURE:

1. Changes in Authorized Equity Share Capital of our Company:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	24,000	100/-	24,00,000	On Incorporation	NA
2.	Increase in Authorized Share Capital from ₹ 24,00,000 to ₹ 45,00,000	45,000	100/-	45,00,000	November 04, 2004	EGM

3.	Increase in Authorized Share Capital from ₹ 45,00,000 to ₹ 70,00,000	70,000	100/-	70,00,000	December 31, 2005	EGM
4.	Increase in Authorized Share Capital from ₹ 70,00,000 to ₹ 1,20,00,000	1,20,000	100/-	1,20,00,000	March 27, 2006	EGM
5.	Increase in Authorized Share Capital from ₹ 1,20,00,000 to ₹ 3,00,00,000	3,00,000	100/-	3,00,00,000	January 10, 2007	EGM
6.	The face value of the equity shares was sub-divided from Rs. 100/- to Rs. 10/-	30,00,000	10/-	3,00,00,000	May 14, 2025	EGM
7.	Increase in Authorized Share Capital from ₹ 3,00,00,000 to ₹ 18,00,00,000	1,80,00,000	10/-	18,00,00,000	May 14, 2025	EGM

2. Equity Share Capital History of our Company:

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-up Capital (₹)
Upon Incorporation	10	100/-	-	Cash	Subscription to MOA ⁽ⁱ⁾	10	-	1,000
[●]*	18,200	100/-	100/-	[●]*	Further Issue ⁽ⁱⁱ⁾	18,210	-	18,21,000
November 20, 2004	25,000	100/-	100/-	Cash	Further Issue ⁽ⁱⁱⁱ⁾	43,210	-	43,21,000
February 01, 2006	25,000	100/-	100/-	Cash	Further Issue ^(iv)	68,210	-	68,21,000
March 30, 2006	48,500	100/-	100/-	Cash	Further Issue ^(v)	1,16,710	-	1,16,71,000
February 06, 2008	17,330	100/-	1000/-	Cash	Further Issue ^(vi)	1,34,040	1,55,97,000	1,34,04,000
March 26, 2009	2,300	100/-	1000/-	Cash	Further Issue ^(vii)	1,36,340	1,76,67,000	1,36,34,000
June 26, 2010	20,000	100/-	1000/-	Cash	Further Issue ^(viii)	1,56,340	3,56,67,000	1,56,34,000
July 15, 2011	10,000	100/-	2000/-	Cash	Further Issue ^(ix)	1,66,340	5,46,67,000	1,66,34,000
October 08, 2012	8,335	100/-	600/-	Cash	Further Issue ^(x)	1,74,675	5,88,34,500	1,74,67,500
November 25, 2014	5,000	100/-	2015/-	Cash	Private Placement ^(xi)	1,79,675	6,84,09,500	1,79,67,500
Pursuant to Shareholders' resolution dated May 14, 2025, equity shares of our Company of face value of Rs. 100/- each was sub – divided into equity shares of face value of Rs. 10/- each. Accordingly, 1,79,675 equity shares of our Company of face value Rs. 100 each were sub-divided into 17,96,750 equity shares of face value Rs. 10 each								
June 26, 2025	1,07,80,500	10/-	Nil	Nil	Bonus Issue in the ratio of 6:1 ^(xii)	1,25,77,250	6,84,09,500	12,57,72,500

All the above-mentioned shares are fully paid up since the date of allotment.

***Note:** We have been unable to trace the ROC forms filed with respect to the share allotment. Accordingly, the information regarding such allotments has been derived based on the available Annual Return and limited information obtained from the physical search report prepared by B.S. Vyas & Associates, dated June 26, 2026 ("RoC Search Report"). For further details, please refer to "Risk Factor" "There have been certain discrepancies, errors and delays in filings relating to forms submitted with the Registrar of

Companies ("RoC") under the provisions of the Companies Act, 2013/1956 and the rules made thereunder. In addition, we have been unable to trace some of our secretarial records including Annual Returns, director appointment/ resignation forms, auditor related forms, Cost Audit Report forms, Allotment form and other forms filed with ROC prior to FY 2006." on page 27 of this Draft Red Herring Prospectus.

- (i) Initial Subscribers to the Memorandum of Association subscribed 10 Equity Shares of Face Value of ₹ 100/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Balvantrai Ramkumar Agarwal	5
2.	Rajendraprasad Ramkumar Agarwal	5
	Total	10

- (ii) Further issue of 18,200 Equity Shares of Face Value of ₹ 100/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Ajay Ramkumar Agrawal	2,691
2.	Ashadevi Rajendraprasad Agarwal	2,020
3.	Poonamdevi R Agarwal	2,020
4.	Kamladevi Agarwal	2,020
5.	Agarwal Rajendrakumar (HUF)	2,020
6.	Ramnivas Agarwal	2,020
7.	Vimladevi Balwantrai Agarwal	2,020
8.	Balvantrai Ramkumar Agarwal	2,015
9.	Ramkumar J Agarwal	1,348
10.	Pravinbhai Patel	20
11.	Anju Ajay Agrawal	5
12.	Nemchand Chhotalal Shah	1
	Total	18,200

- (iii) Further issue of 25,000 Equity Shares of Face Value of ₹ 100/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Poonamdevi R Agarwal	25,000
	Total	25,000

- (iv) Further issue of 25,000 Equity Shares of Face Value of ₹ 100/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Vishal Balwantrai Agarwal	15,000
2.	Ashadevi Rajendraprasad Agarwal	10,000
	Total	25,000

- (v) Further issue of 48,500 Equity Shares of Face Value of ₹ 100/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Ajay Ramkumar Agrawal	31,000
2.	Rajendraprasad Ramkumar Agarwal	3,000
3.	Ashadevi Rajendraprasad Agarwal	3,000
4.	Agarwal Rajendrakumar (HUF)	3,000
5.	Ramkumar & Sons (HUF)	3,000
6.	Ajaykumar R Agrawal (HUF)	3,000
7.	Kumar Rajendraprasad Agarwal	2,500
	Total	48,500

- (vi) Further issue of 17,330 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 900/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Nilesh Tradelink Private Limited	9,795
2.	Anup Traders Private Limited	4,695

3.	Ajay Ramkumar Agrawal	2,500
4.	Rajendraprasad Ramkumar Agarwal	200
5.	Kumar Rajendraprasad Agarwal	140
	Total	17,330

(vii) Further issue of 2,300 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 900/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Anup Traders Private Limited	2,300
	Total	2,300

(viii) Further issue of 20,000 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 900/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Ajay Ramkumar Agrawal	12,000
2.	Kumar Rajendraprasad Agarwal	5,000
3.	Rajendraprasad Ramkumar Agarwal	3,000
	Total	20,000

(ix) Further issue of 10,000 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 1900/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Rajendraprasad Ramkumar Agarwal	2,500
2.	Kumar Rajendraprasad Agarwal	2,500
3.	Agarwal Rajendrakumar (HUF)	1,250
4.	Pragati Kumar Agrawal	1,250
5.	Anju Ajay Agrawal	1,000
6.	Ashadevi Rajendraprasad Agarwal	1,000
7.	Ajaykumar R Agrawal (HUF)	500
	Total	10,000

(x) Further issue of 8,335 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 500/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Ajay Ramkumar Agrawal	5,325
2.	Kumar Rajendraprasad Agarwal	2,830
3.	Pragati Kumar Agrawal	180
	Total	8,335

(xi) Private Placement of 5,000 Equity Shares of Face Value of ₹ 100/- each and at a Premium of Rs. 1,915/- each as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Ashadevi Rajendraprasad Agarwal	1,485
2.	Anju Ajay Agrawal	940
3.	Agarwal Rajendrakumar (HUF)	930
4.	Ajaykumar R Agrawal (HUF)	793
5.	Rajendraprasad Ramkumar Agarwal	605
6.	Vishal Jitendrabhai Dave	247
	Total	5,000

(xii) Bonus Issue of 1,07,80,500 Equity Shares of Face Value of ₹ 10/- each in the ratio of 6:1 as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Rajendraprasad Ramkumar Agarwal	34,03,980
2.	Ajay Ramkumar Agrawal	32,10,960
3.	Ashadevi Rajendraprasad Agarwal	10,50,000
4.	Kumar Rajendraprasad Agarwal	7,78,200
5.	Nilesh Tradelink Private Limited	5,87,700

6.	Agarwal Rajendrakumar (HUF)	4,32,000
7.	Anup Traders Private Limited	4,19,700
8.	Ajaykumar R Agrawal (HUF)	2,57,400
9.	Ramkumar & Sons (HUF)	1,80,000
10.	Kamladevi Agarwal	1,21,200
11.	Ramnivas Agarwal	1,21,200
12.	Anju Ajay Agrawal	1,16,700
13.	Pragati Kumar Agrawal	85,800
14.	Vishal Jitendrabhai Dave	14,400
15.	Pravinbhai Patel	1,200
16.	Nemchand Chhotalal Shah	60
	Total	1,07,80,500

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned above in point 2 a (xii), the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

S. No.	Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
1.	June 26, 2025	1,07,80,500	10.00	Nil	Bonus Issue in the ratio of 6:1	Capitalization of Reserves & Surplus	Rajendraprasad Ramkumar Agarwal	34,03,980
							Ajay Ramkumar Agrawal	32,10,960
							Ashadevi Rajendraprasad Agarwal	10,50,000
							Kumar Rajendraprasad Agarwal	7,78,200
							Nilesh Tradelink Private Limited	5,87,700
							Agarwal Rajendrakumar (HUF)	4,32,000
							Anup Traders Private Limited	4,19,700
							Ajaykumar R Agrawal (HUF)	2,57,400
							Ramkumar & Sons (HUF)	1,80,000
							Kamladevi Agarwal	1,21,200
							Ramnivas Agarwal	1,21,200
							Anju Ajay Agrawal	1,16,700
							Pragati Kumar Agrawal	85,800
							Vishal Jitendrabhai Dave	14,400

S. No.	Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
							Pravinbhai Patel	1,200
							Nemchand Chhotalal Shah	60
							TOTAL	1,07,80,500

5. As on the date of filing the Draft Red Herring Prospectus, no Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under Sections 391-394 of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/Stock Appreciation Rights.
7. Except for Point 4 (1) above, Our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus.
8. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								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 Shares of ₹10/- each^	Classes eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	9	1,11,00,880	-	-	1,11,00,880	88.26	1,11,00,880	-	1,11,00,880	88.26	-	88.26	-	-	1,11,00,880		
(B)	Public**	7	14,76,370	-	-	14,76,370	11.74	14,76,370	-	14,76,370	11.74	-	11.74	-	-	NIL		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	16	1,25,77,250	-	-	1,25,77,250	100	1,25,77,250	-	1,25,77,250	100	-	100	-	-	1,11,00,880		

The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

*Note: **The Company has certain Equity Shares which are held in physical form by corporate shareholders under Public Category whose names continue to appear in the register of members of our Company. As per the records available with MCA master data, Nilesh Tradelink Private Limited, holding 6,85,650 Equity Shares, and Anup Traders Private Limited, holding 4,89,650 Equity Shares, have been struck off from the register of companies and are presently not in active status. The aforesaid Equity Shares continue to be recorded in the names of the respective shareholders in the register of members of our Company. Since the aforesaid shareholder companies have been struck off, they are currently not in a position to undertake dematerialisation, transfer or any other corporate action in respect of the Equity Shares held by them. Accordingly, the aforesaid Equity Shares continue to remain in physical form as on the date of this Draft Red*

Herring Prospectus. For further details, please refer to “Risk Factor” “Certain Equity Shares forming part of our public shareholding, continue to be held in physical form, including by corporate shareholders that have been struck off from the register of companies.” on page 27 of this Draft Red Herring Prospectus.

Further, our Company has five individual shareholders under Public Category, excluding the shareholders referred to in point (1) above, holding an aggregate of 3,01,070 Equity Shares in physical form, whose shareholdings has not been dematerialized as on the date of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, the said shareholders have not completed the requisite procedural formalities for dematerialization of the Equity Shares held by them. Accordingly, such Equity Shares continue to remain in physical form and are recorded in the names of the respective shareholders in the register of members of our Company.

Notes:

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated October 17, 2025 with NSDL.
- We have entered into tripartite agreement dated December 10, 2025 with CDSL.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of the BSE before commencement of trading of such Equity Shares.

9. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**a) As on the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%
2.	Ajay Ramkumar Agrawal	37,46,120	29.78%
3.	Ashadevi Rajendraprasad Agarwal	12,25,000	9.74%
4.	Kumar Rajendraprasad Agarwal	9,07,900	7.22%
5.	Nilesh Tradelink Private Limited	6,85,650	5.45%
6.	Agarwal Rajendrakumar (HUF)	5,04,000	4.01%
7.	Anup Traders Private Limited	4,89,650	3.89%
8.	Ajaykumar R Agrawal (HUF)	3,00,300	2.39%
9.	Ramkumar & Sons (HUF)	2,10,000	1.67%
10.	Anju Ajay Agrawal	1,36,150	1.08%
11.	Kamladevi Agarwal	1,41,400	1.12%
12.	Ramnivas Agarwal	1,41,400	1.12%
	Total	1,24,58,880	99.06%

b) Ten days prior from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%
2.	Ajay Ramkumar Agrawal	37,46,120	29.78%
3.	Ashadevi Rajendraprasad Agarwal	12,25,000	9.74%
4.	Kumar Rajendraprasad Agarwal	9,07,900	7.22%
5.	Nilesh Tradelink Private Limited	6,85,650	5.45%
6.	Agarwal Rajendrakumar (HUF)	5,04,000	4.01%
7.	Anup Traders Private Limited	4,89,650	3.89%
8.	Ajaykumar R Agrawal (HUF)	3,00,300	2.39%
9.	Ramkumar & Sons (HUF)	2,10,000	1.67%
10.	Anju Ajay Agrawal	1,36,150	1.08%
11.	Kamladevi Agarwal	1,41,400	1.12%
12.	Ramnivas Agarwal	1,41,400	1.12%
	Total	1,24,58,880	99.06%

c) One year prior to the date of filing of this Draft Red Herring Prospectus

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%
2.	Ajay Ramkumar Agrawal	37,46,120	29.78%
3.	Ashadevi Rajendraprasad Agarwal	12,25,000	9.74%
4.	Kumar Rajendraprasad Agarwal	9,07,900	7.22%
5.	Nilesh Tradelink Private Limited	6,85,650	5.45%
6.	Agarwal Rajendrakumar (HUF)	5,04,000	4.01%
7.	Anup Traders Private Limited	4,89,650	3.89%

8.	Ajaykumar R Agrawal (HUF)	3,00,300	2.39%
9.	Ramkumar & Sons (HUF)	2,10,000	1.67%
10.	Kamladevi Agarwal	1,41,400	1.12%
11.	Ramnivas Agarwal	1,41,400	1.12%
12.	Anju Ajay Agrawal	1,36,150	1.08%
	Total	1,24,58,880	99.06%

**Details of shares held on June 30, 2025 and percentage held has been calculated based on the paid-up capital of our Company as on June 30, 2025.*

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 100 each)	% Pre-Issue paid up Share Capital
1.	Ajay Ramkumar Agarwal	53,516	29.78%
2.	Rajendraprasad Ramkumar Agarwal	37,019	20.60%
3.	Ashadevi Rajendraprasad Agarwal	17,500	9.74%
4.	Vishal Balwantraai Agarwal	15,000	8.35%
5.	Kumar Rajendraprasad Agarwal	12,970	7.22%
6.	Nilesh Tradelink Private Limited	9,795	5.45%
7.	Agarwal Rajendrakumar (HUF)	7,200	4.01%
8.	Anup Traders Private Limited	6,995	3.89%
9.	Ajaykumar R Agrawal (HUF)	4,290	2.39%
10.	Ramkumar & Sons (HUF)	3,000	1.67%
11.	Balvantraai Ramkumar Agarwal	2,694	1.50%
12.	Kamladevi Agarwal	2,020	1.12%
13.	Ramnivas Agarwal	2,020	1.12%
14.	Vimladevi Balwantraai Agarwal	2,020	1.12%
15.	Anjudevi Ajay Ramkumar Agarwal	1,945	1.08%
	Total	1,77,984	99.06%

**Details of shares held on June 30, 2024 and percentage held has been calculated based on the paid-up capital of our Company as on June 30, 2024.*

10. Our Company has not made any Initial Public Issue of specified securities in the preceding two years.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue.

12. Further, except for the allotment of equity shares pursuant to the issue, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, Our Promoters, Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Agarwal Rajendrakumar (HUF) and Ajaykumar R Agrawal (HUF) collectively holds 94,29,630 Equity Shares of Face Value of ₹10 our Company.

None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
RAJENDRAPRASAD RAMKUMAR AGARWAL							
Incorporation	5	100	100	Cash	Subscriber to MoA	0.00%	[●]
March 07, 2001	674	100	100	Cash	Transfer of Shares ⁽ⁱ⁾	0.01%	[●]
March 30, 2006	3,000	100	100	Cash	Further allotment	0.02%	[●]
February 06, 2008	200	100	1,000	Cash	Further allotment	0.00%	[●]
June 26, 2010	3,000	100	1,000	Cash	Further allotment	0.02%	[●]
July 15, 2011	2,500	100	2,000	Cash	Further allotment	0.02%	[●]
November 25, 2014	605	100	2015	Cash	Private Placement	0.00%	[●]
November 26, 2014	15	100	100	Cash	Transfer of Shares ⁽ⁱⁱ⁾	0.00%	[●]
August 16, 2015	27,020	100	-	Nil	Transmission of Shares ⁽ⁱⁱⁱ⁾	0.21%	[●]
December 12, 2024	19,714	100	-	Gift	Transfer of Shares ^(iv)	0.16%	[●]
May 14, 2025	5,67,330	10	-	-	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each	4.51%	[●]
June 26, 2025	34,03,980	10	NA	NA	Bonus Issue in the ratio of 6:1	27.06%	[●]
Total (A)	39,71,310					31.58%	[●]
AJAY RAMKUMAR AGRAWAL							
[●]*	2,691	100	100	[●]*	Further allotment	0.02%	[●]
March 30, 2006	31,000	100	100	Cash	Further allotment	0.25%	[●]
February 06, 2008	2,500	100	1,000	Cash	Further allotment	0.02%	[●]
June 26, 2010	12,000	100	1,000	Cash	Further allotment	0.10%	[●]
October 08, 2012	5,325	100	600	Cash	Further allotment	0.04%	[●]
May 14, 2025	5,35,160	10	-	-	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each	4.26%	[●]
June 26, 2025	32,10,960	10	NA	NA	Bonus Issue in the ratio of 6:1	25.53%	[●]
Total (B)	37,46,120					29.78%	[●]

KUMAR RAJENDRAPRASAD AGARWAL							
March 30, 2006	2,500	100	100	Cash	Further allotment	0.02%	[●]
February 06, 2008	140	100	1000	Cash	Further allotment	0.00%	[●]
June 26, 2010	5,000	100	1000	Cash	Further allotment	0.04%	[●]
July 15, 2011	2,500	100	2000	Cash	Further allotment	0.02%	[●]
October 08, 2012	2,830	100	600	Cash	Further allotment	0.02%	[●]
May 14, 2025	1,29,700	10	-	-	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each	1.03%	[●]
June 26, 2025	7,78,200	10	NA	NA	Bonus Issue in the ratio of 6:1	6.19%	[●]
Total (C)	9,07,900					7.22%	[●]
AGARWAL RAJENDRAKUMAR (HUF)							
[●]*	2,020	100	100	[●]	Further allotment	0.02%	[●]
March 30, 2006	3,000	100	100	Cash	Further allotment	0.02%	[●]
July 15, 2011	1,250	100	100	Cash	Further allotment	0.01%	[●]
November 25, 2014	930	100	2015	Cash	Private Placement	0.01%	[●]
May 14, 2025	72,000	10	-	-	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each	0.57%	[●]
June 26, 2025	4,32,000	10	NA	NA	Bonus Issue in the ratio of 6:1	3.44%	[●]
Total (D)	5,04,000					4.01%	[●]
AJAYKUMAR R AGRAWAL (HUF)							
March 30, 2006	3,000	100	100	Cash	Further allotment	0.02%	[●]
July 15, 2011	500	100	100	Cash	Further allotment	0.00%	[●]
November 25, 2014	793	100	2015	Cash	Private Placement	0.01%	[●]
November 26, 2014	(3)	100	100	Cash	Transfer of Shares ^(v)	-0.00%	[●]
May 14, 2025	42,900	10	-	-	Split of 1 Equity Share of Rs. 100 each into 10 Equity Shares of Rs. 10 each	0.34%	[●]
June 26, 2025	2,57,400	10	NA	NA	Bonus Issue in the ratio of 6:1	2.05%	[●]
Total (E)	3,00,300					2.39%	[●]
TOTAL (A+B+C+D+E)	94,29,630					74.97%	[●]

***Note:** Form 2 / return of allotment and other supporting records in respect of the allotment of 18,200 Equity Shares are not traceable. Further, the data and supporting records relating to such allotment are neither available in the records of our Company, nor are they available in the records of the RoC. Accordingly, the exact date of allotment, nature of consideration and other particulars relating to such allotment could not be independently ascertained. The above disclosure has been made on the basis of the subsequent paid-up share capital position of our Company, as available in its records. For further details, please refer to "Risk Factor" "There have been certain discrepancies, errors and delays in filings relating to forms submitted with the Registrar of Companies ("RoC") under the provisions of the Companies Act, 2013/1956 and the rules made thereunder. In addition, we have been unable to trace some of our secretarial records including Annual Returns, director appointment/ resignation forms, auditor related forms, Cost Audit Report forms, Allotment form and other forms filed with ROC prior to FY 2006." on page 27 of this Draft Red Herring Prospectus.

Details of Acquisition by Rajendraprasad Ramkumar Agarwal by way of transfer of 674 equity shares:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	March 07, 2001	Ramkumar J Agarwal	674
		Total	674

Details of Acquisition by Rajendraprasad Ramkumar Agarwal by way of transfer of 15 equity shares:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	November 26, 2014	Vishal Jitendrabhai Dave	7
2.	November 26, 2014	Ashadevi Rajendraprasad Agarwal	5
3.	November 26, 2014	Ajaykumar R Agrawal (HUF)	3
		Total	15

Details of Acquisition by Rajendraprasad Ramkumar Agarwal by way of transmission of 27,020 equity shares:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	August 16, 2015	Poonamdevi R Agarwal	27,020
		Total	27,020

Details of Acquisition by Rajendraprasad Ramkumar Agarwal by way of gift of 19,714 equity shares:

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	December 12, 2024	Balvantrai Ramkumar Agarwal	17,694
2.	December 12, 2024	Vimladevi Balwantrai Agarwal	2,020
		Total	19,714

Details of Disposal by Ajaykumar R Agrawal (HUF) by way of transfer of 3 equity shares:

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	November 26, 2014	Rajendraprasad Ramkumar Agarwal	3
		Total	3

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Rajendraprasad Ramkumar Agarwal	39,71,310	2.46
2.	Ajay Ramkumar Agrawal	37,46,120	5.62
3.	Kumar Rajendraprasad Agarwal	9,07,900	13.31
4.	Agarwal Rajendrakumar (HUF)	5,04,000	4.96
5.	Ajaykumar R Agrawal (HUF)	3,00,300	6.49

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

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

16. No equity shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
17. None of our Promoters, Promoter Group, our Directors and their relatives have entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of **20%** of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 94,29,630 Equity Shares of Face Value of ₹10 each constituting [●] % of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal and Kumar Rajendraprasad Agarwal have given written consent to include a total of 35,40,000 Equity Shares of Face Value of ₹10 each held by them and subscribed by them as part of minimum promoters' contribution constituting [●]% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Rajendraprasad Ramkumar Agarwal						
June 26, 2025	14,20,000	10	Nil	Bonus Issue	[●]	3 years
Ajay Ramkumar Agrawal						
June 26, 2025	14,20,000	10	Nil	Bonus Issue	[●]	3 years
Kumar Rajendraprasad Agarwal						
June 26, 2025	7,00,000	10	Nil	Bonus Issue	[●]	3 years
Total	35,40,000					

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

Details of Equity Shares held by Promoters in excess of minimum promoters' contribution

Lock in of Equity Shares held by Promoters in excess of minimum promoters' contribution as per Regulation 238 of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025. Pursuant to Regulation 238(b) of the SEBI ICDR Regulations, 2018 read with SEBI (ICDR) (Amendment) Regulations, 2025, the Equity Shares held by our Promoters and promoters' holding in excess of minimum promoters' contribution shall be locked as follows:

- 50% of the shareholding (i.e. 29,44,815 shares of Face Value of ₹10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for two years from the date of allotment in this Initial Public Offer and
- remaining 50% of the shareholding (i.e. 29,44,815 shares of Face Value of ₹10 each) held by the Promoters, in excess of minimum promoters' contribution, shall be locked in for one year from the date of allotment in this Initial Public Offer.

In addition, 31,47,620 equity shares having Face value of Rs. 10 each as held by the persons other than the promoters i.e. Promoter Group members and Public shall be locked in for a period of one year from the date of allotment in this Issue.

Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018:

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter’s contribution does not consist of such Equity Shares. Hence Eligible
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	The minimum Promoter’s contribution does not consist of such Equity Shares. Hence Eligible
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being issued to public in the initial public offer	The minimum Promoter’s contribution does not consist of such Equity Shares. Hence Eligible.
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the Issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter’s contribution does not consist of such Equity Shares. Hence Eligible.
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. Hence Eligible.

Explanation: It is clarified that the price per share for determining securities ineligible for minimum promoters’ contribution has been determined after adjusting the same for corporate actions such as share split, bonus issue, etc. undertaken by the issuer.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription ‘**non-transferable**’ along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter’s contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. Neither, we nor our Promoters, Directors or the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Issue price in respect of the Issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
21. The BRLM i.e. Seren Capital Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme/Stock Appreciation Rights and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan/ Stock Appreciation Rights from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 16 (Sixteen) shareholders as on the date of filing of this Draft Red Herring Prospectus.
24. None of the members of the promoter's group, our promoters, the directors of our company and the relatives have purchased or sold equity shares during the period of six months immediately preceding date of filing of the Draft Red Herring Prospectus.
25. None of the persons/entities comprising our Promoter Group, the directors of the company which is a promoter of our company, directors of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/ individual or otherwise during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
26. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
27. Our Company has not raised any bridge loan against the proceeds of the Issue.
28. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
29. We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application money unblocked on account of failure of Issue.
30. An over-subscription to the extent of 1% of the Issue, subject to the maximum post Issue paid up capital of Rs. 25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
31. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
33. There are no Equity Shares against which depository receipts have been issued.
34. Other than Equity Shares, there is no other class of securities issued by our Company.
35. There are no safety net arrangements for this public Issue.
36. As per RBI regulations, OCBs are not allowed to participate in this Issue.
37. Our Promoters and Promoter Group will not participate in this Issue.

38. This Issue is being made through Book Building Process.
39. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
40. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
41. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
42. A Bidder cannot make a bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
43. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the net issue to meet the following objects:

1. Funding of capital expenditure towards set up of a new manufacturing facility;
2. Funding of Working Capital Requirements; and
3. General Corporate Purpose (Collectively referred as the “Objects”)

In addition, we believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME platform. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which the funds are being raised by our Company in the Fresh Issue.

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ Lakhs)
Gross Proceeds from the Fresh Issue	[•]
Less: Issue related expenses in relation to Issue*	[•]
Net Proceeds	[•]

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No	Particulars	Amount (₹ in Lakhs)
1.	Funding of capital expenditure towards Setting up of new manufacturing facility at Block No 336, Mouje Miroli, Taluka Dascroi, Sub District Ahmedabad II, Gujarat	2467.93
2.	Funding for Working Capital Requirements	850.00
3.	General Corporate Purpose	[•]
	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 ₹ 1,000 lakhs whichever is lower.*

Means of Finance

(i) Funding of capital expenditure towards Setting up of new manufacturing facility-

The fund requirements for the capital expenditure towards setup of a new manufacturing facility is proposed to be entirely funded from the Net Proceeds and internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

(ii) Funding of Working Capital Requirements-

The fund requirements for the working capital requirements are proposed to be entirely funded from the Net Proceeds, existing sanctioned bank borrowings and internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance 81 under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards

any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 18 of this Draft Red Herring Prospectus.

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 Setting up of new manufacturing facility-

We are 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.

We undertake our fabric processing activities at our manufacturing facility situated at Survey Nos. 108/1, 109/7 and 109/8, Village Sim, Taluka Narol, District Ahmedabad, Gujarat. The facility is owned by our Company and is situated on land admeasuring approximately square meters, with a built-up area of approximately 16,087 square meters. It houses machinery and equipment used for bleaching, dyeing, printing, finishing, inspection, packaging and dispatch of fabrics. For details of our principal machinery, installed capacity, actual production and capacity utilisation, see "Plant and Machinery" and "– Installed Capacity and Capacity Utilisation" on pages 133 and 135, respectively. Our manufacturing facility is certified under ISO 9001:2015 for its quality management system.

The Indian textiles and apparel market is projected to grow at a 10% CAGR to reach US\$ 2.3 billion by 2030. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 100 billion. During FY26 (April–December 2025), India's textile and apparel exports stood at US\$ 27,312.7 million, reflecting continued export performance across more than 100 global destinations. India's technical textiles sector was valued at approximately US\$ 29 billion in 2024 and is projected to reach US\$ 45 billion by 2026, US\$ 123 billion by 2035 and US\$ 309 billion by 2047.

(Source: IBEF Report)

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.

Upon implementation, the proposed spinning unit is intended to manufacture cotton open-end yarn, which is used as an input in weaving operations. The yarn manufactured at the proposed unit is expected to be utilised for meeting part of the yarn requirements of our Group's weaving operations, thereby reducing dependency on external yarn suppliers to that extent. The proposed unit is also expected to enable our Company to exercise better control over availability, consistency and input quality of yarn, support input-level planning for weaving operations and improve coordination across the textile value chain by facilitating integration between yarn manufacturing, weaving and fabric processing activities within our Group.

The projected installed production capacity of the proposed facility, upon completion and commencement of operations, is set out below:

Product Description	UOM	Existing Annual Capacity	Proposed Annual Capacity	Total Combined Capacity
Yarn	MT	Nil	5.00	5.00

* The proposed facility is envisaged to have an installed production capacity of approximately 5.00 meters tonnes per day ("TPD"), approximately 1,825 metric tonnes per annum of cotton open-end yarn of average count 16 Ne.

Estimated Proposed Project Cost

The total estimated cost of the proposed manufacturing facility is ₹ 2591.33 lakhs, as per the Project Report dated June 25, 2026, obtained by our Company from Garg & Associates, Chartered Engineers & Government Approved Valuers ("Project Report"). Pursuant to the Board Resolution dated [●], our Company proposes to utilize an amount of up to ₹ 2467.93 lakhs from the Net Proceeds for funding capital expenditure requirements of our Company towards setting up the Proposed Facility.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

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

(in lakhs)

S. No	Particulars	Estimated Cost	Funds Deployed from internal Accruals	Funds to be deployed from Internal Accruals	To be met from Offer 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.

Break- up of the estimated cost

Civil construction works for factory shed

The proposed manufacturing facility will be established on a land parcel admeasuring 66,976 square meters, located at Block No 336 (Old Block N0.59) Mouje Miroli, Taluka Dascroi, Sub District Ahmedabad II, which has been taken on rent from Aarjay Developers, a partnership firm having Ajay Ramkumar Agarwal as the authorized partner.

For the installation of spinning facility on the rented land, our company propose to incur expenditure towards civil construction activities covering an area of approximately 11,467.00 square metres. The scope of work includes earth work, mass concrete work, concrete work, shuttering work, masonry work, finishing work, flooring work, metal & wood work, structural steel work & roofer, plumbing & water supply work and miscellaneous work. The proposed civil construction is intended to provide the civil and structural infrastructure required for setting up the proposed spinning unit and installation of spinning-related plant and machinery at the proposed manufacturing facility.

A summary of the estimated civil construction cost is set out below:

(in lakhs)

Sr. No.	Description	Quotation Details	Quantity	Unit	Rate	Amount
1.0	<u>EARTH WORK :-</u>	Quotation dated 24 th March 2026				
1.1	Excavation from existing Ground Level, including backfilling					

Sr. No.	Description	Quotation Details	Quantity	Unit	Rate	Amount
a)	- do - from G.L to 1.5 m depth	from 2 Designer Studio, Khamasa, Ahmedabad (valid for 6 months from the date of quotation)	6560.00	Cmt	225.00	14.76
b)	- do - from 1.5 m to 3.0 m.		1080.00		350.00	3.78
1.2	Earth filling in Plinth or other area with surplus excavated earth in layer and with Consolidation.		1430.00		200.00	2.86
1.3	Earth filling with selected excavated earth brought from outside the premises in layer and with Consolidation.		2230.00		425.00	9.48
1.7	P & L Rubble soling in plinth etc. with soil filling					
a)	230 mm thick		5455.00	Smt	425.00	23.18
						54.06
2.0	<u>MASS CONCRETE WORK :</u>					
2.1	P & L machine mixed & machine Vibrated concrete					
a)	P.C.C (1:4:8)		1385.00	Cmt	4000.00	55.40
						55.40
3.0	<u>CONCRETE WORK :-</u>					
3.1	P & L machine mixed & vibrated concrete for structural members, machine foundation and Pile foundation for M-25 Grade					
a)	- do - Up to P.L		1420.00	Cmt	5600.00	79.52
b)	- do - PL to 4.5 mt ht.		402.00		6100.00	24.52
c)	- do - 4.5 mt to 9.0 mt ht.		270.00		6350.00	17.15
3.2	P & L Tor / TMT Reinforcement including Binding Wire by contractor (16 gauge G.I. binding wire)		165.00	M.T	76000.00	125.40
						246.59
4.0	<u>SHUTTERING WORK :-</u>					
4.1	P & Erecting in position fair face finish shuttering (only straight in line & level - no shabby & broken steel Plates to be used.)					
a)	- do - Up to P.L		1405.00	Smt	450.00	6.32
b)	- do - PL to 4.5 mt ht.		3110.00		500.00	15.55
c)	- do - 4.5 mt to 9.0 mt ht.		2235.00		550.00	12.29
						34.17
5.0	<u>MASONRY WORK :</u>					
5.1	P & L Brick masonry in C.M. 1:6 for all trenches, manhole, basement walls, Compound wall & floors walls etc.					
a)	- do - Up to P.L		1372.00	Cmt	5200.00	71.34
b)	- do - PL to 4.5 mt ht.		715.00		5400.00	38.61
c)	- do - 4.5 mt to 9.0 mt ht.		615.00		5600.00	34.44

Sr. No.	Description	Quotation Details	Quantity	Unit	Rate	Amount
						144.39
6.0	<u>FINISHING WORK :-</u>					
6.1	P & L 12 mm to 15 mm thk. cement finish plaster on any surface in CM 1:4 (Note:- For Waterproof Plaster Work, Cost of Chemicals to be paid separately as per actual consumption.)					
a)	- do - PL to 4.5 mt ht.		5820.00	Smt	300.00	17.46
b)	- do - 4.5 mt to 9.0 mt ht.		4175.00	Smt	350.00	14.61
6.2	P & L 19 mm to 25 mm thk. Double coat sand face plaster in C.M. 1:4 in First Coat and C.M 1:2 in Second Coat on external surface.					
a)	- do - Up to P.L		675.00	Smt	425.00	2.87
b)	- do - PL to 4.5 mt ht.		2385.00		500.00	11.93
b)	- do - 4.5 mt to 9.0 mt ht.		2090.00		575.00	12.02
6.3	P & A White wash and mixed required fevical on newly plastered surface.		9995.00		90.00	9.00
6.4	P & A Cement based waterproof paint on outside surface (Snowcem or Equi. Make - ISI Only) approved colour		5145.00		125.00	6.43
						74.31
7.0	<u>FLOORING WORK :</u>					
7.1	P & L I.P.S in 1:2:4 (Note:- For Waterproof IPS Work, Cost of Chemicals to be paid separately as per actual consumption.)					
a)	50 mm thick		610.00	Smt	700.00	4.27
7.2	Providing and spreading non metallic (Chemical) Floor Hardener of approved make like Fosroc, Samrock, Cico etc as per manufacturer specification for topping on IPS / Concrete / Tremix floor.		16585.00	Kg	35.00	5.80
7.3	L/C for Vaccume Dehydrated (Tremix Flooring) of M-20, M-25 Concrete with reinforcement, including					
a)	150 mm th.		6645.00	Smt	150.00	9.96
7.4	P & L (4mm x 20 mm) "Polysulphide" in groove for Tremix Floor		2295.00	Rmt	150.00	3.44
						23.48
8.0	<u>METAL & WOOD WORK :</u>					
8.1	P & F anodised aluminium sliding window frame with heavy duty aluminium sections of Jindal or approved make without glass as per the detailed specifications.		120.00	Smt	6400.00	7.68
8.2	P & L Rolling shutter from 20 gauge with hood, side guides, channels etc. with paint					
a)	- do - but with mechanical device with pair of handle		66.00	Smt	7000.00	4.62
						12.30
9.0	<u>STRUCTURAL STEEL WORK & ROOFER :</u>					

Sr. No.	Description	Quotation Details	Quantity	Unit	Rate	Amount
8.1	P/E for Structural steel for trusses, purlins, rafter, runner, columns, beams, ties, girders & false ceiling skeleton with one coat of redoxide and two coat of colour.		267.00	M.T	88000.00	234.96
8.3	P & F 0.55 mm th. Galvolume sheet for roofing & cladding incl. all fixtures etc comp.		7325.00	Smt	600.00	43.95
						278.91
10.0	<u>PLUMBING & WATER SUPPLY WORK :</u>			Lum-Sum		5.00
						5.00
11.0	<u>MISCELLANEOUS WORK :</u>					
11.1	P & L Preconstruction ant termite treatment as per ISI		6655.00	Smt	100.00	6.66
						6.66
	Total Amount of 1 to 11					935.27

*The above provided rates are all inclusive of the 18% GST

Notes:

- We have considered the above quotation for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.
- The GST component has been included in the quotation for civil construction work since input tax credit (ITC) on construction of immovable property is not available under the provisions of Section 17(5)(c) and (d) of the Central Goods and Services Tax Act, 2017.
- As the civil construction pertains to the development of factory buildings and related immovable structures, the GST paid thereon becomes a cost to the Company and cannot be claimed as credit against output tax liability. Accordingly, the GST has been rightly included in the total project cost to reflect the actual expenditure to be incurred by the Company for execution of the construction work.
- The above quotation received from the vendor is valid as on the date of DRHP. However, we have not entered into any definitive agreements with such vendor and there can be no assurance that the same vendor would be engaged to eventually initiate the civil construction work.

Plant & Machinery

A detailed breakup of estimated cost of plant and machineries which are proposed to be funded from the net Issue proceeds is set forth below:

Saurer Machine Importing from Switzerland

(in lakhs)

S.No	Product Name	Supplier Detail	Qty	Uom	Unit Price (Eur)	Total Price (Eur)	Exchange Rate (Inr)*	Price In India (Inr)
1	Saurer Rotor Spinning Machine: Open End Rotor Spinning Machine with Accessories and	Quotation dated 16 th March 2026 from Saurer Intelligent Technology AG, Switzerland. (Quotation valid	01	SET	307,200.00	307,200.00	110.59	339.73

	Parts having Rotor Speed of more than 80,000 RPM	for 6 months from the date of quotation)						
Total Cargo Value/ CIF (Mundra Port) Value						A	339.73	
Note: Prices are CIF Mundra Port								
Basic Custom Duty (BCD) @7.5% on CIF Value (in INR)						B	25.48	
Social Welfare Charge (SWC) @10% on BCD (in INR)						C	2.55	
Total Cost (in INR)						D= A + B + C	367.76	
Add GST @18% on Total Cost (in INR)						E	66.20	
Inland Transportation Charges @0.20% of Total Cost in INR (from Mundra to Company's site)						F	0.74	
CHA (Custom Broker) Charges (C) in INR @0.05% of the CIF Value						G	0.17	
Lending Cost at India Port (in INR):						D + E + F + G	434.86	

Saurer Machine Importing from China

S.No	Product Name	Supplier Detail	Qty	Uom	Unit Price (Usd)	Total Price (Usd)	Exchange Rate (Inr)*	Price In India (Inr)
1	Reciprocating Bale Plucker Model: JSB008C	Quotation dated 16 th March 2026 from Saurer (Changzhou) Textile Machinery Co. Ltd. (Quotation valid for 6 months from the date of quotation)	01	SET	48,500.00	48,500.00	94.89	46.02
2	Spark and Metal Dual Separator Model: 119MD5		01	SET	4,850.00	4,850.00	94.89	4.60
3	Multi-Function Air Flow Tower Model: FA100		01	SET	6,500.00	6,500.00	94.89	6.17
4	Mono-Axial Flow Opener Model: JSB103		01	SET	14,500.00	14,500.00	94.89	13.76
5	Spark Separator Model: 119E		01	SET	2,000.00	2,000.00	94.89	1.90
6	Pneumatic Distributor Model: JFA001A		01	SET	2,100.00	2,100.00	94.89	1.99
7	Multi-Mixer Model: JSB325		01	SET	29,500.00	29,500.00	94.89	27.99
8	Three-Way Control Valve Model: TF29		02	SET	650.00	1,300.00	94.89	1.23
9	Fine Opener Model: JSB318		01	SET	14,300.00	14,300.00	94.89	13.57
10	Fine Opener Model: JSB318		01	SET	14,300.00	14,300.00	94.89	13.57
11	Magnet Trap Model: TF27		01	SET	1,200.00	1,200.00	94.89	1.14
12	Dedusting Machine Model: SFA201		01	SET	8,300.00	8,300.00	94.89	7.86

13	Continuous Feed Controller Model: JYH306		01	SET	3,600.00	3,600.00	94.89	3.42
14	Spark Separator Model: 119E		01	SET	2,000.00	2,000.00	94.89	1.90
15	T Shape Distributor Model: TF80		01	SET	1,350.00	1,350.00	94.89	1.28
16	High Production Carding Machine Autocard Model: SC7		01	SET	84,000.00	84,000.00	94.89	79.70
17	Electric Control Box Model: LA004		01	SET	17,000.00	17,000.00	94.89	16.13
Total Cargo Value/ FOB Value						2,55,300.00	A	242.25
Note: Prices are FOB Shanghai port								
Marine Insurance @1.125% of FOB value as per Section 14 of Customs Valuation Rules, 1988, of the Customs Act**							B	2.73
Freight @3% of the FOB value (if FOB value exceeds USD 17,000) **							C	7.27
CIF Value at Mundra Post (in INR):							A + B + C	252.25
Basic Custom Duty (BCD) @7.5% on CIF Value (in INR)								18.92
Social Welfare Charge (SWC) @10% on BCD (in INR)								1.89
Total Cost (in INR)							D	273.06
Add GST @18% on Total Cost (in INR)							E	49.15
Inland Transportation Charges @0.20% of Total Cost in INR (from Mundra to Company's							F	0.55
CHA (Custom Broker) Charges (C) in INR @0.05% of the CIF Value							G	0.13
Lending Cost at India Port (in INR):							D + E + F + G	322.88

Landing cost of the machinery proposed to be imported from Switzerland and China, has been certified by Chartered Accountant, Mr. Shivam Soni through certificate dated June 01, 2026. The landed cost has been computed based on an exchange rate of 1EURO= ₹ 110.59 and 1 USD = ₹94.89 as on June 01, 2026, as per RBI website. Any variation in the exchange rate at the time of actual import may result in a corresponding change in the landed cost of such machinery.

Details of Indigenous Machine

Sr. No	Particulars	Quotation Details	INR
1	Blow Room Installation	Quotation dated 16 th March 2026 from Truetzschler India Private Limited, Narol, Ahmedabad (Valid for 6 months from	264.94
2	High Production Cards		126.34
3	High Performance Breaker Draw Frame		135.48
4	High Performance Finisher Draw Frame		237.36
5	Mill Monitoring System		10.80
	Total Price Ex-Works Ahmedabad Packed		774.92

Summary of machinery to be purchased from foreign and domestic vendors:-

Sr. No	Particulars	Total Amount (inc. all taxes) (in lakhs)
1	Imported Machinery	757.74
2	Domestic Machinery	774.92
	Grand Total	1532.66

Notes:

a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Further, the estimated cost and related fund requirements have not been appraised by any bank or financial institution. In case of any shortfall of funds, the same shall be met through internal accruals/borrowings.

b) All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same cost.

c) We do not intend to acquire any second-hand machinery.

d) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. will be met through internal accruals.

e) The inclusion of GST in the project cost has been considered as it represents an actual cash outflow at the time of procurement of goods and services related to the project. While we may be eligible to claim input tax credit against the GST paid, such credit will be realized only over a period of time, depending upon the commencement of commercial operations and the nature of set-off available under applicable GST laws. Accordingly, for the purpose of presenting the total project cost, GST has been included to reflect the gross cash outlay required for execution of the project, ensuring a realistic depiction of funding requirements.

f) The aforementioned quotations received from the vendors are valid as on the date of DRHP. However, we have not entered into any definitive agreement with any vendor, and there can be no assurance that the same vendor will be engaged for the proposed procurement. Further, we may procure machineries of varying configurations, makes and models depending upon system and technology requirements, timing of procurement and operational needs prevailing at the relevant time.

Means of finance of the project

The total estimated cost for the proposed expansion of the existing manufacturing unit is ₹ 2591.33 lakhs. We intend to fund the cost of the project as follows:

S. No	Particulars	Estimated Cost	Funds Deployed from Internal Accruals	Funds to be deployed from Internal Accruals	To be met from Offer 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*

Proposed schedule of implementation of the Proposed Project

The proposed schedule of activities in respect of the Proposed Project are as follows:

Particulars	Estimated Date of Commencement	Estimated date of Completion
Acquisition of land	Already Available	
Civil Work	October 2026	March 2027
Plant & Machinery	January 2027	March 2027
Placement Of Order	September 2026	

Receipt of Machinery	February 2027
Installation of P&M	March 2027
Trial Run	April 2027
Commercial Production	April 2027

Government Approvals

In relation to the proposed project, we will require to apply and obtain certain approvals as provided in the table below.

S. No	List of Major Approvals	Stage of which approvals are required*
1.	Approval for the building plans for the Proposed Expansion	To be applied
2.	CTE (Consent to Establish)	Provisional CTE received
3.	Consolidated Consent and Authorization	To be applied
4.	License to work a factory	To be applied
5.	Electricity Board License	To be applied

As per the Project Report dated June 25, 2026, issued by Garg & Associates, Chartered Engineers and Government-Approved Valuers.

2. Funding of 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:

(Amounts 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, realization 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.

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. We intend to deploy the balance Fresh Issue proceeds aggregating ₹ [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of ₹ [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus/ Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or Rs. 10 crores, whichever is less.

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

Activity	(₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees (including underwriting commission and all other fees by whatever name called including marketing fees)	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs)	[●]	[●]	[●]
Total	[●]	[●]	[●]

- (1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.
- (2) Other than the listing fees which will be borne solely by the Company, all costs, charges, fees and expenses relating to the Issue, including, among other things, filing fees, book building fees and other charges, fees of the Stock Exchange, the RoC and any other Governmental Authority, advertising, printing, road show expenses, accommodation and travel expenses, fees and expenses of the legal counsel, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLM, syndicate members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Issue shall be borne by the Company, except as may be prescribed by the SEBI or any other regulatory authority. In the event that the Issue is postponed or withdrawn or abandoned for any reason or the Issue is not successful or consummated, all costs and expenses with respect to the Issue shall be borne by the Company, including but not limited to, the fees and expenses of the BRLM and the legal counsel in relation to the Issue, in such manner as agreed.
- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- 4) The commission and 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 Issue 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.
- 5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(Rs. In Lakhs)		
S. No.	Particulars	Estimated Amount to be deployed and utilized in F.Y. 26-27
1.	Funding of capital expenditure towards setting up of a new manufacturing facility	2467.93
2.	Funding of Working Capital Requirement	850.00
3.	General Corporate Purpose	[●]
	Total	[●]

Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the DRHP, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, 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 reviewing 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.

Shortfall of funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of the Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

As the size of the Issue will not exceed ₹ 5000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a Special Resolution through postal ballot. In addition, the 96 notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The Postal Ballot 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. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel or Senior Management Personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our directors or key managerial personnel or Senior Management Personnel except in the normal course of business and in compliance with the applicable laws.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on pages 18, 123 and 178, respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

The financial information of our Company for the nine months period ended December 31, 2025 is presented on a consolidated basis, as our Company made investment in / was admitted as a partner in M/s. Aarjay Enterprise pursuant to the relevant partnership deed dated August 23, 2025. Accordingly, the consolidated financial information for the nine months period ended December 31, 2025 includes the financial information of M/s. Aarjay Enterprise, as applicable, in accordance with the Restated Financial Statements. The financial information for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 is presented on a standalone basis. Accordingly, the financial information for the nine months period ended December 31, 2025 may not be strictly comparable with the financial information for the previous financial years.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- a) *Business model comprising job work processing and own-account processing*
- b) *Experienced Promoters and management team*
- c) *In-house quality-control and testing facilities*

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 123 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 178 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:

Sr. No.	Financial Year	Basic & Diluted (₹)	Weights
1.	Financial Year ended March 31, 2025	3.79	3
2.	Financial Year ended March 31, 2024	1.43	2
3.	Financial Year ended March 31, 2023	1.74	1
	Weighted Average	2.66	6
	For 9 months period ended December 31, 2025*	7.20	

**Figure for the period is not annualized.*

Notes:

- i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
- ii. *The face value of each Equity Share is ₹10.00.*
- iii. *Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*
- iv. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure 4.*
- v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period*
- vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.*

vii. The Basic and Diluted Earnings per Share for the nine months period ended December 31, 2025 has been computed based on the consolidated profit after tax attributable to the shareholders of our Company, as per the Restated Financial Statements. The Basic and Diluted Earnings per Share for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 have been computed based on the standalone restated financial information of our Company. Accordingly, the EPS for the nine months period ended December 31, 2025 may not be strictly comparable with the EPS for the previous financial years.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2025	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest	15.12
Lowest	8.43
Industry Average	11.77

*We have mentioned listed peers which falls in the similar line of business as our Company for broad comparison purpose, however there is a distinction in the product portfolio between our company and those of our selected peers i.e Borana Weaves Limited & Vinny Overseas.

Note:

The P/E ratio of peers has been computed by dividing Market price as on June 25, 2026 with EPS for the F.Y. 2024-25

3. Return on Net worth (RoNW)

Sr. No	Period	RONW	Weights
1.	Financial Year ended March 31, 2025	15.19%	3
2.	Financial Year ended March 31, 2024	6.79%	2
3.	Financial Year ended March 31, 2023	8.81%	1
	Weighted Average	11.33%	6
	For 9 months period ended December 31, 2025	22.41%	

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RONW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- Weighted average = Aggregate of year-wise weighted RONW divided by the aggregate of weights i.e. (RONW x Weight) for each year/Total of weights.
- The Return on Net Worth for the nine months period ended December 31, 2025 has been computed based on the consolidated profit after tax and consolidated net worth of our Company, as per the Restated Financial Statements. The Return on Net Worth for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 has been computed based on the standalone restated financial information of our Company. Accordingly, the RoNW for the nine months period ended December 31, 2025 may not be strictly comparable with the RoNW for the previous financial years.

4. Net Asset Value (NAV) per Equity Share:

Sr. No	NAV Per Equity Share	(Amount in ₹)
1.	As at December 31, 2025	32.13
2.	As at March 31, 2025	24.93
3.	As at March 31, 2024	21.15
4.	As at March 31, 2023	19.71
5.	NAV per Equity Share after the Issue	[●]
6.	Issue Price	[●]

*The above NAV per Equity Share has been calculated as net worth as at the end of the relevant period/year divided by the number of Equity Shares outstanding as at the end of the relevant period/year, as adjusted for corporate actions, wherever applicable.

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per Share = Restated net worth as at the end of the relevant period/year divided by the number of Equity Shares outstanding as at the end of the relevant period/year, as adjusted for corporate actions, wherever applicable.
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.
- The NAV per Equity Share as at December 31, 2025 has been computed based on the consolidated net worth of our Company as per the Restated Financial Statements. The NAV per Equity Share as at March 31, 2025, March 31, 2024 and March 31, 2023 has been computed based on the standalone net worth of our Company as per the Restated Financial Statements. Accordingly, the NAV per Equity Share as at December 31, 2025 may not be strictly comparable with the NAV per Equity Share as at the end of the previous financial years.

5. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS (Basic/ Diluted)	PE	RoNW (%)	Book Value (₹)	Total Income (₹ in lakhs)
Kumar Cotton Mills Ltd	[●]	10	3.79	[●]	15.19%	24.93	24,000.77
Peer Group							
Borana Weaves Limited	304.45	10	20.14	15.12	45.92%	43.91	29,509.70
Vinny Overseas	1.18	1	0.14	8.43	6.27%	2.30	12,871.38

* We have mentioned listed peer which falls in the similar line of business as of our Company for broad comparison purpose.

Notes:

- Source – All the financial information for listed industry peer mentioned above is sourced from the Financial Results/ Red Herring Prospectus/ Prospectus/ of the aforesaid companies for the year ended March 31, 2025 and stock exchange data dated June 25, 2026 to compute the corresponding financial ratios.
- For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- The EPS, NAV, RoNW and total income of our Company are taken as per Restated Financial Statement for the F.Y. 2024-25.
- NAV per share is computed as the closing net worth divided by the weighted average number of paid-up equities shares as on March 31, 2025.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 26, 2026 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three-years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Chartered Accountants, by their certificate dated June 26, 2026.

The KPIs of our Company have been disclosed in the sections titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 125 and 273 respectively. We have described and defined the KPIs as applicable in “**Definitions and Abbreviations**” on page 1 of this DRHP.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing

of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key performance indicators of our Company:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr'25-Dec'25*	FY 2024-25	FY 2023-24	FY 2022-23
	Consolidated	Standalone	Standalone	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 ⁽⁸⁾	4,041.58	3,135.86	2,659.55	2,479.09
Repetitive customers revenue % ⁽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(net).

⁽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.

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently Company generates earnings from the capital employed in the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Repetitive Customers revenue (%)	Percentage (%) of Revenue from Repeat Customers = (Revenue from customers invoiced in both the current period and the immediately preceding financial year ÷ Revenue from Operations) × 100

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Borana Weaves Limited			Vinny Overseas		
	FY 2024-25	FY 2023-24	FY 2022-23	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations ⁽¹⁾	29,031.04	19,905.56	13,539.90	12,157.21	11,271.36	10,641.51
EBITDA ⁽²⁾	6,244.68	4,117.31	2,606.41	600.22	1,004.65	832.98
EBITDA Margin (%) ⁽³⁾	21.51%	20.68%	19.25%	4.94%	8.91%	7.83%
PAT ⁽⁴⁾	4,020.25	2,358.63	1,630.09	515.42	354.45	240.73
PAT Margin (%) ⁽⁵⁾	13.85%	11.85%	12.04%	4.24%	3.14%	2.26%
RoE (%) ⁽⁶⁾	45.92%	49.45%	67.61%	9.08%	11.99%	8.66%
RoCE (%) ⁽⁷⁾	33.69%	27.42%	34.93%	1.10%	11.28%	9.46%

Source – All the financial information for listed industry peer mentioned above is sourced from the Financial Results/ Red Herring Prospectus/ Prospectus/ of the aforesaid companies.

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 calculated as Profit before tax – Tax Expenses.

⁽⁵⁾ PAT Margin is calculated as PAT for the period/year 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 (net).

8. Weighted average cost of acquisition

- a) **Price per share of our Company (as adjusted for corporate actions, including split) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the eighteen months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)**

There has been no such primary issuance of the Equity Shares or convertible securities of our Company during the eighteen months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- b) **Price per share of our Company (as adjusted for corporate actions, including split) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, members of the Promoter Group, Selling Shareholder, or Shareholder(s) having the right to nominate Director(s) on our Board during the eighteen months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)**

There have been no Secondary Transactions of the Equity Shares or convertible securities of our Company during the eighteen months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having

the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions, is as below:

Primary Transactions:

Date of Allotment	Name of Allottees	No. of equity Shares allotted	Face value per Equity share (₹)	Issue price per Equity share (₹)	Nature of allotment	Total Consideration (in ₹ lakhs)
June 26, 2025	Rajendraprasad Ramkumar Agarwal	34,03,980	10	NIL	Bonus Issue	NIL
June 26, 2025	Ajay Ramkumar Agrawal	32,10,960	10	NIL	Bonus Issue	NIL
June 26, 2025	Ashadevi Rajendraprasad Agarwal	10,50,000	10	NIL	Bonus Issue	NIL
June 26, 2025	Kumar Rajendraprasad Agarwal	7,78,200	10	NIL	Bonus Issue	NIL
June 26, 2025	Nilesh Tradelink Private Limited	5,87,700	10	NIL	Bonus Issue	NIL
June 26, 2025	Agarwal Rajendrakumar (HUF)	4,32,000	10	NIL	Bonus Issue	NIL
June 26, 2025	Anup Traders Private Limited	4,19,700	10	NIL	Bonus Issue	NIL
June 26, 2025	Ajaykumar R Agrawal (HUF)	2,57,400	10	NIL	Bonus Issue	NIL
June 26, 2025	Ramkumar & Sons (HUF)	1,80,000	10	NIL	Bonus Issue	NIL
June 26, 2025	Kamladevi Agarwal	1,21,200	10	NIL	Bonus Issue	NIL
June 26, 2025	Ramnivas Agarwal	1,21,200	10	NIL	Bonus Issue	NIL
June 26, 2025	Anju Ajay Agrawal	1,16,700	10	NIL	Bonus Issue	NIL
June 26, 2025	Pragati Kumar Agrawal	85,800	10	NIL	Bonus Issue	NIL
June 26, 2025	Vishal Jitendrabhai Dave	14,400	10	NIL	Bonus Issue	NIL
June 26, 2025	Pravinbhai Patel	1,200	10	NIL	Bonus Issue	NIL
June 26, 2025	Nemchand Chhotalal Shah	60	10	NIL	Bonus Issue	NIL

Secondary Transactions:

Date of Transfer	Name of Transferor	Name of Transferee	No. of Equity Shares	Price per Equity shares	Nature of Transaction	Total Consideration (in Rs. Lakhs)
November 25, 2024	Vishal Balwantrai Agarwal	Balvantrai Ramkumar Agarwal	15,000	NIL	Gift	NIL
December 12, 2024	Balvantrai Ramkumar Agarwal	Rajendraprasad Ramkumar Agarwal	17,694	NIL	Gift	NIL
December 12, 2024	Vimladevi Balwantrai Agarwal	Rajendraprasad Ramkumar Agarwal	2,020	NIL	Gift	NIL

Weighted average cost of acquisition & Issue price:

Type of Transaction	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price* (i.e. ₹ [●])	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA	[●]	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA	[●]	[●]
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	NIL	NA	NA

* To be updated at Prospectus stage.

Note:

1. There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Draft Red Herring Prospectus.
2. There were no secondary sale/ acquisitions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Red Herring Prospectus

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national daily newspaper and all editions of [●], a Hindi national daily newspaper and all edition of [●], a regional newspaper each with wide circulation where the registered office of the company is situated.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “Our Business”, “Risk Factors” and “Restated Financial Statements” on pages 123, 18 and 178 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors

Kumar Cotton Mills Ltd

(Formerly Known as Kumar Cotton Mills Private Limited)

160/A, New Cloth Market, O/s Raipur Gate,

Ahmedabad, Gujarat, India – 380002

And

Seren Capital Private Limited

601 to 605, Raylon Arcade, Kondivita,

J.B. Nagar, Mumbai-400059

(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

Sub: Statement of Possible Special Tax Benefits (‘the Statement’) available to Kumar Cotton Mills Ltd and its shareholders prepared in accordance with the requirements under Schedule VI, Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the ‘Regulations’)

Dear Sirs,

We hereby confirm that the enclosed Annexure, prepared by **M/s. Bhupendra J Shah & Associates**, Chartered Accountants, Statutory Auditors of Kumar Cotton Mills Ltd, states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax laws as amended from time to time or presently in force in India. 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 or its shareholders to derive the tax benefits depends upon fulfilling such conditions, which are based on the business imperatives the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated 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 hence it 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 issue. We are neither suggesting nor advising the investor whether to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any event subsequent to its issue, which may have a material effect on the discussions herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing of the benefits, where applicable have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent. Signed in terms of our separate report of even date.

Annexure to the statement of possible Tax Benefits

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax laws as amended from time to time, and other applicable tax 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 Equity Shares particularly in view of the fact that certain recently enacted legislation, including the Income tax Act, 2025, which is proposed to replace the Income Tax Act, 1961 from its notified effective date, and the possibility of differing interpretations or limited judicial or administrative precedents in relation thereto.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

1. Special Tax Benefits available to the Company under the Income Tax Act

The Company has opted for taxation under Section 115BAA of the Income-tax Act, 1961, which provides for a concessional tax rate of 22% (plus applicable surcharge and cess), subject to fulfilment of the conditions prescribed therein. With effect from April 1, 2026, the Income-tax Act, 2025 has replaced the Income-tax Act, 1961, the Company shall be subject to the corresponding provisions thereunder, subject to continued compliance with the applicable conditions.

Accordingly, the Company shall continue to be governed by the applicable corresponding provisions of the income-tax laws, subject to continued compliance with the prescribed conditions, as amended from time to time. Failure to comply with such conditions may result in withdrawal or non-availability of the concessional tax regime

2. Special Tax Benefits available to the shareholders of the Company

The Shareholders of the company have not opted for any Special tax benefits under the Income-tax Act.

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 direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to updating the views consequent to such changes. We do not assume responsibility to updating the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Signed in terms of our separate report of even date.

Yours faithfully,

**For M/s. Bhupendra J Shah & Associates
Chartered Accountants
Firm Registration No.: 121812W**

**CA Ankit Ashokkumar Gupta
Partner
Membership No.: 130278
UDIN: 26130278KVCJW14733
Date: 26th June, 2026
Place: Ahmedabad**

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled ‘Industry Report for Textiles and Apparel Market – February 2026’ by India Brand Equity Foundation (“IBEF”) prepared and issued by India Brand Equity Foundation, in connection with the Issue for the purposes of confirming our understanding of the industry in which we operate. Additionally, certain information in this section has been extracted from various other websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we, nor the BRLM, nor any other person connected with the Issue has independently verified any third-party statistical, financial and other industry information in the IBEF Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IBEF Report and included herein with respect to any particular year, refers to such information for the relevant year. The data included herein includes excerpts from the IBEF Report and may have been re-ordered by us for the purposes of presentation. For further details and risks in relation to the IBEF Report, see “Risk Factors –Internal Risks – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports and any reliance on such information for making an investment decision on the Issue is subject to inherent risks and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” on page 41.

GLOBAL OVERVIEW

Global growth is projected at 3.1 percent both in 2026 and 3.2 percent in 2026, slower than its recent pace of about 3.4 percent in 2024–25. The forecast for 2026 is revised downward by 0.2 percentage point and that for 2027 is unchanged, compared with those in the January 2026. Global headline inflation is expected to increase to 4.4 percent in 2026 and decline to 3.7 percent in 2027, marking upward revisions for both years.

Global growth is projected to decelerate from 3.3 percent in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026. On a fourth-quarter to -fourth-quarter basis, growth is projected to decline from 3.6 percent in 2024 to 2.6 percent in 2025 and recover to 3.3 percent in 2026. At market exchange rates, world output is projected to grow by 2.6 percent in both 2025 and 2026, slowing down from 2.8 percent in 2024.

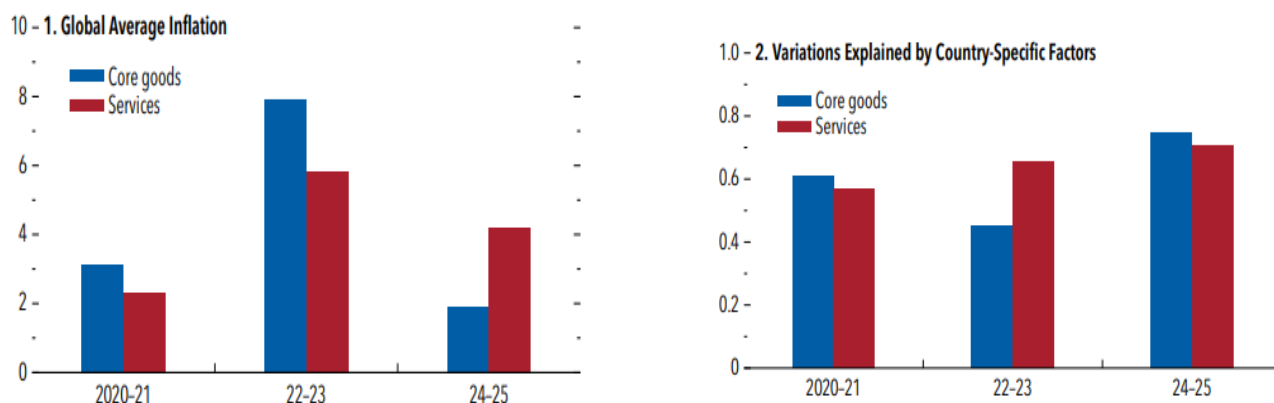
Global trade activity was robust in the first quarter of 2025, driven by strong growth in US imports and in exports from Asia and the euro area because of front-loading in anticipation of higher tariffs in the United States.

The US current account deficit was 4.6 percent of GDP in the first half of 2025, 1.9 percentage points wider than the 2013–24 average, mainly reflecting an increase in goods imports. The euro area current account surplus stood at 1.9 percent of GDP in the first half of 2025 compared with 3 percent over the same period in 2024 and 2.3 percent during 2013–24, largely as a result of an increase in the primary income deficit. Current account surpluses stood at 3.2 percent of GDP in China and 4.7 percent of GDP in Japan, which are larger than in the same period of 2024 and when compared with the historical averages during 2013–24. (Source: WEO, April 2026)

Global Inflation Trends And Projections

Global inflation is projected to increase from 4.1% in 2025 to 4.4% in 2026, before declining to 3.7% in 2027, reflecting expected higher energy and food prices. In the United States, core inflation is projected to return to the 2% target by 2027. Inflation in the United Kingdom is expected to temporarily rise toward 4% before returning to target by the end of 2027, while Japan's inflation is expected to moderate and converge toward its target by the end of 2027. In the euro area, headline inflation is projected to remain above 2% during 2026 and 2027, with core inflation staying above 2% until 2028. Inflation in China is expected to rise from low levels, whereas inflation in India is projected to return to near-target levels following a marked decline in 2025.

(Source: WEO, April 2026)



Sources: Haver Analytics; and IMF staff calculations.

Note: Panel 1 shows the average inflation across 27 countries for which data are available. All numbers are simple averages. Panel 2 shows the share of country-level inflation variation not explained by global inflation, proxied by the first principal component of inflation across 27 countries, computed in a rolling two-year window.

Global Growth Forecast

Advanced Economies is projected to be 1.8 percent in 2026 and 1.7 percent in 2027. The overall effect on growth in advanced economies of the conflict in the Middle East is modest, lowering growth by 0.2 percentage point in 2026 relative to the pre conflict forecast, thanks to positive terms-of-trade effects in the United States and stronger growth momentum and offsetting government

In emerging market and developing economies, growth is expected to fall to 3.9 percent in 2026 and recover to 4.2 percent in 2027. The conflict in the Middle East has a varied impact on growth given differential exposure—through geographic proximity, financial flows, remittances, and energy dependencies. Overall, it has a larger net impact on growth in emerging market and developing economies compared with advanced economies, lowering growth in 2026 for the former group by 0.3 percentage point relative to the pre conflict forecast.

In the Middle East and Central Asia, growth is projected to decline from 3.6 percent in 2025 to 1.9 percent in 2026 and recover to 4.6 percent in 2027 as the region experiences the most direct impact of the conflict and the expected subsequent rebound. The contraction of GDP growth for 2026 is therefore more pronounced for Bahrain, Iran, Iraq, Kuwait, and Qatar and less significant for Oman, Saudi Arabia, and the United Arab Emirates.

In Latin America and the Caribbean, growth is projected to remain broadly stable at 2.3 percent in 2026 and pick up to 2.7 percent in 2027. The impact from the conflict in the Middle East within the region is heterogeneous, with smaller economies affected more negatively.

In Mexico, weaker growth in 2025 amid fiscal consolidation, restrictive monetary policy, and headwinds from trade tensions is expected to give way to a mild recovery, with the economy expanding at a rate of 1.6 percent in 2026 and 2.2 percent in 2027.

INDIAN ECONOMY

India's economy continues to demonstrate resilience despite rising global uncertainty arising from the West Asia conflict and disruptions across energy and logistics channels. Before the escalation of geopolitical tensions, economic activity remained robust through the first two months of CY 2026, supported by broad-based strength across both supply and demand indicators. The Purchasing Managers' Index (PMI) for manufacturing rose to a four-month high of 56.9 in February 2026, while the services PMI stood at 58.1, indicating sustained expansion across both sectors. Industrial activity remained supported by strong performance in domestic demand-driven segments such as steel and cement, with steel production growing by 7.2 per cent and cement output by 9.3 per cent in February 2026, reflecting continued infrastructure momentum and public capital expenditure support.

India's economic momentum remains strong, underpinned by resilient domestic demand and sustained macroeconomic stability. In FY 2025–26, Real GDP (GDP at Constant Prices) is estimated to reach Rs. 3,22,58,000 crore, rising from Rs. 2,99,89,000 crore in FY 2024–25, reflecting a robust growth of 7.6%. At current prices, Nominal GDP is projected to reach Rs. 3,45,47,000 crore (US\$ 3.91 trillion) in FY 2025–26, from Rs. 3,18,07,000 crore (US\$ 3.60 trillion) in the previous year, registering a growth of 8.6%. Real Gross Value Added (GVA) is estimated at Rs. 2,94,40,000 crore, up from Rs. 2,73,36,000 crore in FY 2024–25, indicating a growth of 7.7%, while Nominal GVA is expected to expand to Rs. 3,13,61,000 crore (US\$ 3.55 trillion) from Rs. 2,88,54,000 crore (US\$ 3.26 trillion), marking a growth of 8.7%. These trends highlight India's position as one of the fastest-growing major economies, supported by broad-based expansion across sectors. (Source: <https://www.ibef.org/economy/indian-economy-overview>)

In FY26, the following key indicators highlighted improved performances:

- During April–February FY26, India's total exports of goods and services grew by 5.8 per cent year-on-year to US\$ 790.9 billion. Services exports remained the key driver, rising by 10.2 per cent to US\$ 387.9 billion and generating a net services surplus of US\$ 201 billion, which covered 64.7 per cent of the merchandise trade deficit. This continued strength in services exports helped support India's external sector resilience amid global trade uncertainty.
- During April–January FY26, gross Foreign Direct Investment (FDI) inflows increased to US\$ 79.3 billion from US\$ 69.2 billion in the corresponding period of the previous year. However, elevated repatriation by foreign investors at US\$ 49.5 billion and higher outward investment by Indian firms at US\$ 28.1 billion kept net FDI subdued at US\$ 1.7 billion, reflecting continued investor interest alongside cautious global capital flows.

(Source: <https://www.ibef.org/economy/monthly-economic-report>)

Market Size

As on October 14, 2025, India is home to 123 unicorns, with six new startups achieving unicorn status in 2025. Real Gross Domestic Product (GDP) or GDP at Constant Prices stood at Rs. 47.89 lakh crore (US\$ 544.20 billion) in Q1 of FY26, up from Rs. 44.42 lakh crore (US\$ 504.77 billion) in Q1 FY25, registering a growth rate of 7.8%.

Nominal GDP or GDP at Current Prices for the same period was estimated at Rs. 86.05 lakh crore (US\$ 977.84 billion), compared to Rs. 79.08 lakh crore (US\$ 898.64 billion) in the corresponding quarter of the previous year, showing a growth rate of 8.8%.

According to the Reserve Bank of India (RBI), India's current account recorded a deficit of Rs. 21,288 crore (US\$ 2.37 billion) in Q1 FY26 (April–June), compared to Rs. 76,282 crore (US\$ 8.6 billion) in the same period of FY25.

Indian exports are expected to reach US\$ 1 trillion by 2030. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. According to World Bank, India must continue to prioritize lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- India secured 38th position out of 139 economies in the Global Innovation Index 2025. India rose from 81st position in 2015 to 38th position in 2024. India ranks in 3rd position in the global number of scientific publications.
- India's GST collections continued to demonstrate strong revenue resilience, supported by steady economic activity and improved compliance levels. Total Net GST revenue in March 2026 stood at Rs. 1.78 lakh crore (US\$ 20.14 billion), registering a year-on-year growth of 8.2% compared with Rs. 1.64 lakh crore (US\$ 18.49 billion) in March 2025. On a cumulative basis, yearly net GST collections reached Rs. 19.35 lakh crore (US\$ 219.03 billion) in FY 2025–26, reflecting a year-on-year growth of 7.1% over Rs. 18.07 lakh crore (US\$ 204.46 billion) in FY 2024–25.

- As of March 27, 2026, India's foreign exchange reserves stood at Rs. 65,20,745 crore (US\$ 688.05 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India's cumulative FDI inflow stood at US\$ 1.14 trillion between April 2000-December 2025; with major share of FDI equity inflow, coming from Singapore at Rs. 13,72,320 crore (US\$ 192.53 billion) with a total share of 25%, followed by Mauritius at Rs. 11,34,884 crore (US\$ 185.02 billion) with 24%, the USA at Rs. 5,60,990 crore (US\$ 78.45 billion) with 10%, the Netherlands at Rs. 3,82,995 crore (US\$ 55.60 billion) with 7%, and Japan at Rs. 3,11,507 crore (US\$ 47.59 billion) with 6%.

Government Initiatives

The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India.

In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- The Ministry of Labour & Employment signed an MoU with Zomato on October 14, 2025, to enhance employment opportunities through the National Career Service (NCS) portal. Under the agreement, Zomato will list around 2.5 lakh job opportunities annually, supporting the growth of the gig economy and promoting formal, technology-enabled livelihoods across India.
- In August 2025, Prime Minister Mr. Narendra Modi launched two major agriculture schemes worth Rs. 35,440 crore (US\$ 4 billion), the PM Dhan-Dhaanya Krishi Yojana and the Mission for Aatmanirbharta in Pulses, aimed at boosting self-reliance, productivity, and farmers' income. He also inaugurated and laid foundation stones for projects worth over Rs. 6,200 crore (US\$ 709 million) across agriculture, animal husbandry, fisheries, and food processing sectors.
- On July 5, 2025, the Union Cabinet approved the Rs. 1,00,000 crore (US\$ 11.72 billion) Research, Development and Innovation (RDI) Scheme, launching long-term, low- or zero-interest funding via a special purpose fund under the ANRF to jump-start India's R&D ecosystem and support deep-tech and startup innovation.
- In March 2025, the Government announced several measures to boost industrial growth and investments, including initiatives such as Make in India, Start-up India, PM GatiShakti, and Production Linked Incentive (PLI) Schemes. The Cabinet Committee on Economic Affairs also approved 12 new projects worth Rs. 28,602 crore (US\$ 325.02 million) under the National Industrial Corridor Development Programme (NICDP), spanning 10 states, to strengthen India's manufacturing base and attract investments.
- On March 17, 2026, the Union Cabinet approved the 'Mission for Aatmanirbharta in Pulses' with an outlay of Rs. 11,440 crores (US\$ ~1.27 billion) to achieve self-sufficiency in pulses by 2030–31.
- On February 28, 2026, Prime Minister Narendra Modi inaugurated Micron Technology's Semiconductor Assembly, Test and Packaging (ATMP) facility in Sanand, Gujarat, marking the commencement of commercial production
(Source: <https://www.ibef.org/economy/indian-economy-overview>)

TEXTILE AND APPAREL 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.

(Source: <https://www.ibef.org/industry/textiles>)

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

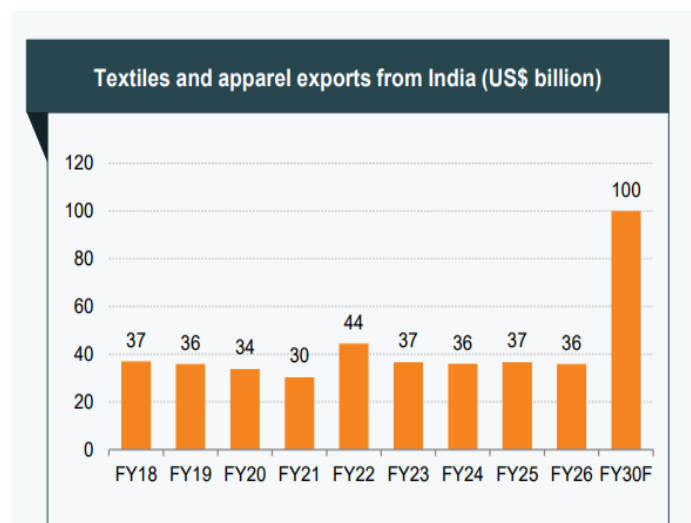
the fastest-growing areas within the industry. Within this, the Mobiltech textiles market catering to automotive applications is expected to nearly double from US\$ 2.32 billion in FY25 to US\$ 4.57 billion by FY33, growing at a CAGR of 8.84%. India has also emerged as the second-largest manufacturer 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: <https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation>)

GLOBAL TEXTILE INDUSTRY

The global textiles and apparel industry represents a broad and diversified segment of the manufacturing sector, encompassing apparel, home textiles and technical textiles. The industry is expected to record steady growth in the coming years, supported by population growth, increasing disposable incomes and evolving consumer preferences across both developed and emerging markets.



The global apparel market was valued at US\$ 1.9 trillion in 2025 and is expected to grow at a CAGR of 4.1% from 2026 to 2034. Growth is driven by rising demand for casualwear and athleisure, social media trends, higher disposable incomes, and e-commerce expansion. The Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US\$ 1.2 trillion by 2030. It is the sixth-largest exporter of textiles, spanning apparel, home, and technical products. India accounts for 4.6% of global trade in textiles and apparel.

India's textile exports have reached Rs. 3 lakh crore (US\$ 35.14 billion). The target is to triple exports to Rs. 9 lakh crore (US\$ 105.42 billion) by 2030 by strengthening domestic manufacturing and expanding global reach. During FY26 (April–December 2025), India's textile and apparel exports stood at US\$ 27,312.7 million, reflecting continued export performance across more than 100 global

destinations.

(Source: *Textiles-and-Apparel-PPT-February-2026* and Ministry of textiles)

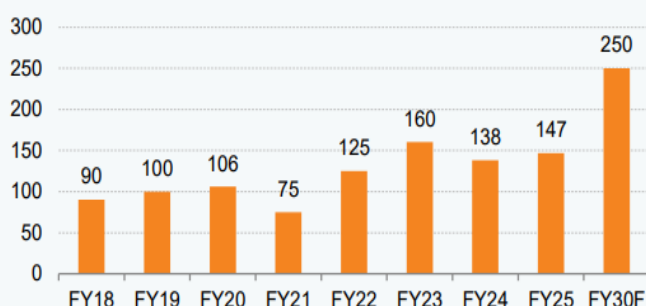
INDIAN TEXTILE INDUSTRY

India is the world's second-largest producer of textiles and garments and the third-largest exporter, covering apparel, home textiles, and technical textile products. The country holds a 4.6% share of global trade and features among the top five exporters in several categories. The industry contributes around 2% of India's GDP and about 11% of manufacturing GVA (Gross Value Added) as of February 2026. Its role in employment is also significant, with over 45 million people engaged and about 22,000 million garments produced annually. By 2030, the textile industry's share in GDP is expected to more than double, reaching close to 5%.

India is the world's largest producer of cotton. India's total production of cotton in the 2025-26 season have been estimated at 292.15 lakh bales of 170 kgs. The textiles and apparel industry contributes approximately 2% of India's GDP and about 11% of manufacturing GVA (Gross Value Added) as of February 2026. The textile industry in India is predicted to double its contribution to the GDP to approximately 5% by the end of this decade. Global fibre demand is expected to reach around 149 million tonnes in 2030, with increasing population and growth in per-capita consumption.

The India mobiltech textile market (a division of technical textiles for automotive use) is projected to grow from US\$ 2.32 billion in FY25 to US\$ 4.57 billion by FY33, at a CAGR of 8.84%. This growth is driven by rising demand for advanced materials, electric vehicles, and sustainability focus. India's home textile market is projected to grow at a CAGR of 7.08% during 2026–2031, reaching US\$ 16.76 billion by 2031 from US\$ 11.18 billion in 2025.

Domestic textile and apparel industry in India (US\$ billion)



The Indian Technical Textiles market is the fifth largest in the world. The technical textiles industry was valued at US\$ 29 billion in 2024 and is projected to grow to US\$ 45 billion by 2026, US\$ 123 billion by 2035, and US\$ 309 billion by 2047.

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 2.3 billion by 2030. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 100 billion.

During FY26 (April–December 2025), India's textile and apparel exports stood at US\$ 27,312.7 million, reflecting continued export performance across more than 100 global destinations.

(Source: Ministry of textiles)

EVOLUTION OF THE INDIAN TEXTILE SECTOR

Pre 1990s



- The first cotton textile mill of Mumbai was established in 1854.
- The first cotton mill of Ahmedabad was founded in 1861; it emerged as a rival centre to Mumbai.

1901-2000

- Number of mills increased from 178 in 1901 to 417 in 1945.
- Out of 423 textile mills of the undivided India, India received 409 after partition and the remaining 14 went to Pakistan.
- In 1999, TUFS was set up to provide easy access to capital for technological up gradation.
- TMC was launched to address issues related to low productivity and infrastructure.
- In 2000, NTP was announced for the overall development of the textile and apparel industry.

2000-2015

- SITP was implemented to facilitate setting up of textile units with appropriate support infrastructure.
- After MFA cotton prices are aligned with global prices.
- Technical textile industry will be a new growth avenue.
- Free trade agreement with ASEAN countries and proposed agreement with EU under discussion
- Restructured TUFS was launched attracting a subsidy cap of US\$ 420.65 Million.

2016 onwards

- Make in India campaign was launched to attract manufacturers and FDI.
- Technology Mission for Technical Textile has been continued.
- The Mega Integrated Textile Region and Apparel (MITRA) Park' scheme was launched to establish seven textile parks with state-of-the-art infrastructure, common utilities and R&D lab over a three-year period.

(Source: https://www.ibef.org/download/1760073006_Textiles-and-Apparel-PPT-Aug-2025.pdf)

INDIAN TEXTILE SECTOR GROWTH

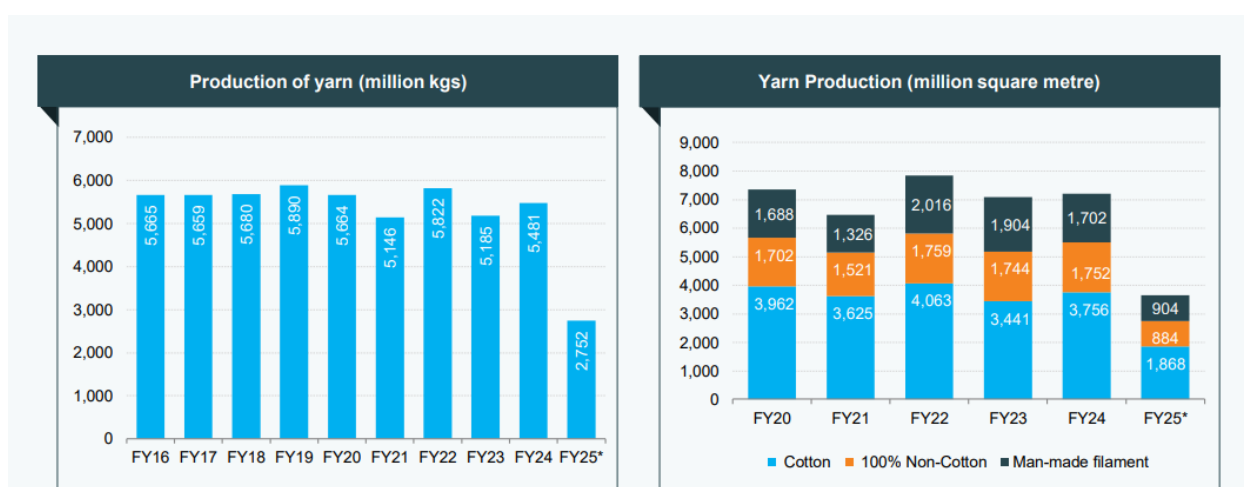
According to IMARC, the India textile market size was valued at US\$ 152.40 billion in 2025. The market is projected to reach US\$ 213.75 billion by 2034, exhibiting a CAGR of 3.83% from 2026-34. The textile industry in India is predicted to double its contribution to the GDP, rising from ~2.3% to approximately 5% by the end of this decade. ▪ In February 2026, the Government of India reiterated its focus on strengthening the textile sector through initiatives such as PM MITRA Parks, the

Cotton Mission, and technical textiles development, aimed at enhancing global competitiveness, promoting innovation, and supporting MSME-driven growth across the value chain.

Incentives under the scheme will be available for five years from 2025-26 to 2029-30 on incremental turnover achieved from 2024-25 to 2028-29. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products. The amount of Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major boost for textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products.

Cotton is the major segment in yarn and fabric

- India's cotton yarn sector is poised for substantial revenue growth, with Crisil Ratings forecasting a 7-9% increase in FY26.
- Production of yarn stood at 5,481 million kgs in FY24 and 2,752 million kgs in FY25 (April-September).
- During FY26 (April-February), India's exports of cotton yarn, fabrics, made-ups, and handloom products stood at US\$ 9.36 billion
- In FY24, the overall cotton yarn production in India rose by ~9% YoY. Yarn exports rose by 83% YoY in FY24. Share of yarn exports rose ~32% of total production in FY24 (against 19% in FY23).



(Source: IBEF Textile Industry Report February 2026)

Notable trends in the Textiles sector

1. Textile Parks

- In February 2026, PM MITRA Park in Virudhunagar, Tamil Nadu has allotted 190.44 acres of industrial land to 23 investors, unlocking investments worth Rs. 2,192 crore (US\$ 248.03 million) with a potential to generate around 15,000 jobs, indicating strong industry participation and progress in building an integrated textile value chain.
- In February 2026, Madhya Pradesh has emerged as a leading PM MITRA hub, attracting investment commitments of over Rs. 21,500 crore (US\$ 2432.81 million) and significant land allotments, reinforcing the role of mega textile parks in driving large-scale investments and employment generation.
- In February 2026, Infrastructure development across PM MITRA Parks has gained momentum, with works worth over Rs. 2,160 crore (US\$ 244.41 million) initiated by state governments and Rs. 564.72 crore (US\$ 63.90 million) already spent, strengthening connectivity and logistics for large-scale textile manufacturing clusters.

2. Incubation in apparel manufacturing

- The objective here has been to promote entrepreneurs in apparel manufacturing by providing them an integrated workspace and reducing operational and financial cost for establishing and growing a new business.

3. Technical textiles

- The central government has set a target to export Rs. 87,450 crore (US\$ 10 billion) worth of technical textiles under its National Technical Textiles Mission.
- Secretary of the Ministry of Textiles, Ms. Rachna Shah, announced that India's technical textiles market has great potential, with a notable growth rate of 10% and ranking as the 5th largest in the world.
- The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027.
- The India mobiltech textile market (a division of technical textiles for automotive use) is projected to grow from US\$ 2.32 billion in FY25 to US\$ 4.57 billion by FY33, at a CAGR of 8.84%. This growth is driven by rising demand for advanced materials, electric vehicles, and sustainability focus.

4. Promotion of Khadi

- In February 2026, The Khadi and Village Industries Commission (KVIC) continued to strengthen the Khadi sector through market linkage, brand promotion and e-commerce integration, with support extended through schemes such as MMDA, ISEC, work shed assistance and marketing support for sales outlets.
- The Khadi and Village Industries Commission (KVIC) recorded a historic turnover of Rs. 1.70 lakh crore (US\$ 19.23 billion) in FY25, reflecting the continued revival of Khadi and village industries, alongside stronger demand, employment generation, and broader rural economic activity.

5. Focus on high growth domestic markets

- On February 2026, India's domestic textile market gained traction, with import dependency in the textile and apparel sector, including readymade garments, declining by 13.9% during April–December 2025 compared with the same period last year. The Union Budget 2026–27 also placed textiles at the centre of the growth strategy, with a focus on employment generation, rural livelihoods and sustainable manufacturing.
- The Government of India has increased the basic custom duty to 20% from 10% on 501 textile products to boost Make in India and indigenous production.

KEY GROWTH DRIVERS IN THE INDIAN TEXTILE INDUSTRY

➤ Growing Demand

Rising demand in exports: India is the world's second-largest textile exporter, In FY26 (April-February 2026) the total exports of textiles and apparels (incl. handicrafts) stood at US\$ 32.63 billion, with RMG (45%), Cotton Textiles (29%), and Man-Made Textiles (15%) as key contributors.

Increasing demand in domestic market due to changing taste and preferences: Rising income has been a key determinant of domestic demand for the sector; with income rising in the rural economy as well. The upward push on demand from rising income is set to continue. India's per capita income is projected to increase to US\$ 4,000 by 2030 from US\$ 2,812.62 in 2026F. Rising industrial activity would support the growth in per capita income

➤ Policy Support

National Textile Policy – 2000

- Key areas of focus include technological upgrades, enhancement of productivity, product diversification and financing arrangements.
- New draft for this policy ensures that 35 million people get employment by attracting foreign investment. It also focuses on establishing a modern apparel garment manufacturing centre in every state in the Northeast for which the Government has invested an amount of US\$ 3.27 million.

SAATHI Scheme

- The Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd. (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

FDI

- Foreign direct investment (FDI) of up to 100% is allowed in the textile sector through the automatic route.
- Total FDI inflows in the textiles (including Dyed, printed) sector stood at Rs. 33,002.77 crore (US\$ 5,017.15 million) between April 2000- December 2025.

Merchandise Exports from India Scheme

- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of textiles Industry - readymade garments and made-ups - from 2% to 4%.

SAMARTH

- The SAMARTH scheme continues to play a key role in bridging skill gaps in India's textile sector, with the government emphasizing industry-aligned training, mandatory placement targets, and inclusion of traditional sectors such as handloom and handicrafts. The scheme also supports self-employment and entrepreneurship, particularly among women and rural workers, reinforcing its focus on inclusive growth and workforce formalization, as highlighted by the Ministry of Textiles in recent parliamentary updates.

Weavers MUDRA Scheme

- To support the handloom weavers/weaver entrepreneurs, the Weavers MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 127.72) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

➤ Investment and Key Development

The textile sector has witnessed a spurt in investment during the last five years. The textile sector in India is eligible for 100% foreign direct investment (FDI). Total FDI inflows in the textiles sector stood at Rs. 33,002.77 crore (US\$ 5,017.15 million) between April 2000-December 2025.

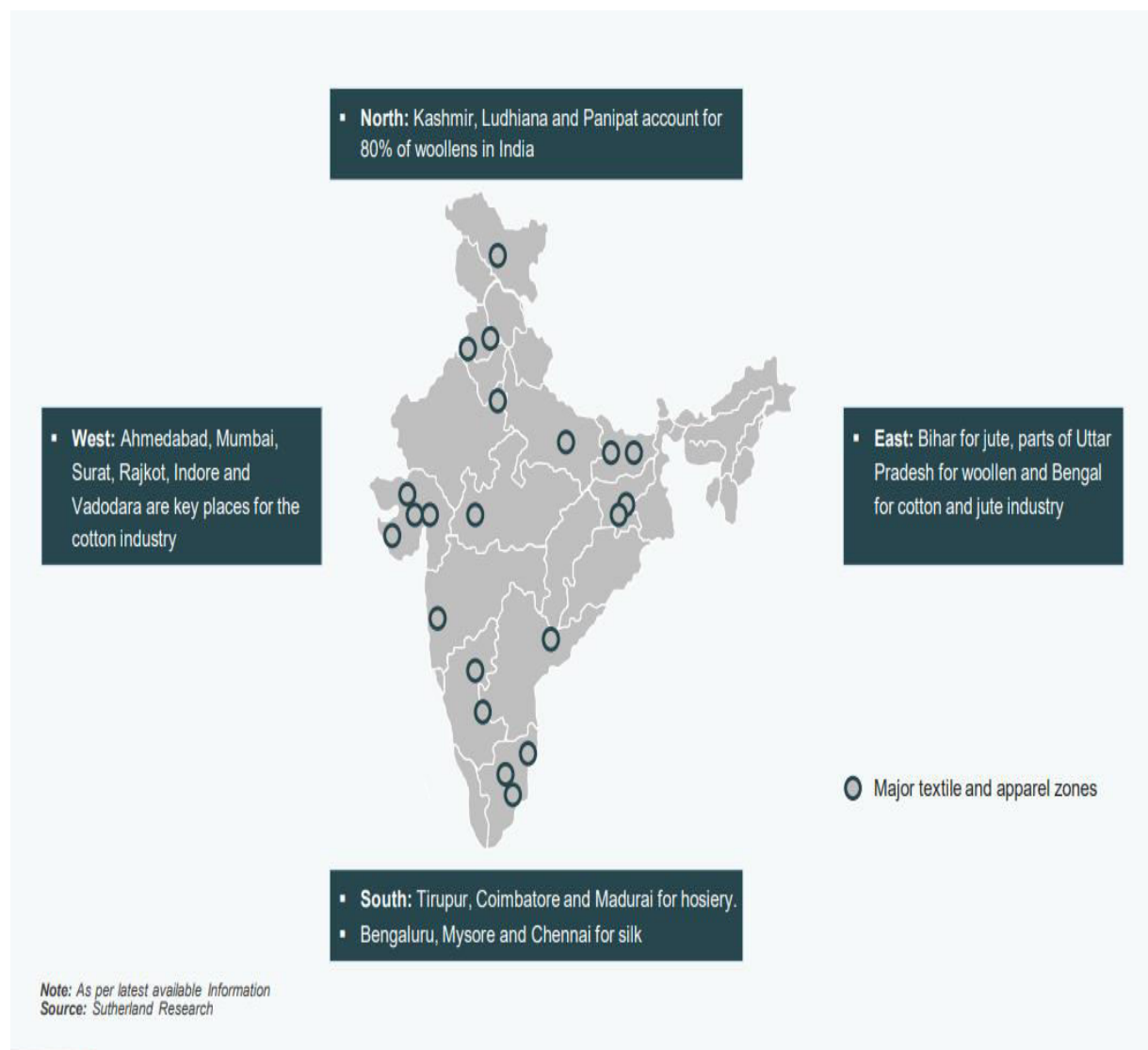
- The India-UK FTA, offers duty-free access to 99% of goods, boosting India's competitiveness. It is expected to benefit labor-intensive sectors like home textiles, which currently face a 12% UK tariff. India could double its home textiles market share in the UK within three years. Last year, India exported US\$ 1.2 billion in garments, ranking among the top four suppliers to the UK.
- Union Minister of Commerce and Industry, Mr. Piyush Goyal, emphasised that the India-United Kingdom (UK) Free Trade Agreement (FTA) opens transformative opportunities for well-established sectors of India such as textiles, leather, and footwear sectors, enhancing competitiveness and visibility in the UK market.
- The Indian Council of Agricultural Research (ICAR)–Central Institute for Cotton Research (CICR) is implementing a special cotton project under the National Food Security and Nutrition Mission across eight major cotton-growing states, with an outlay of Rs. 6,032.35 lakh (US\$ 6.83 million) allocated for FY25–26 to promote best practices and enhance cotton productivity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour- intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.

- In February 2026, the Government of India reiterated its focus on strengthening the textile sector through initiatives such as PM MITRA Parks, the Cotton Mission, and technical textiles development, aimed at enhancing global competitiveness, promoting innovation, and supporting MSME-driven growth across the value chain.

➤ **Government Incentives**

- A tripartite Memorandum of Understanding (MoU) was signed by the Textiles Committee under the Ministry of Textiles, the Government e Marketplace (GeM) under the Ministry of Commerce and Industry, and the Standing Conference of Public Enterprises (SCOPE) to promote upcycled products made from textile waste and scrap.
- Under the National Technical Textile Mission (NTTM), 74 research projects for specialty fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved.
- The Central government aims to achieve Rs. 86,680 crore (US\$ 10 billion) in technical textile exports under the National Technical Textiles Mission, launched in FY21 and extended until FY26 with a financial outlay of Rs. 1,480 crore (US\$ 170.74 million). India's technical textile exports range between Rs. 17,336 crore (US\$ 2 billion) and Rs. 26,004 crore (US\$ 3 billion).
- For the export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.

KEY TEXTILES AND APPAREL ZONES IN INDIA



Textile SEZs in India

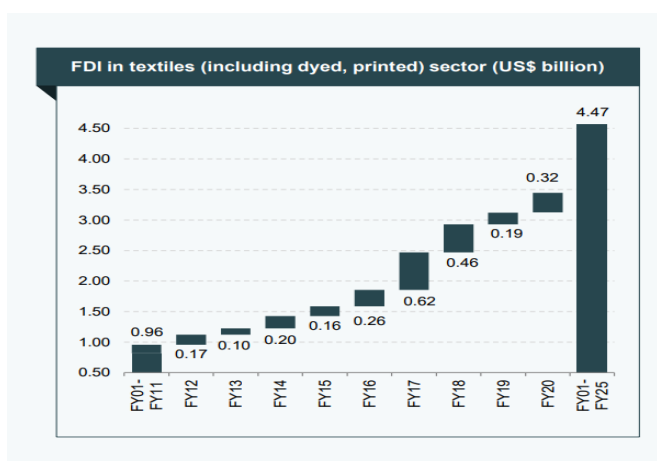
As of March 2025, India has significantly expanded its Special Economic Zones (SEZs), with a total of 276 operational SEZs across various sectors, including textiles, apparel, and wool.

Name of SEZ and status	State	Area(Hectares)	Sector	Details
IG3 Infra Ltd SEZ (Functional)	Tamil Nadu	50.12	Textiles	Located in Erode, supports textile processing and export-oriented manufacturing infrastructure.
KIADB Textile SEZ (Functional)	Karnataka	191.99	Textiles	Developed by Karnataka Industrial Areas Development Board, supporting textile manufacturing clusters and export activities.
Mahindra City SEZ(Functional)	Tamil Nadu	607.1	Apparel and fashion Accessories	Mahindra City is India's first integrated business city, divided into business and lifestyle zones. It is a cluster of 3 sector specific SEZs in Tamil Nadu, for apparels and fashion accessories; IT and hardware; and auto ancillary. The business zone provides plug-n-play working spaces. This zone comprises a SEZ (primarily for exporters) and Domestic Tariff Area (DTA) for companies targeting domestic market.
Surat Apparel Park(Functional)	Gujarat	56.0	Textiles	Key industrial units include Safari Exports, Venus Garments, Benchmark Clothings, P. K. International, Tormal Prints, J.R. Fashion and Ganga Export.
Brandix India Apparel City (BIAC) (Functional)	Andhra Pradesh	404.7	Textiles	BIAC is an integrated apparel supply chain city, managed by Brandix Lanka Ltd. It aims to be a end-to-end apparel solution provider.
(KIADB) (Functional)	Karnataka	16,129.0	Several Sectors	Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state.

Note SEZ: Special Economic Zone
(Source: SEZ India, Invest.com)

FOREIGN INVESTMENT FLOWING INTO THE SECTOR

- 100% FDI is permitted in the sector. Total FDI inflows in the textiles (including Dyed, printed) sector stood at Rs. 33,002.77 crore (US\$ 5,017.15 million) between April 2000-December 2025.
- The textiles industry in India is experiencing a significant increase in collaboration between global majors and domestic companies.
- International apparel giants like Hugo Boss, Liz Claiborne, Diesel and Kanz have already started operations in India.
(Source: Ministry of Commerce and Industry, DPIIT)



OPPORTUNITIES IN TEXTILE INDUSTRY

1. Immense Growth Potential

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The textile and apparel industry is expected to grow to US\$ 190 billion by FY26.

2. Foreign investments

- The Government is taking initiatives to attract foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

3. Union Budget 2025-26

- The Textile Ministry's allocation increased marginally, rising from Rs. 5,272 crore (US\$ 623.46 million) in 2025–26 to Rs. 5,279.01 crore (US\$ 597.34 million) in 2026–27, indicating continued government support toward strengthening the textile sector and sustaining growth momentum.
- An Integrated Programme for the Textile Sector has been introduced, comprising components such as the National Fibre Scheme, Textile Expansion and Employment Scheme, initiatives for handloom and handicrafts, sustainability (Tex-Eco), and Samarth 2.0, aimed at improving productivity, employment generation, and competitiveness.
- The budget allocates Rs. 256 crore (US\$ 28.97 million) for the National Technical Textiles Mission to promote innovation and indigenous development of technical textiles.
- The budget allocates Rs. 405 crore (US\$ 45.83 million) for the Production-Linked Incentive (PLI) Scheme to boost large-scale manufacturing and exports in MMF and technical textiles.

4. Centers of Excellence (CoE) for research and technical training

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.

- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centres and support for the development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities

ROAD AHEAD

The future of India's textiles industry looks promising, supported by rising domestic demand, growing exports, and policy interventions that are strengthening competitiveness. The sector, which already contributes around 2% to GDP and employs over 45 million people, is expected to see its share in the economy nearly double by the end of the decade.

Technical textiles will play a pivotal role in this growth. The segment, valued at US\$ 29 billion in FY24, is projected to expand rapidly, reaching US\$ 45 billion by 2026 and continuing on a strong trajectory thereafter. Within this, mobiltech textiles for automotive use are expected to nearly double from US\$ 2.32 billion in FY25 to US\$ 4.57 billion by FY33, driven by the rise of electric vehicles and demand for advanced materials.

Sustainability and innovation are emerging as defining themes for the industry. Companies are increasingly adopting eco-friendly processes and recyclable fibers to align with global trends, while government schemes like MITRA Parks and support for integrated textile hubs are encouraging value addition and modernization.

With household incomes rising, urbanization expanding, and demand from sectors like housing, healthcare, and hospitality growing steadily, India's textile and apparel market is projected to reach US\$ 350 billion by 2030. This positions India not only to strengthen its domestic market but also to expand its global footprint in textiles and apparel.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.

We have, in this Draft Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

Unless the context otherwise requires, in this section, references to “we”, “us” or “our” refers to our Company. Unless the context otherwise requires, references to our “Company” refers to Kumar Cotton Mills Ltd. All financial information included herein is based on our “Financial Information of the Company” included on page 178 of this Draft Red Herring Prospectus.

OVERVIEW

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.

Details of our revenue under the aforesaid business models are set out below:

Particulars	Apr 25- Dec 25	% of revenue from operations	F.Y. 2024-25	% of revenue from operations	F.Y. 2023- 24	% of revenue from operations	F.Y. 2022- 23	% of revenue from operations
	Consolidated		Standalone		Standalone		Standalone	
Business Activities:								
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%

Our product portfolio comprises woven and knitted fabrics of different fiber compositions and end-use applications. Based on fiber composition, the fabrics processed by us include 100% cotton, cotton-Lycra, cotton blends, polyester blends, polyester-viscose and rayon-based fabrics. Based on their intended application, such fabrics include suiting, shirting and fabrics used in women's apparel, hosiery, nightwear and other garments. These processed fabrics are subsequently used by our customers for manufacturing garments and other textile products through downstream activities such as cutting, stitching and finishing.

In addition to fabric processing and the sale of processed fabrics, we undertake the sale of sized yarn used in weaving operations and textile-processing chemicals. The sized yarn is processed in-house, and the chemicals are blended in-house to meet the requirements of our dyeing and printing processes. Revenue from the sale of sized yarn and chemicals amounted to ₹ 652.34 lakhs, ₹ 3 380.52 lakhs, ₹ 2,850.19 lakhs and ₹ 902.01 lakhs, representing 2.60%, 13.60%, 11.90% and 3.89% of our revenue from operations on standalone basis during FY 2022-23, FY 2023-24, FY 2024-25 and on consolidated basis during nine-month period ended December 31, 2025, respectively.

A significant portion of our revenue is derived from customers located in Gujarat. Revenue from customers located in Gujarat amounted to ₹ 21,260.65 lakhs, ₹ 20,969.36 lakhs, ₹ 21,997.76 lakhs and ₹ 18,927.71 lakhs, representing 84.54%, 84.30%, 91.80% and 81.57% of our revenue from operations on standalone basis during FY 2022-23, FY 2023-24, FY 2024-25 and on consolidated basis during nine-month period ended December 31, 2025, respectively. Our registered office and manufacturing facility are also situated in Gujarat. This geographic concentration exposes us to risks arising from economic, competitive, regulatory and other developments affecting the State of Gujarat. For further details, see "Risk Factors – **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.** on page 21.

We undertake our fabric processing activities at our manufacturing facility situated at Survey Nos. 108/1, 109/7 and 109/8, Village Sim, Taluka Narol, District Ahmedabad, Gujarat. The facility is owned by our Company and is situated on land admeasuring approximately square meters, with a built-up area of approximately 16,087 square meters. It houses machinery and equipment used for bleaching, dyeing, printing, finishing, inspection, packaging and dispatch of fabrics. For details of our principal machinery, installed capacity, actual production and capacity utilisation, see "**Plant and Machinery**" and "**Installed Capacity and Capacity Utilisation**" on pages [●] and 135 respectively. Our manufacturing facility is certified under ISO 9001:2015 for its quality management system.

We have an in-house laboratory for carrying out quality checks at different stages of the fabric-processing cycle. Our quality-control procedures include inspection of incoming fabric and chemicals, process-stage checks and inspection of processed fabrics prior to dispatch. Based on the testing equipment available at our laboratory, we test parameters such as color fastness to washing, color fastness to rubbing, shrinkage, pH value, GSM, fabric width, shade consistency and other parameters tested.

Our logistics requirements are managed through a combination of owned vehicles and third-party transporters. As of December 31, 2025, we have four in-house trucks used for the transportation of processed fabrics and other products. We also engage local and third-party transporters depending on the delivery location, consignment volume and delivery schedule. The responsibility for freight and transportation is determined in accordance with the terms agreed with the relevant customer.

Our Company is promoted by Mr. Rajendra Prasad Ramkumar Agarwal, Mr. Ajay Agarwal and Mr. Kumar Rajendra Prasad Agarwal. Our Promoters and Directors have experience in the textile and fabric-processing industry. Mr. Rajendra Prasad Ramkumar Agarwal, our Chairman and Managing Director, has over 47 years of experience in the textile industry and is responsible for the overall strategy, operations and business development of our Company. Mr. Ajay Agarwal, our Whole-Time-Director has over 36 years of experience in textile industry and is responsible for business development activities. Mr. Kumar Rajendra Prasad Agarwal, our Non-Executive director, has over 18 years of experience in textile industry and is responsible for reviewing business strategies, participating in policy-level discussions, monitoring corporate governance and compliance matters and providing inputs on business planning, operational performance and strategic matters of our Company. Our Board is supported by our senior management personnel and other employees involved in production, quality control, procurement, sales, finance and administration.

KEY PERFORMANCE INDICATORS OF OUR COMPANY

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr-25 to Dec-25*	FY 2024-25	FY 2023-24	FY 2022-23
	(Consolidated)	(Standalone)	(Standalone)	(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.

OUR COMPETITIVE STRENGTHS

Business model comprising job work processing and own-account processing

We undertake fabric processing through two principal business models: job work processing and own-account processing and sale of fabrics. Under the job work model, customers provide grey or unfinished fabric to us, and we undertake bleaching, dyeing, printing, finishing and other processing activities in accordance with their requirements. Revenue under this model is derived from processing charges.

Under the own-account processing and sale 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.

The presence of these two business models enables us to serve customers seeking fabric-processing services as well as customers seeking processed fabrics. The job work model generally involves customer-owned fabric, while the own-account model requires us to procure and hold fabric inventory.

The following table sets forth a break-up of our revenue from operations by business activity for the periods indicated:

(₹ in lakhs, except percentages)

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	
Business Activities:								

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.

We undertake fabric-processing activities at our manufacturing facility situated at Narol, Ahmedabad, Gujarat. Our processing capabilities include bleaching, dyeing, printing and finishing of woven and knitted fabrics. The facility is equipped with plant and machinery used across different stages of processing, together with facilities for inspection, quality control, packaging and dispatch.

We process fabrics of different compositions, including cotton, cotton-Lycra, cotton blends, polyester blends, polyester-viscose and rayon-based fabrics. Based on customer specifications, we undertake processing for different colour shades, prints, finishes, dimensions and other quality parameters.

Our ability to undertake multiple fabric-processing stages at the same facility enables us to coordinate production planning and quality checks across the processing cycle. For details of our principal machinery, installed capacity, actual production and capacity utilization, see “Our Business – Plant and Machinery” and “Our Business – Capacity and Capacity Utilisation” on pages 133 and 135 respectively.

Experienced Promoters and management team

Our Company is promoted by Mr. Rajendra Prasad Ramkumar Agarwal, Mr. Ajay Agarwal and Mr. Kumar Rajendra Prasad Agarwal, who have experience in the textile and fabric-processing industry.

Mr. Rajendra Prasad Ramkumar Agarwal, our Chairman and Managing Director, has over 47 years of experience in the textile industry and is responsible for the overall strategy, operations and business development of our Company. Mr. Ajay Agarwal, our Whole -Time-Director, has over 36 years of experience in textile industry and is responsible for business development activities. Mr. Kumar Rajendra Prasad Agarwal, our Non-Executive director, has over 18 years of experience in textile industry and is responsible for reviewing business strategies, participating in policy-level discussions, monitoring corporate governance and compliance matters and providing inputs on business planning, operational performance and strategic matters of our Company.

Our Promoters are supported by our senior management personnel and employees involved in production, procurement, quality control, sales, finance and administration. Their industry experience and involvement in our operations assist us in managing our processing activities, customer requirements and procurement arrangements. For further details regarding the experience and qualifications of our Directors and senior management personnel, see “Our Management” on page 157.

In-house quality-control and testing facilities

We maintain an in-house laboratory and quality-control procedures at our manufacturing facility. Quality checks are undertaken at applicable stages of the fabric-processing cycle, including inspection of incoming fabric and chemicals, process-stage checks and inspection of processed fabrics prior to dispatch. Based on the testing equipment available at our laboratory, we undertake tests relating to colour fastness, shrinkage, GSM, pH, rubbing fastness and shade consistency. The nature and frequency of testing vary depending on the type of fabric, processing activity and customer specifications. These procedures assist us in monitoring processing parameters and assessing whether the processed fabrics conform to specified requirements before dispatch.

OUR BUSINESS STRATEGIES

Backward Integration through installation of spinning facility

We currently undertake fabric processing operations at our manufacturing facility situated at Survey No. 108/1 and Survey Nos. 109/7 and 109/8, Village Sim, Taluka Narol, Ahmedabad, Gujarat. As part of our business strategy, we propose to establish a new manufacturing facility at Block No. 336 (Old Block No. 59), admeasuring 66,976 square metres, situated at Mouje Miroli, Taluka Dascroi, Sub-District Ahmedabad-II, Gujarat to commence spinning operations for the manufacture of cotton open-end yarn.

The proposed facility is envisaged to have an installed production capacity of approximately 5.00 tonnes per day ("TPD"), equivalent to approximately 1,825 metric tonnes per annum, for the manufacture of cotton open-end yarn of average count 16 Ne. (Source: Chartered Engineer Report dated June 25, 2026, issued by Rajul Garg, Chartered Engineer, Garg and Associates).

The proposed spinning facility is intended to provide backward integration by enabling us to manufacture cotton open-end yarn, a key raw material used in our operations. The facility is expected to support the Group's weaving operations by facilitating the availability of yarn for manufacturing requirements and may reduce dependence on third-party suppliers for a portion of our yarn procurement. For further details, please refer to the section titled ***"Objects of the Issue – Funding of capital expenditure towards setting up of new manufacturing facility"*** on page 85 of this Draft Red Herring Prospectus.

Expanding footprints across diverse geographies

At present, a majority of our customer base is concentrated in Gujarat. We intend to cater to the increasing demand of our existing customers and to develop new customer base by supplying our products domestically. Going forward, we intend to strengthen our sales presence and expand our market penetration in the northern region of India.

The following table sets forth the bifurcation of revenue (geography-wise) for the Period ended December 2025, fiscal years 2025, 2024 and 2023.

<i>(in lakhs)</i>								
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%

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.

Improving Operational Efficiency and Cost Competitiveness

Our Company seeks to improve operational efficiency and manage costs through backward integration, process planning and cost control measures. The proposed spinning division for yarn manufacturing is intended to reduce dependence on third-party suppliers for yarn and provide greater control over availability and input costs. We also focus on efficient utilisation of resources, reduction of process wastage and maintaining production consistency through the use of automated and semi-automated systems.

Further, the proposed capacity expansion may support cost efficiencies through better allocation of fixed costs over higher production volumes. We also undertake procurement planning, inventory monitoring and quality control measures with the objective of reducing rejections, wastage and related costs.

OUR MANUFACTURING FACILITY



Survey No. 108/1 and Survey Nos. 109/7 and 109/8, Village Sim, Taluka Narol, Ahmedabad, Gujarat



Plot No – 680,681, 683 Opp, Jaganath Industrial Park, Paldi- kankaj, Dascroi, Bareja, Ahmedabad, Gujarat-

OUR PRODUCTS OFFERINGS

Sr. No	Product name	Usage	Pictures of Product
1.	Suiting Fabric	Suiting Fabric is a woven fabric used in the manufacturing of garments such as suits, trousers, blazers, uniforms and other formal wear. This Fabric is available in different varieties such as cotton by cotton, cotton by Lycra, Cotton By Polyester, cotton by PV, ACRU which is used in manufacturing of Pants and Capries.	

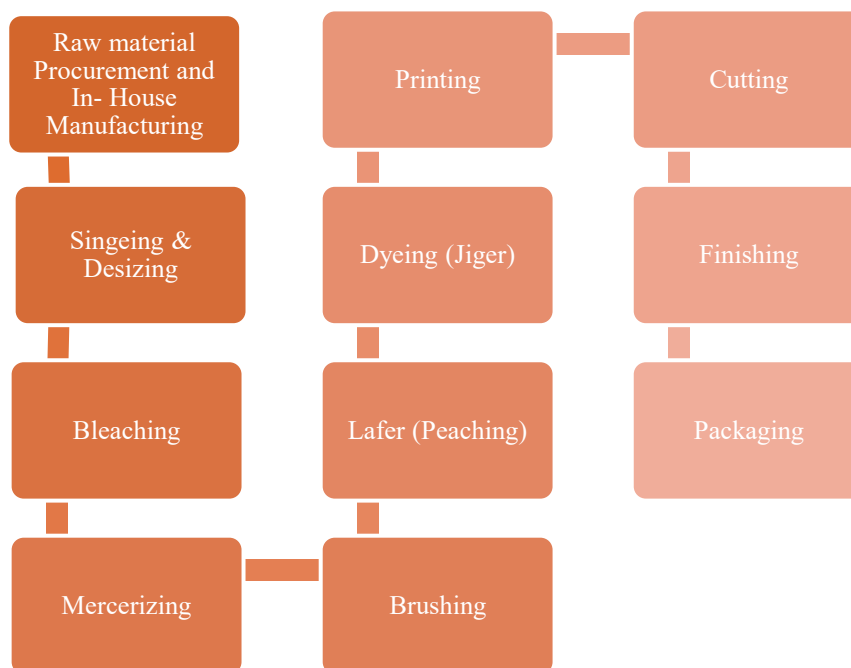
2.	Shirting Fabric	Shirting fabric is a textile fabric used primarily for making shirts and similar garments, and may be made from cotton, synthetic, blended or other yarns, depending on the required quality, finish and end-use. The Fabric is available in different varieties such as Poplin, 30*30 tusser, Micro*Micro, PV x PV, PV x PV Lycra, which are used for making shirts and Men's Kurtis.	
3.	Hosiery Fabric	Hosiery Fabric is used in Manufacturing of T-shirts and Inner- wear. It is characterized by its stretchability, softness, and comfort. It is available in different varieties such as Cotton , PV, PC and Knitted Hosiery.	
4.	Grey Fabric	Grey Fabric refers to as the unfinished fabric produced directly from the weaving process that has not undergone further processing. It serves as the base material for subsequent processing and finishing operations	

5	Sized Yarn	Sized yarn refers to as the normal yarn undergoes to a sizing process, wherein a protective coating of sizing materials is applied to enhance its strength, abrasion resistance and weaving performance. The resultant product, known as Sized Yarn, is used in the manufacture of woven fabrics or sold as a separate product.	

OUR PROCESSING SERVICES

The Company undertakes processing of grey fabric into finished fabric through a sequence of preparatory, dyeing/printing and finishing operations.

Process Flow of Processing of Fabrics



Grey Fabric procurement and preparation: Our manufacturing process commences with (i) the procurement of grey fabric from third-party suppliers; or (ii) using grey fabric manufactured in-house, which are subsequently undergoes inspection for defects and shade variation, followed by folding/rolling. The raw materials are primarily procured from local suppliers based out of Gujarat. Materials are received in different forms i.e. either in bale packing or roll packing which are analyzed and checked for satisfying the quality and quantity of raw material.

Raw materials procurement is done also in job works which is supplied by the different customers for further processing on job work basis, so according to the requirements of job work supporting material also procured.

Singeing & Desizing : Singeing is the process where Protruding surface fibers, loose threads and Fuzz present on the grey fabric, the grey cloth requires Singeing and Scouring before being sent for further processing. Afterwards the fabrics undergoes for desizing, there the fabric is treated with hot water and chemicals or enzyme solutions so that the size dissolves or breaks down. The fabric is then washed to remove the dissolved size and residues. This step is done to allow proper scouring, bleaching, dyeing or printing in later stages.

Bleaching: Bleaching is a process carried out to remove the natural coloring matter and impurities present in grey fabric. Fibers generally have an off-white or yellowish appearance due to the presence of natural color bodies and other impurities. Since the level of such color may vary from batch to batch, bleaching helps in obtaining a cleaner, brighter and more uniform fabric base suitable for further processing.

During the bleaching process, the fabric is treated with bleaching agents and other chemicals which helps in improving the whiteness of the material. A uniform white or off-white base fabric also helps in achieving better and more consistent dyeing results, particularly for light and medium shades.

The bleaching and boiling operations are generally carried out on a Continuous Bleaching Range (“CBR”) machine, which helps in achieving uniform processing and consistent fabric quality. Bleaching may be carried out separately or along with other preparatory processes such as desizing and scouring, depending on the processing requirements.

Mercerizing: Mercerization is a chemical treatment applied to fabrics to improve their appearance and performance characteristics. In this process, the fabric is treated with a concentrated caustic soda solution, generally while maintaining the fabric under tension. The treatment causes the fibers to swell, which enhances the luster, strength, smoothness and absorbency of the fabric.

During the process, the fabric is impregnated with the caustic solution and stretched to maintain dimensional stability. Thereafter, the fabric is thoroughly washed and neutralized to remove residual chemicals. Mercerizing also improves the fabric’s affinity for dyes and chemicals, resulting in better dye absorption, improved color appearance and more uniform dyeing or printing results.

Brushing: Brushing is a surface finishing process carried out to remove loose fibers, lint and surface irregularities from the fabric and to improve the smoothness and uniform appearance of the material. In case of suiting and shirting fabrics, the bleached or processed woven fabric may undergo brushing through pitch machines, wherein the fabric surface is mechanically brushed prior to dyeing, printing or finishing operations. This process helps in enhancing the overall surface quality and appearance of woven fabrics used for suiting and shirting applications.

Lafer (Peaching): Lafer or peaching is a finishing process carried out to impart a soft, peach-like texture to the fabric surface and to improve the hand feel and aesthetic appearance of the material. In case of hosiery and knitted fabrics, the processed fabric may undergo peaching treatment using emery rollers under controlled conditions. This process creates a soft and smooth surface finish, making the fabric suitable for garments, nightwear and other comfort-based apparel applications.

Dyeing: The dyeing process involves the application of dyes, auxiliaries and chemicals to pre-treated fabric to achieve the required shade and color characteristics as per customer specifications and end-use requirements. Scoured and/or bleached fabric is converted into rolls to dye the fabric as per end use and to impart desired coloration (shades). The fabric is processed through machines such as hydraulic jiggers, jet dyeing machines and soft flow machines under controlled conditions for dye penetration and color fixation.

Drying: The drying process involves the removal of moisture from dyed, washed or chemically treated fabric through controlled heating operations to prepare the fabric for subsequent processing stages. During the process, the fabric is passed through drying machines and chambers to achieve the required moisture level, fabric stability and process consistency. The process may also involve controlled shrinking operations to minimize abnormal shrinkage after repeated washes and to maintain the dimensional stability of the fabric prior to finishing operations.

Printing (where applicable): The printing process involves the application of coloured designs and patterns onto suiting, shirting, women’s apparel and knitted fabrics using rotary printing screens and specialized printing machines. The process is undertaken to impart various types of designs, patterns and colour combinations on the fabric surface as per customer specifications and market requirements.

During the process, printing paste comprising dyes, pigments, chemicals and auxiliaries is applied onto the fabric through rotary screens in a continuous manner to ensure uniform design reproduction and color consistency. After printing, the fabric undergoes color fixation and washing processes before being forwarded for finishing operations.

Color Fixation: The color fixation process involves subjecting the printed fabric to controlled heat and steam treatment through polymerisers, high temperature loop steamers or continuous steamers, depending upon the class of dye used for printing. The process enables permanent fixation of printed colors and patterns onto the fabric surface to achieve the required color fastness and print stability prior to further washing, drying and finishing operations.

Drying and Washing: The washing process involves the removal of unfixed dyes, chemicals, pigments and other impurities from the fabric surface during various stages of fabric processing, including dyeing and printing operations. During the printing stage, washing performs a finishing action.

Finishing: The finishing process is undertaken to enhance the appearance, texture, dimensional stability and functional properties of the fabric as per customer specifications and end-use requirements. The processed fabric is subjected to various mechanical and chemical finishing operations prior to dispatch.

The fabric is processed through stenter machines for width setting, drying and dimensional stability, calendar machines for surface finishing and appearance enhancement, and zero-zero machines for shrinkage control and dimensional stability. Depending on customer requirements, finishing chemicals and softeners may also be applied to achieve the desired hand feel, texture and overall fabric appearance.

Packaging and Dispatch: Finished fabric is sent for checking and packaging department for quality inspection and packaging. The finished fabrics are packed based on customer requirements. Packaging is carried out in roll form or book-fold form using roll packing and book-fold packing systems. Thereafter, the packaged fabric is labelled and dispatched to customers through transportation and logistics arrangements.

PLANT & MACHINERY

Our manufacturing facilities are fitted with plant and machinery owned by the Company. Details of the machineries installed at the manufacturing facility are set out below:

Unit I: 108, Near Saraniya Vas, Opp. Shyam Factory, Narolgam, Ahmedabad, Gujarat.

Sr. No	Name of Machines	No of Count	Usage of machine
1	Ager Machine	1	Used for post-treatment of printed fabrics, particularly for fixing dyes, through a continuous steaming process.
2	Air jet Looms	23	Used for weaving yarn into grey fabric. In air jet looms, yarn is interlaced using high-speed air pressure, enabling faster production of woven grey fabric.
3	Air Cooled Stabilizer	1	Used to regulate voltage supply to textile machinery. It protects machines such as looms, dyeing machines, printing machines and processing equipment from voltage fluctuations.
4	Batching Machine	3	Used for preparing and arranging fabric in batches before further processing. It helps maintain continuous and uniform feeding of fabric into processing machines.
5	Steam Boiler	1	Used to generate steam required in textile processing operations. Steam is an important utility for heat-based fabric processing.
6	Chemical Plant machine	1	purpose is to transform raw materials into desired chemical products through controlled chemical reactions and processes, operating on an industrial scale.
7	Compressor	2	Used to generate compressed air for operating air jet looms and various pneumatic systems deployed in textile processing operations. Compressed air is also utilized for machine controls, fabric handling and other utility requirements within the manufacturing facility.
8	Continuous Bleaching Range	1	Used for continuous bleaching of fabric through stages such as chemical impregnation, steaming, washing, neutralisation and drying. It removes impurities and improves fabric whiteness, thereby preparing the fabric for subsequent dyeing, printing or finishing processes.
9	Cutting & Gumming Machine	1	Used to open tubular knitted or hosiery fabric, apply adhesive to the edges to prevent curling, and then slit the fabric, ensuring a neat and uniform shape.
10	Calendar Machine	1	Used to smooth, flatten, and enhance fabric surfaces, improving appearance, density, and sometimes creating special effects like gloss or embossing.

11	Dryer Machine	5	Dryer machines are used to remove moisture from fabric after wet processing activities such as bleaching, dyeing, washing or printing. Drying helps prepare the fabric for further finishing, inspection, folding or dispatch.
12	Drying range Machine	3	Used for continuous drying of fabric in open-width form after wet processes such as dyeing, printing, bleaching or washing. It removes moisture from the fabric and prepares it for subsequent processes such as stentering, heat-setting, finishing, folding or rolling.
13	Dyeing Machine	8	Used for imparting colour to fabric using dyes and chemicals. It is part of the fabric processing operations undertaken by the Company on job work basis and/or for own processed fabric.
14	Effluent Treatment Plant	1	Used for treatment of wastewater generated from dyeing, bleaching, washing, printing and other wet processing activities. It supports compliance with environmental norms applicable to textile processing units.
15	Fabric Dyeing Machine	4	Fabric dyeing machines are used for imparting colour to fabrics as per customer specifications or market requirements. The process ensures uniform shade, colour penetration and consistency across the fabric lot.
16	Flat Bed Printing Machine	1	Flat bed printing machines are used for printing designs, patterns and colours on fabric. The fabric is laid flat and printed using screens, making it suitable for producing printed suiting, shirting, dress material and other textile fabrics.
17	Folding Machine	1	Used for folding fabric in a uniform manner after finishing and inspection. It facilitates measurement, packing, storage and dispatch of finished processed fabric.
18	Lafer Peaching Machine	1	The Lafer peaching machine is used for surface treatment of fabric to create a soft, smooth and suede-like feel. It works by lightly raising or brushing the fabric surface, thereby improving the touch, appearance and finish of the fabric. This process is generally used where a soft hand-feel or premium surface finish is required.
19	Mercerizing Machine	3	Used to treat cotton and other cellulosic fabrics with a caustic soda solution under controlled tension to improve strength, dye affinity, dimensional stability, and luster, while reducing shrinkage and enhancing fabric appearance.
20	Rolling Machine	1	Used for winding processed / finished fabric into rolls after completion of processing, finishing and inspection activities. The process facilitates measurement, handling, storage, packing and dispatch of fabric in roll form.
21	Rotary Screen Printing Machine	4	Used for high-speed, continuous printing of designs onto fabrics, enabling mass production of printed textiles with vibrant colours and consistent quality.
22	Singeing Machine	1	Used to minimizes friction between the warp yarns and the other parts of the loom, which helps prevent damage and improves the quality of the woven fabric.
23	Sizing Machine	1	Used to apply a protective coating, such as starch or synthetic sizing agents, on warp yarns before weaving. This improves yarn strength, reduces friction and breakage during weaving, and supports smooth loom operations and better fabric quality.
24	Steam Turbine	8	Used for generation or recovery of power from steam, depending on the plant configuration. It supports the Company's utility infrastructure in energy-intensive textile processing operations.
25	Stenter Machine	6	Used for fabric finishing, width-setting, heat-setting, drying and application of finishing chemicals. It helps control fabric width, dimensional stability, texture and final finish.
26	Oil Boiler	1	Used to generate heat through thermic fluid, which is circulated to various textile processing machines.
27	Warping Machine	1	Used in the preparatory stage of weaving to wind multiple yarn ends from individual packages onto a warp beam in a parallel and uniform manner with consistent tension
28	Zero Machine	2	Used for uniformly applying finishes or treatment chemicals to fabric during the finishing process.
	Total	87	

Lab Testing Machineries and Equipment's:

Sr. No	Particulars	No of Count	Usage
1	Crock Meter	1	Used to test the colour fastness of fabrics to dry and wet rubbing by measuring the transfer of colour from the fabric to a standard test cloth.
2	Roto Dyeing	1	Used for laboratory dyeing of fabric samples to develop, test, and achieve uniform dye penetration with gentle fabric handling for finished fabric.
3	Laboratory Oven	1	Used for Drying Samples Moisture Determination , heat setting, curing of finishes and quality testing under controlled temperature conditions.
4	Tumbler Dryer	1	Used in textile testing to dry washed samples and evaluate shrinkage, appearance and performance under controlled conditions.
5	HT/ST Beaker Dyeing	1	Used in textile laboratories for sample dyeing of fabric at controlled temperature and pressure mainly for shade matching and process development.
6	Bomb Calorimeter	1	Used to measure the calorific value of textile fibers and fabrics

Aariav Enterprises: Plot No – 680,681, 683 Opp, Jaganath Industrial Park, Paldi- kankaj, Dascroi, Bareja, Ahmedabad, Gujarat-382425

Sr. No	Particulars	No of Count	Usage of the Machines
1	Air jet Looms	48	Used for weaving yarn into fabric by employing compressed air to insert the weft yarn through the warp shed. These machines facilitate high-speed and efficient production of woven fabrics.
2	Section Warping Machine	1	Used to prepare warp beams by winding a predetermined number of yarn ends in separate sections, ensuring uniform yarn arrangement for the weaving process.
3	Folding & Inspection Machine	1	Used for inspecting finished fabrics for defects, measuring fabric quality, and folding the fabrics into prescribed lengths for dispatch or further processing.
4	Air Compressor	2	Used to generate compressed air required for operating airjet looms and other pneumatic equipment within the manufacturing facility.
5	Air Dryer	2	Used to remove moisture from compressed air or processed materials, thereby ensuring efficient machine performance and maintaining product quality.
6	Air Receiving Tank	1	Used to store compressed air and maintain a stable air pressure supply to the production machinery, particularly the airjet looms.
7	Humidification Plant	1	Used to maintain optimum humidity levels within the manufacturing area, which helps reduce yarn breakage, minimize static electricity, and improve weaving efficiency and fabric quality.

INSTALLED CAPACITY & CAPACITY UTILISATION

As on the date of this Draft Red Herring Prospectus, we operate from our manufacturing facility located at Narol Ahmedabad (Unit I) and at Daskroi, Ahmedabad (Unit II) with an aggregate total installed capacity of [●] meters per annum. Below are the details of the installed capacity and actual utilization.

Unit I: Kumar Cotton Mills Ltd

Located at: 108/1, OPP. NAROL VILLAGE, NAROL, AHMEDABAD, GUJARAT

Particulars	Product Description	Unit of measurement	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	April'25-Dec'25
<i>Air Jet Looms</i>						
Total Installed capacity of Air Jet Looms		Mtr.	85,84,800.00	85,84,800.00	85,84,800.00	52,01,840.00
Actual Production	Grey Fabric	Mtr	71,09,317.00	73,09,491.00	45,25,525.00	Nil

Total Capacity utilisation (%)		%	82.81%	85.14%	52.72%	Nil
Stenter Machine						
Total Installed Capacity of Stenter Machine		Mtr.	5,62,10,000.00	5,62,10,000.00	6,23,42,000.00	4,67,56,500.00
Actual Production	Suiting Fabric	Mtr.	1,74,38,922.00	1,92,13,466.00	1,96,28,207.18	1,37,88,064.00
Product-wise utilisation (%)		%	31.02%	34.18%	31.48%	29.49%
Actual Production	Shirting Fabric	Mtr	1,54,62,859.00	1,67,14,190.00	2,02,09,405.00	1,42,76,541.00
Product-wise utilisation (%)		%	27.51%	29.74%	32.42%	30.53%
Actual Production	Hosiery Fabric	Mtr	72,07,160.50	60,65,113.50	78,61,851.00	61,60,936.28
Product-wise utilisation (%)		%	12.82%	10.79%	12.61%	13.18%
Actual Production	Rayon Fabric	Mtr	84,35,091.00	1,30,54,983.00	1,28,08,814.00	1,11,28,211.50
Product-wise utilisation (%)		%	15.01 %	23.23%	20.55%	23.80%
Total Actual Production		Mtr	4,85,44,032.50	5,50,47,752.5	6,05,08,277.18	4,53,53,752.78
Total Capacity utilization (in %)		%	86.36%	97.93%	97.06%	97.00%
Sizing Machine						
Total Installed Capacity		Mtr.	1,02,20,000.00	1,02,20,000.00	1,02,20,000.00	76,65,000.00
Actual Production	Sized Yarn	Mtr.	9,17,160.00	57,03,744.56	39,43,644.88	7,69,943.60
Total Capacity Utilization (%)		%	8.97%	55.81%	38.59 %	10.04%

*Pursuant to an operational realignment, the Company temporarily discontinued weaving operations at its own facility after December 2024. Further, the Company sold 19 looms to a third party as on 3rd September 2025. Accordingly, the Company's direct manufacturing operations are presently focused on fabric processing activities, and the actual production relating to weaving operations has been disclosed only up to December 2024.

Aarjay Enterprises: Plot No- 680,681, 683 Opp, Jaganath Industrial Park, Paldi- Kankaj, Dascroi, Bareja, Ahmedabad, Gujarat-382425

Particulars	Product Description	Unit of measurement	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2024-25	April'25-Dec'25
Air Jet Looms						
Total Installed capacity of Air Jet Looms		Mtr.	Nil	Nil	Nil	44,01,600.00
Actual Production	Grey Fabric	Mtr	Nil	Nil	Nil	32,65,927.50
Total Capacity utilisation (%)		%	Nil	Nil	Nil	74.19%

*Kumar Cotton Mills Ltd. acquired 99% ownership interest in Aarjay Enterprises, with effect from 23 August 2025. Accordingly, from 23 August 2025 onwards, the operations and production activities carried out at the aforesaid manufacturing facility are considered to be under the management, control, and beneficial ownership of Kumar Cotton Mills Ltd. Therefore, the production achieved during this period may be attributed to Kumar Cotton Mills Ltd., subject to verification of the underlying acquisition documents, statutory records, operational control arrangements, and other relevant supporting evidence.

SALES AND MARKETING

Our Company's business operations and product offerings are primarily focused on textile manufacturers, including garment manufacturers, textile processors, wholesalers and traders. Our Company has a dedicated sales team comprising seven employees who are responsible for managing customer relationships, order coordination and sales-related activities. In addition, sales are undertaken through agents and distributors engaged on a commission basis, in line with prevailing practices in the textile market. Customer interactions are undertaken through calls and personal meetings, depending on the nature of requirements and the stage of the order cycle. Our sales team coordinates customer enquiries, order procurement, execution, dispatch while maintaining periodic engagement with existing customers for repeat orders and ongoing requirements. Our ability to maintain and expand our customer base depends on factors such as product quality, timely delivery, pricing and our ability to meet customer requirements and respond to changes in market conditions.

Below is the data for our Top 10 customers on consolidated basis for the period April' 2025 to December' 2025 & on standalone basis for the years ended March 31, 2025, March 31, 2024, and March 31, 2023.

Top 10 customers for the period April' 2025 to December' 2025

(Rs. in lakhs except %)				
Sr. No	Name of the customers	Segment	Amount (in lakhs)	% of total Revenue from Operation
1	Customer 1	Trader of Textile Products	3,375.27	14.55%
2	Customer 2	Manufacturer of denim fabric	2,468.77	10.64%
3	Customer 3	Manufacturer of grey and finished fabric	1,508.81	6.50%
4	Customer 4	Trader of Textile Products	1,152.88	4.97%
5	Customer 5	Trader of Textile Products	553.28	2.38%
6	Customer 6	Trader of Textile Products	435.72	1.88%
7	Customer 7	Trader & Retailer of Textile Products	363.47	1.57%
8	Customer 8	Trader of Textile Products	290.95	1.25%
9	Customer 9	Trader of Textile Products	285.86	1.23%
10	Customer 10	Trader of Textile Products	275.69	1.19%
Total			10,710.70	46.16%
Total Revenue from Operation			23,205.13	

Top 10 customers for FY 2024-25

(Rs. in lakhs except %)				
Sr. No	Name of the customers	Segment	Amount (in lakhs)	% of total Revenue from Operation
1	Customer 1	Manufacturer of grey and finished fabric	7,030.76	29.34%
2	Customer 2	Trader of Textile Products	1,726.13	7.20%
3	Customer 3	Manufacturer of denim fabric	1,090.65	4.55%
4	Customer 4	Manufacturer of fabric	953.51	3.98%
5	Customer 5	Wholesaler and distributor	663.83	2.77%
6	Customer 6	Trader of Textile Products	595.87	2.49%
7	Customer 7	Trader of Textile Products	476.40	1.99%
8	Customer 8	Trader of Textile Products	443.16	1.85%
9	Customer 9	Wholesaler and distributor	388.70	1.62%
10	Customer 10	Wholesaler and distributor	254.93	1.06%
Total			13,623.94	56.85%
Total Revenue from Operation			23,964.00	

Top 10 customers for FY 2023-24

(Rs. in lakhs except %)				
Sr. No	Name of the customers	Segment	Amount (in lakhs)	% of total Revenue from Operation
1	Customer 1	Manufacturer of grey and finished fabric	7,097.73	28.53%

2	Customer 2	Trader of Textile Products	1,586.32	6.38%
3	Customer 3	Trader of Textile Products	1,223.70	4.92%
4	Customer 4	Manufacturer of cotton and polyester fabric	760.45	3.06%
5	Customer 5	Wholesaler and distributor	703.35	2.83%
6	Customer 6	Manufacturer of Textile Fabric, Shopping Bags & Waterproof Tent	538.18	2.16%
7	Customer 7	Wholesaler and distributor	505.47	2.03%
8	Customer 8	Manufacturer of Cotton fabric	463.14	1.86%
9	Customer 9	Trader of Textile Products	460.90	1.85%
10	Customer 10	Manufacturer of Cotton and other fabrics	368.64	1.48%
Total			13,707.88	55.10%
Total Revenue from Operation			24,874.51	

Top 10 customers for FY 2022-23

(Rs. in lakhs except %)				
Sr. No	Name of the customers	Segment	Amount (in lakhs)	% of total Revenue from Operation
1	Customer 1	Manufacturer of grey and finished fabric	6,406.02	25.47%
2	Customer 2	Wholesaler and distributor	1,461.04	5.81%
3	Customer 3	Manufacturing and Exporting of Textile products	1,148.65	4.57%
4	Customer 4	Trader of Textile Products	1,113.34	4.43%
5	Customer 5	Manufacturer of cotton and polyester Fabric	681.22	2.71%
6	Customer 6	Manufacture different type of fabric	615.33	2.45%
7	Customer 7	Spinning, Weaving, Processing of denim & bottom weight suiting fabrics.	479.34	1.91%
8	Customer 8	Wholesaler and distributor	446.78	1.78%
9	Customer 9	Manufacturing of various fabrics	443.69	1.76%
10	Customer 10	Manufacturer of Cotton and other fabrics	424.33	1.69%
Total			13,219.74	52.58%
Total Revenue from Operation			25,149.23	

COMPETITION

The textile processing industry in which we operate is competitive and fragmented, comprising organized, semi-organized and unorganized players operating at national, regional and local levels. We face competition from textile processing units, fabric manufacturers, weaving units, traders and job work processors engaged in processing and supply of suiting fabrics, shirting fabrics, hosiery and knitted fabrics, grey fabrics and other textile products. Competitive conditions in our segment vary depending on factors such as product type, fabric quality, order size, processing requirements, pricing, delivery timelines, geographical location and ability to meet customer-specific specifications.

Our Company competes on the basis of quality consistency, pricing, processing capabilities, delivery timelines, customer relationships and ability to meet customer-specific requirements. Some competitors may have greater financial resources, larger capacities, wider customer networks and stronger market presence than us. Some of the notable competitors in the organized segment include Borana Weaves Limited and Vinny Overseas Limited.

INFRASTRUCTURE & UTILITIES

Raw Materials

The primary raw materials used in our manufacturing operations is grey fabric which is procured external suppliers located in local and regional markets across India. In addition, the Company uses yarn for sizing, dyes and chemicals, including caustic

soda, coal and firewood for heating and steam generation requirements, nickel rotary screens for fabric printing operations, and packaging materials such as stretch film and liner bags for packing finished products.

Procurement of raw materials and consumables are undertaken based on production requirements, customer orders, inventory levels and availability of materials. Our Company seeks to align its procurement process with production planning to support continuity of manufacturing operations.

The following table sets forth the bifurcation of purchase (geography-wise) for the three months period ended June 2025, and fiscal years 2025, 2024 and 2023.

State	(Rs in lakhs except %)							
	Apr'25 – Dec'25		FY 2024-25		FY 2023-24		FY 2022-23	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	Consolidated		Standalone		Standalone		Standalone	
Chandigarh	58.76	0.36%	374.85	2.54%	120.14	0.83%	-	0.00%
Dadra & Nagar Haveli & Daman & Diu	-	0.00%	-	0.00%	-	0.00%	143.37	0.96%
Gujarat	14,423.55	89.26%	12,393.28	83.85%	9,176.29	63.43%	9,173.28	61.62%
Madhya Pradesh	398.92	2.47%	-3.49	-0.02%	142.76	0.99%	248.76	1.67%
Maharashtra	595.01	3.68%	704.50	4.77%	1,037.25	7.17%	1,412.10	9.49%
Punjab	-	0.00%	207.24	1.40%	705.39	4.88%	136.65	0.92%
Rajasthan	637.14	3.94%	1,065.09	7.20%	2,952.19	20.41%	3,173.98	21.32%
Tamil Nadu	16.02	0.10%	-	0.00%	88.50	0.61%	398.98	2.68%
Uttar Pradesh	30.07	0.19%	39.30	0.26%	227.94	1.57%	199.46	1.34%
Uttarakhand	-	0.00%	-	0.00%	17.33	0.11%	-	0.00%
West Bengal	-0.31	-0.00%	-	0.00%	0.00	0.00%	-	0.00%
Total	16,159.16	100.00%	14,780.77	100.00%	14,467.79	100.00%	14,886.58	100.00%

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.

Our top 10 suppliers for nine months period ended December 31, 2025:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2482.11	15.36%
2	Top 3 Suppliers	6,416.43	39.71%
3	Top 5 Suppliers	7,965.57	49.29%
4	Top 10 Suppliers	9,956.49	61.62%

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.

Our top 10 suppliers for the fiscal, 2025:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	1,368.73	9.26%
2	Top 3 Suppliers	3,534.92	23.91%
3	Top 5 Suppliers	4,692.83	31.75%
4	Top 10 Suppliers	7,029.87	47.56%

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.

Our top 10 suppliers for the fiscal, 2024:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2,402.64	16.61%
2	Top 3 Suppliers	4,556.10	31.50%
3	Top 5 Suppliers	5,779.36	39.96%
4	Top 10 Suppliers	7,590.93	52.47%

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.

Our top 10 suppliers for the fiscal, 2023:

Sr. no	Name of Suppliers	Amount (₹Lakhs)	% of purchase
1	Top 1 Suppliers	2,271.67	15.26%
2	Top 3 Suppliers	3,737.49	25.11%
3	Top 5 Suppliers	4,940.57	33.19%
4	Top 10 Suppliers	6,822.78	45.83%

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.

Power: The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the Private entity i.e. Torrent Power Limited for Kumar Cotton Mills Ltd and through state electricity board i.e.; Uttar Gujarat Vij company for Aarjay Enterprise.

Water: The existing water requirement for our manufacturing units is met through local sources.

Manpower: As on April 30, 2026, we had a total workforce of 227 permanent employees in our Company and 505 Contractual employees.

Following is the department-wise breakup of permanent employees as of April 30, 2026:

Department	Total No of Employees
Finance & Accounts	13
Production Department	99
HR & Admin	10
Sales and marketing	7
Testing and laboratory	6
Operations & Maintenance	40
Packaging	10
Design	11
Other staff	31
Total	227

PROPERTIES**Intellectual Property:**

Sr. No	Brand Name/Logo/Trademark	Class	TM Category	TM Type	Trademark Number	Current Status
1.		24	Trademark	Device	7277112	Formalities Chk Pass

Immovable Properties

Sr. No	Usage	Address	Lease/Rent
<u>1</u>	Registered Office (Kumar Cotton Mills Ltd.)	160 New Cloth Market, Station Road, Ahmedabad-380 002	The said premises are owned by our Company and were acquired pursuant to a sale deed dated September 11, 2013, for an aggregate consideration of ₹41.00 lakhs.
<u>2</u>	Manufacturing Unit/ Corporate Office (Kumar)	Survey No. 108/1, Opp. Narol Village, B/H Narol Court, Ahmedabad-382405	The said premises are owned by our Company and were acquired pursuant to a sale deed dated November 27, 2000 for an aggregate consideration of ₹1,86,340.

	Cotton Mills Ltd.)		
<u>3</u>	Manufacturing Unit/ Corporate Office (Kumar Cotton Mills Ltd.)*	Survey No. 109/9, Opposite Narol Village, Behind Narol Court, Narol, Ahmedabad, Gujarat – 382405	The said premises are owned by our Company and were acquired pursuant to a sale deed executed on December 5, 2000 and registered on April 13, 2004, for an aggregate consideration of ₹1,62,525. The physical possession and full financial settlement for the properties had been completed pursuant to agreements for sale (Banakhats) dated February 20, 1984 and March 17, 1994.
<u>4</u>	Manufacturing Unit/ Corporate Office (Kumar Cotton Mills Ltd.)*	Survey Nos. 109/7 and 109/8, Opposite Narol Village, Behind Narol Court, Narol, Ahmedabad, Gujarat – 382405	The said premises have been taken on lease by our Company pursuant to a lease deed dated May 25, 2024, executed with Ms. Karishma Rajendraprasad Agrawal, for a period of nine years commencing from April 1, 2024, at a monthly lease rental of ₹15,000. The premises are being used as a godown.
<u>5</u>	Solar Unit (Captive Consumption) (Kumar Cotton Mills Ltd.)	Survey No. 21, Rehmpura, Kheralu Industrial Area, Kheralu, Mehsana, Gujarat – 384325	The said premises have been taken on lease by our Company pursuant to a Lease Deed dated August 4, 2025, executed with Mr. Silumiya Ismailbhai Sindhi, for a period of 27 years commencing from August 4, 2025 and ending on August 4, 2052, at an annual lease rental of ₹70,000.
<u>6</u>	Solar Unit (Captive Consumption) (Kumar Cotton Mills Ltd.)	Survey Nos. 16, 22 and 23, Rehmpura, Kheralu Industrial Area, Kheralu, Mehsana, Gujarat – 384325	The said premises have been taken on lease by our Company pursuant to a Lease Deed dated August 4, 2025, executed with Mr. Vasimbhai Mahmadbhai Sindhi and Mrs. Fatmaben Mahmadbhai Sindhi, for a period of 27 years commencing from August 4, 2025 and ending on August 4, 2052, at an annual lease rental of ₹70,000, subject to an escalation of 5% every three years.
<u>7</u>	Office (Aarjay Enterprise)	Survey No 109/9/2, B.H. Narol Court, Narol, Ahmedabad 382405	The said premises have been taken on lease by Aarjay Enterprise pursuant to a Lease Deed dated September 29, 2022, executed with M/s. Kumar Cotton Mills Private Limited, for a period of five years commencing from October 1, 2022, at a monthly lease rental of ₹35,000 plus applicable taxes. The premises admeasure approximately 17,859 square feet and are used as office and godown premises.
<u>8</u>	Manufacturing Unit I (Aarjay Enterprises)	Plot Nos. 680, 681 and 683, Opp. Jagannath Industrial Park, Village Kanakaj, Taluka Dascroi, Ahmedabad – 382425	The said premises have been taken on leave and licence by Aarjay Enterprise pursuant to a Leave and Licence Agreement dated February 8, 2022, executed with M/s. Aarjay Developers, for a period of ten years commencing from December 1, 2021, at a monthly license fee of ₹19,500. The premises admeasure approximately 13,853 square metres and are used as a manufacturing facility.
<u>9</u>	Solar Unit (Captive Consumption) (Aarjay Enterprises)	Survey Nos. 17, 18, 19, 20 and 275, Village Rehmpura, Taluka Kheralu, Mehsana – 384325	The said premises have been taken on lease by Aarjay Enterprise pursuant to a Lease Deed dated August 4, 2025, executed with Mr. Silumiya Ismailbhai Sindhi, Mr. Yasinbhai Mohmadbhai Sindhi and Mr. Samirbhai Ibrahimbhai Sindhi for a period of 27 years commencing from August 4, 2025, at an annual rent of ₹75,000, subject to an increase of 5% every three years. The premises admeasure approximately 23,742 square metres and are used for the solar project.

10.	Proposed Manufacturing Unit	Block No. 336 (Old Block No. 59), Mouje Miroli, Taluka Dascroi, Sub-District Ahmedabad-II (Aslali), District Ahmedabad, Gujarat	The said premises have been taken on lease by our Company pursuant to a Lease Deed dated March 16, 2026, executed with M/s. Aarjay Developers, a partnership firm acting through its authorised partner, Mr. Ajay Ramkumar Agrawal, for a period of 10 years commencing from March 1, 2026 and ending on March 1, 2036, at an annual lease rental of ₹5,00,000. The premises admeasure approximately 66,976 square metres and are proposed to be used for setting up our proposed manufacturing facility.

**The property addressing Survey No. 108/1, Survey Nos. 109/7 and 109/8 and Survey No. 109/9 collectively form part of our existing manufacturing facility at Narol, Ahmedabad. Their separate disclosure is solely for setting out the title and occupancy particulars of each property and should not be construed as separate manufacturing units.*

INSURANCE

Our operations are subject to risks inherent to manufacturing operations, which include defects, property damage, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, accidents, personal injury or death, environmental pollution and natural disasters. Our significant insurance coverage includes, among others, policies for Plant and Machinery, Building, Furniture and Fixtures, Fittings, and other Equipment under the for further details, kindly refer the section on “Risk Factors” beginning on page 36 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

(in lakhs)

Sr. No	Policy Name	Party Insured	Policy Number/Type	Period of Insurance	Location	Risk/Asset Covered	Sum insured	Premium
1.	Standard Fire & Special Perils Policy	Kumar Cotton Mills limited	310600112510000364	December 11, 2025 to December 10, 2026	No.160, New cloth market o/s Raipur Darwaja, Sarangpur Road, Ahmedabad, Gujarat-380002	Building-Rs.350,000,000/-,Plant & Machinery-Rs.850,000,000/- ,Furniture and Fixtures 5,000,000/- And Stocks-Rs.400,000,000	16,050.00	14.10
2.	Burglary Insurance	Kumar Cotton Mills Limited	310600592510000209	December 11, 2025 to December 10, 2026	No.160, New cloth market o/s Raipur Darwaja, Sarangpur Road, Ahmedabad, Gujarat-380002	Finished Stocks	4,000.00	0.08
3.	Boiler & Pressure Plant	Kumar Cotton Mills Private Limited	310600442510000024	December 11, 2025 to December 10, 2026	Opp Narol Village/B/H Narol Court, Shyam Textile, Narol, Ahmedabad.	Boiler Plant	400.00	0.03
4.	Bajaj Allianz General Insurance Company Ltd.	Kumar Cotton Mills Private Limited	OG-27-2202-1803-00002968	May 06,2026 to May 05, 2027	Survey No 108/1 Opp Narol Village B/H Narol Court, Ahmedabad - 382405	Tata SFC 407 EX	3.20	0.19

5.	IFFCO - Tokio General Insurance Company Limited	Kumar Cotton Mills Private Limited	43378625	September 18, 2025 to September 17, 2026	108/1,109/9,109/7,109/8 & 207 Opp Narol Village, B/H Narol Court, Nr. Shyam Textile, Narol, Ahmedabad, Gujarat-382405	Workmen Compensation Policy	2479.55	3.46
6.	Burglar Insurance	Kumar Cotton Mills private limited	310600112510000364	December 11, 2025 to December 10, 2026	108/1,109/9,109/7,109/8 & 207 Opp Narol Village, B/H Narol Court, Nr. Shyam Textile, Narol, Ahmedabad, Gujarat-382405	Building/Plant and machinery, Stock	16,050.00	14.10
7.	Standard Fire And Special Perils Policy Schedule	Aarjay Enterprises	2130/01998708/00/00	September 09, 2025 to September 08, 2026	Plot No. 680, 681, 683, 1155 Opp., Jagannath Industrial Park, Paldi, Kankaj, Dascroi, 0 Bareja S.O Ahmedabad Gujarat - 382425	Building All Industrial /Office Building/ Security Cabins/ Furniture and Fixture, Plant and Machinery/ Stocks in Process All Kind of Stocks	5005.00	6.99
8.	Chola Laghu Udyam Suraksha	Aarjay Enterprises	2162/01772513/00/00	September 09, 2025 to September 08, 2026	Plot No. 680, 681, 683, 1155 Opp., Jagannath Industrial Park, Paldi, Kankaj, Dascroi, 0 Bareja S.O Ahmedabad Gujarat – 382425 Kumar Cotton Mills, 108/1,109/9,109/7,109/8 And 207, Opp Narol Village, B/H Narol Court, Nr. Shyam Textile, Ahmedabad, Narol S.O, Ahmedabad, Gujarat-382405	Stocks	1100.00	2.04

* Pursuant to the takeover of Aarjay Enterprise, in which our Company has acquired a 99% stake, certain insurance policies pertaining to Aarjay Enterprise have also been included in this section.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft 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. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, 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 are 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 Statutory Approvals**” beginning on page 305 of this Draft Red Herring Prospectus.

THE COMPANIES ACT

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

SEBI REGULATIONS:

Securities And Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Take over) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

TAX RELATED REGULATIONS

Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like are also required to be complied by every Company.

The Government of India has notified the Income Tax Act, 2025, which consolidates and amends the erstwhile Income Tax Act, 1961. The new Act has been passed by both Houses of Parliament and received the President’s assent on 21 August 2025. It came into force from 1 April 2026. The new Act primarily aims to simplify the language, bring clarity on digital and international transactions, and remove redundant provisions. It does not propose any changes to prevailing tax rates and regimes for individuals and corporations and nor does it amend the existing provisions relating to offences and penalties.

Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Government has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services

throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Where as if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

The Customs Act, 1962 and the Customs Tariff Act, 1975

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an Importer Exporter Code number. The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

State Tax on Professions, Trades, Callings and Employment Rules, 1975

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

BUSINESS/TRADERELATED LAWS/REGULATIONS:

The Electricity Act, 2003 and Electricity Rules, 2005

The project is registered as a Captive Generating Plant (CGP). Pursuant to Section 9 of the Electricity Act, 2003, read along with Rule 3 of the Electricity Rules, 2005 (as amended), a power plant qualifies as a captive generating plant subject to the strict fulfillment of the twin-criteria:

- 1) **Equity Shareholding / Ownership:** Not less than 26% of the ownership/equity shareholding with voting rights must be held by the captive user(s).
- 2) **Energy Consumption:** Not less than 51% of the aggregate electricity generated by such plant, determined on an annual basis, must be consumed for captive use by the captive user(s).

Gujarat Renewable Energy Policy, 2023

The Government of Gujarat has notified the Gujarat Renewable Energy Policy, 2023 with the objective of promoting renewable energy generation through solar, wind and wind-solar hybrid projects in the State. The policy covers ground mounted solar, rooftop solar, floating solar, canal-top solar, wind and hybrid renewable energy projects. The policy is applicable to renewable energy projects established for captive consumption, third-party sale and sale to distribution licenses.

The Company has registered a Ground Mounted Solar Power Project having capacity of 1.8 MW (AC) / 2.5 MW (DC) under the Gujarat Renewable Energy Policy, 2023 for captive consumption. Accordingly, the Company is required to comply with the conditions of registration issued by GEDA (Gujarat Energy Development Agency) and other applicable provisions relating to captive renewable energy generation and consumption.

Gujarat Electricity Regulatory Commission (GERC) Regulations

The Gujarat Electricity Regulatory Commission was constituted on 12th November, 1998 under provisions of Electricity Regulatory Commissions Act, 1998. The Commission has come under the purview of the Electricity Act, 2003, as the Electricity Regulatory Commissions Act, 1998 has since been repealed. GERC has the mandate to regulate the Electricity Sector in the state of Gujarat in a transparent, effective and efficient manner so as to safeguard the interests of consumers. The Commission has introduced a system of regular interactions with the stakeholders in the Electricity Sector through meetings

of the State Advisory Committee, the Co-ordination Forum of all the power utilities in the State, and the Consumer Grievance Redressal Forums, to address the issues relating to consumers as well as the electricity supply industry. GERC has been taking effective steps in promoting renewable sources of energy.

Energy and Petrochemicals Department Resolution dated 14.12.2023

The Energy and Petrochemicals Department, Government of Gujarat, vide its Resolution dated 14 December 2023, has notified the Gujarat Renewable Energy Policy, 2023 governing the establishment, registration, operation and monitoring of renewable energy projects in the State of Gujarat. The policy prescribes the framework relating to project registration, captive consumption, banking of energy, grid connectivity, surplus energy injection and other operational requirements. Renewable energy projects established under the policy are required to comply with the terms, conditions and guidelines issued by the State Government from time to time.

Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023

The Central Electricity Authority (CEA), in exercise of the powers conferred under the Electricity Act, 2003, has notified the Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023. These Regulations are applicable to all electrical installations, electrical plants, electric lines and every person engaged in the generation, transmission, distribution, trading, supply or use of electricity. The Regulations prescribe comprehensive safety requirements relating to the construction, installation, operation, maintenance, inspection and protection of electrical systems and equipment.

In the case of renewable energy projects, including solar power plants established for captive consumption, the Regulations prescribe additional safety requirements relating to installation, operation, maintenance and protection of electrical equipment and associated infrastructure. Electrical installations are required to be inspected, tested and maintained in accordance with the applicable safety standards and procedures to ensure protection of personnel, property and the electrical system.

Energy Conservation Act, 2001

The Energy Conservation Act, 2001 provides a statutory framework for efficient use and conservation of energy in India. The Act establishes the Bureau of Energy Efficiency (BEE) for promoting energy efficiency measures, prescribing energy consumption standards and encouraging adoption of energy efficient technologies. The Company is required to implement energy conservation measures and comply with applicable provisions, guidelines and standards issued under the Act from time to time.

Technology Up-Gradation Fund Scheme

Ministry of Textiles has been implementing Technology Up-gradation Funds Scheme (“TUFS”) since 1999 to facilitate technology upgradation of textiles industry in the country. TUFS aims at making available funds to the domestic textile industry of existing units as well as to set up new units with state-of-the-art technology so that its viability and comprehensiveness in the domestic as well as international markets may enhance. TUFS provides for interest reimbursement/ capital subsidy /margin money subsidy and has been devised to bridge the gap between the cost of interest and the capital component to ease up the working capital requirement and to reduce the transaction cost, etc. TUFS is an important tool to infuse financial support to the textiles industry and help it capitalize on the vibrant and expanding global and domestic markets, through technology up-gradation, cost effectiveness, quality production, efficiency and global competitiveness.

National Textile Policy, 2024

The Government of India recently unveiled the Textile Policy 2024, a transformative framework designed to position India as a global leader in the textile industry. The policy aims to modernize the textile sector, promote sustainability, foster innovation, and expand India's presence in global markets. Here are the key elements of this forward-looking policy:

Key Objectives of the Textile Policy 2024

- **Boosting Innovation and Research:** The policy emphasizes the importance of investing in research and development (R&D) in areas like smart textiles, technical textiles, and sustainable production processes. This focus on innovation is aimed at driving technological advancements that will help India compete on a global scale.
- **Sustainability and Environmental Responsibility:** With increasing global emphasis on eco-friendly practices, the policy outlines several measures to ensure sustainable growth. It encourages the adoption of green manufacturing technologies, circular economy practices, and initiatives to reduce the industry's carbon footprint.
- **Encouraging Investments:** The Textile Policy 2024 includes incentives to attract both domestic and foreign

investments into the sector. The government plans to provide financial support, reduce barriers to entry, and facilitate ease of doing business to encourage investments in high-value textile production units.

- **Skill Development and Employment Generation:** One of the critical goals is to generate employment opportunities in both traditional and modern textile segments. The policy promotes skill development programs aimed at enhancing the capabilities of the workforce, especially in rural and semi-urban areas.
- **Export Promotion and Global Competitiveness:** To strengthen India's position as a major exporter, the policy proposes initiatives to expand export markets and reduce trade barriers. This includes forming strategic partnerships with international markets and aligning with global standards to boost the competitiveness of Indian textile products.

Production-Linked Incentive Scheme in Textiles Products

PLI Scheme for Textiles was notified on 24/09/2021 with an objective to promote production of MMF Apparel & Fabrics and products of Technical Textiles in the country to enable textile industry to achieve size and scale, become competitive, create employment opportunities for people and support creation of a viable enterprise and competitive textile industry with an approved outlay.

Textiles Committee Act, 1963

The Textiles Committee Act, 1963 ("TCS") came into force on August 22, 1964. A textiles committee ("Textiles Committees") has been established under TCS with the primary objective of ensuring a standard quality of textiles both for domestic and export markets as well as standardization of the type of textile machinery used for production. The Textiles Committee's functions include, among others, the promotion of Indian textiles and textile exports, researching in technical and economic fields, establishing standards for Indian textiles and textile machinery, setting up of laboratories, and data collection. Additionally, the Textiles Committee regulates the imposition of cess on textile and textile machinery that is manufactured in India under TCS.

Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 ("Textile Order") was brought into force by the Central Government under Section 3 of the Essential Commodities Act, 1955 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner. The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade Marks Act, 1999, except under and limited to the extent of specific authorization by the holder of or applicant for such brand or trade name.

The Textile Undertakings (Nationalization) Act, 1995

The Textile Undertakings (Nationalization) Act, 1995 was enacted to provide for the nationalization of textile undertakings. The Act provides for the acquisition of textile undertakings and the payment of compensation to the owners. The Act also lays down the procedure for the management and operation of the nationalized undertakings. The Act has the objective of developing the textile industry in India and ensuring that it contributes to the economic growth of the country. Later legislation, such as **The Textile Undertakings (Nationalization) Laws (Amendment and Validation) Act, 2014**, ensured that leasehold rights for these nationalized mill lands remained vested with the central government on completion of their lease tenures, preventing the divestment or eviction of NTC properties.

The handlooms (Reservation of Articles for Production) Act, 1985

This Act provides for the reservation of certain articles for exclusive production by handlooms. It prohibits the production of articles exclusively reserved for handlooms, by other means. It gives the central government the power to summon information or samples of the textile articles as well as inspect and seize them. The Act includes a penalty for whoever produces articles or class of articles in of article 39 of the Constitution and formatters connected therewith or incidental thereto.

Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 provides for the establishment of a national standards body for the harmonious

development of the activities of standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected there with or incidental thereto. The Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process, system or service by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process, system or service in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

The Boilers Act, 2025:

The Boilers Act is India's primary legislation regulating the design, manufacture, erection, and safe operation of steam boilers. Enacted as The Boilers Act, 2025 (replacing the legacy Indian Boilers Act, 1923), it ensures the safety of life and property and standardizes inspection protocols across the country. The Act provides for mandatory registration of Boilers with state authorities and possess a valid safety certificate before use. It is illegal to operate a boiler above its certified maximum pressure or without qualified attendants in charge.

ENVIRONMENT LAWS:

National Environmental Policy, 2006

The 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 National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

Environment Protection Act, 1986

The Environment Protection Act, 1986, is a key piece of Indian environmental legislation enacted after the Bhopal gas tragedy. It provides a framework for the protection and improvement of the environment and empowers the central government to regulate pollution and environmental hazards nationwide.

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

The Air (Prevention & Control of Pollution) Act, 1981(the “Air Act”)

One Central Pollution Control Board, as well as state pollution control boards formed under water act shall be deemed to be Central Board & State Board for the Prevention and Control of air Pollution. The Air Act prohibits that no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions

Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016;(the “Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder:

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Non -debt Instruments) Rules, 2019 ("FEMA Regulations") to directly govern the transfer or issue of securities to/by persons outside India .and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub- accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased upto the percentage of sectoral cap on FDI in respect of the said company pursuant to are solution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each contravention of an order. It mandates that entities/companies be punished when an offence under this Act has been committed. This Act included articles or class of articles reserved for exclusive production by handlooms based on a September 3, 2008 order of the Ministry of Textiles.

The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986

An Act to provide for the acquisition and transfer of certain textile undertakings of the Swadeshi Cotton Mills Company Limited, with a view to securing the proper management of such undertakings so as to sub serve the interests of the general public by ensuring the continued manufacture, production and distribution of different varieties of cloth and yarn and thereby to give effect to the policy of the State towards securing the principles specified in clauses (b) and (c) FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Foreign Trade Policy 2023:

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT(D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023. The Foreign Trade Policy, inter alia, governs the import and export of goods, sets out mandatory documentation required for the import and export of goods, principles of restriction and prohibitions of trade with certain identified jurisdictions and groups. The Foreign Trade Policy also sets out a framework to promote cross border trade in the digital economy and a mechanism of settlement of complaints in connection with the quality of goods and other trade disputes.

LAWS RELATING TO INTELLECTUAL PROPERTY

Trademarks Act, 1999:

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

The Designs Act, 2000 & Trade Marks Act, 1999:

The DA regulates and protects the originality of an article’s design and prohibits the piracy of registered designs preventing design and brand piracy, particularly critical in garment and fabric manufacturing. The Central Government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc. The act is crucial in

LAWS RELATED TO EMPLOYMENT OF MANPOWER:

To rationalize and reform labour laws in India, the Government has enacted the following codes:

Code on Wages, 2019,

The Code regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It mandates universal minimum wages and timely payments for all employees across all sectors. Section 9 read with Rule 11 of the Code introduces floor wages as a statutory provision. The baseline wages will be fixed by the Central government on the basis of minimum living standards of an employee including food, clothing etc. It will be revised at regular intervals. State governments must ensure their minimum wages are not lower than this floor level. Section 56 read with Rule 36 of the code replaces criminal penalties (like imprisonment) with civil penalties (like graded monetary fines) for first time offences punishable with fine only. It introduces a provision of compounding for offenses punishable (with fine only) by paying sum of fifty percent of the maximum fine.

Industrial Relations Code, 2020:

consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947. The Industrial Relations Code, 2020 creates a balanced and progressive framework that benefits workers, employers, and the economy alike. It is pro-labor, ensuring fair representation, job security, and quicker dispute resolution. To ensure that more workers have **access to basic labor rights**, inclusive definition of ‘worker’ has been established. Pursuant to Section 2(zr) of Industrial Relations Code,

2020, the definition of ‘worker’ has been expanded to include sales promotion employees, working journalists, and supervisory employees earning up to ₹18,000 per month, thereby extending statutory labor protections to a wider segment of the workforce. As per Section 2(p) of Industrial Relations Code, 2020, the term “industry” now encompasses any systematic activity carried on by cooperation between employer and worker, regardless of whether capital is invested or profit is intended, thereby bringing non-profit and low-capital activities within its ambit. The Code provides the **50% ceiling on exclusions** to ensure that statutory benefits such as gratuity, retrenchment compensation, and social security contributions are calculated on a fair and substantial portion of actual earnings, preventing employers from artificially splitting wages to reduce obligations.

Code on Social Security, 2020:

The Code amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee’s 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. It governs the constitution and functioning of social security organizations such as the employee’s provident fund and the employee’s state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others. The Code **Extends EPFO and ESIC coverage nationwide**, bringing more establishments and workers under **social security benefits**, recognizes **Gig and Platform workers** for the **first time** and establishes a **Social Security Fund** for their welfare; **Strengthens women-centric provisions** including **26 weeks of maternity leave, work-from-home option**, and **crèche facilities**; **Promotes ease of doing business** through digital records, decriminalization and compounding of offences, and a transparent, technology-driven **Inspector cum facilitator system**. Under Section 53 of the code, the Government has **reduced the eligibility requirement for gratuity** for Fixed Term Employees (FTEs) from **five years to one year**. In case where the employee completes one year of continuous service, gratuity shall be applicable on proportionate basis. social security benefits have been extended to unorganized, gig and platform workers under Sections 113 & 114 of the Code on Social Security, 2020. The code also addressed the gap and includes definition of aggregator (digital intermediary). This shall benefit such workers directly.

Occupational Safety, Health and Working Conditions Code, 2020,

The Code amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes 13 enactments including, among others, the Factories Act, 1948 and the Contract Labor (Regulation and Abolition) Act, 1970. The Code balances the twin objectives of **safeguarding worker rights and safe working conditions and creating a business-friendly regulatory environment** spur economic growth and employment thereby, making India’s labor market more efficient, fair, and future-ready by streamlining compliance through measures such as **single registration, all-India licenses, electronic filings, and time-bound approvals**. The Ministry of Labor & Employment has also taken steps to develop a **national database to enroll unorganized workers including migrants**. This code has provided health, safety and welfare of workers in all sectors which was previously limited to 7 sectors viz. factories, mines, plantation, beedi-cigar, dock workers, BOCW and motor transport.

The Indian government notified the four new labor codes on November 21, 2025. These notifications bring key provisions into effect and are under implementation stage and shall become fully operational after draft rules are pre-published for public feedback and brought into effect. The codes consolidate 29 existing laws to simplify compliance and modernize labor regulations.

Other previous laws which are still applicable during the transition period until the new laws are implemented and becomes operational in full:

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Deposit Linked Insurance Scheme (EDLI)

The Employees Deposit Linked Insurance Scheme or EDLI is an insurance cover provided by the EPFO (Employees Provident Fund Organization) for private sector salaried employees who are members of EPFO. The EDLI scheme was launched in 1976. The registered nominee receives a lump-sum payment in the event of the death of the person insured (employee) during the period of the service

Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

The Factories Act, 1948:

The Factories Act seeks to regulate labor employed in factories and makes provisions for the safety, health and welfare of the workers. The Factories Act, 1948 (“Factories Act”) defines a factory to be any premises including the precincts thereof, on which on any day in the previous twelve (12) months, ten (10) or more workers are or were working and in which a ‘manufacturing process’ is being carried on or is ordinarily carried on with the aid of power; or where at least twenty (20) workers are or were working on any day in the preceding twelve (12) months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories. The Factories Act provides that the occupier of a factory shall ensure the health, safety and welfare of all workers while they are at work in the factory, such that it does not pose health risks, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed there under, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Apprentices Act, 1961

OTHER GENERAL REGULATIONS:

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)

The MSMED Act was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). 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. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed fifty crore and turnover does not exceed two hundred and fifty crore rupees.

The Sale of Goods Act, 1930

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislation applicable in different states, commercial establishments are required to be registered. Such legislation regulates the working and employment conditions of workers employed in shops and 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.

State Laws

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Other regulations:

Apart from the above list of laws – which is inclusive in nature and not exhaustive – general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

Property Related Laws

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

HISTORY AND CORPORATE STRUCTURE

Brief history of our Company

Our Company was incorporated as “Kumar Cotton Mills Private Limited” on March 30, 1990 under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at the Extraordinary general meeting held on July 24, 2025 and the name of our Company was changed from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.” vide fresh certificate of incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U17710GJ1990PLC013562.

Balvantrai Ramkumar Agarwal and Rajendraprasad Ramkumar Agarwal were the initial subscribers to the Memorandum of Association of our Company. The current promoters of our Company are Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Agarwal Rajendrakumar (HUF) and Ajaykumar R Agrawal (HUF).

Address of the Registered Office:

160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat- , 380002, India.

Changes in Registered Office of the Company:

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Date of Board resolution	Details of the address of registered office
May 20, 2016	Change in registered office from 249, New Cloth Market, O/s Raipur Gate, Ahmedabad – 380002 to 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India, for better Administration and Connectivity.

Main Objects of Memorandum of Association:

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business of sizers, texturisers, spinners, weavers, manufacturers, twistors, pressers and balers of silk, artificial silk rayon, nylon, stretchlon, man-made synthetic fibres, staple fibres, wool and fibrous materials, and the business of manufacturing, texturising, weaving, bleaching, printing and selling cloth of all types, linen and fabrics of all types, whether knitted or looped and of importing, exporting, buying, selling and/or dealing in silk, art silk, rayon, nylon, stretchlon, manmade synthetic fibres, staple fibres, wool, hemp and other fibrous materials cloth linen, rayon and generally to carry on the business of processors, manufacturers and/or dealers in linen, flax, hemp, silk, artificial silk, rayon, man-made synthetic fibres, staple fibres, wool and cloth merchants, cleaners, combers, dyers and to transact all and any preparing processes and to give any special treatment to any of the above referred materials at any stage of production such as texturising, testing, crimping on own materials or belonging to others and/or to get the same done through others.

2.To carry on the business of manufacturing, spinning, weaving, bleaching, dyeing, processing, mercerising, printing, sizing, importing, exporting, purchasing, selling and/or otherwise dealing in yarns of all types, made from silk, art silk, rayon nylon man-made synthetic fibres, staple fibres and other suitable materials.

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company since Incorporation:

Date of Meeting	Type of Meeting	Amendments
November 04, 2004	EGM	Increase in the authorized share capital of the Company from ₹24.00 Lakh divided into 24,000 Equity Shares of ₹ 100/- each to ₹45.00 Lakh divided into 45,000 Equity Shares of ₹100/- each

December 31, 2005	EGM	Increase in the authorized share capital of the Company from ₹45.00 Lakh divided into 45,000 Equity Shares of ₹ 100/- each to ₹70.00 Lakh divided into 70,000 Equity Shares of ₹100/- each
March 27, 2006	EGM	Increase in the authorized share capital of the Company from ₹70.00 Lakh divided into 70,000 Equity Shares of ₹ 100/- each to ₹120.00 Lakh divided into 1,20,000 Equity Shares of ₹100/- each
January 10, 2007	EGM	Increase in the authorized share capital of the Company from ₹120.00 Lakh divided into 1,20,000 Equity Shares of ₹ 100/- each to ₹300.00 Lakh divided into 3,00,000 Equity Shares of ₹100/- each
May 14, 2025	EGM	The face value of ₹ 100 each of the Company were sub-divided into equity shares of face value of ₹ 10 each
		Increase in the authorized share capital of the Company from ₹300.00 Lakh divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹1800.00 Lakh divided into 1,80,00,000 Equity Shares of ₹10/- each
		Adoption of MOA as per Companies Act, 2013
July 24, 2025	EGM	Clause I of our Memorandum of Association was amended to reflect the change in our name from 'Kumar Cotton Mills Private Limited to 'Kumar Cotton Mills Ltd' pursuant to conversion of our Company from a private limited company to a public limited company.

Amendments to the Articles of Association

Except as stated below, there has been no change in the Articles of Association of our Company since its incorporation:

Date of Meeting	Type of Meeting	Amendments
May 14, 2025	EGM	Adoption of AOA as per Companies Act, 2013
July 24, 2025	EGM	Article of Association was amended to reflect the change in our name from 'Kumar Cotton Mills Private Limited to 'Kumar Cotton Mills Ltd' pursuant to conversion of our Company from a private limited company to a public limited company.
May 27, 2026	EGM	Article of Association was amended to reflect the mandatory clauses as per Securities Contract Regulation Act, 1956 to meet the listing requirements.

Major events and milestones of our Company:

The table below sets forth some of the major events in the history of our company:

Year/ F.Y.	Key Events/ Milestone/ Achievements
2024-25	Revenue from operations crossed ₹23,000 lakhs in FY 2024-25
2025	Acquired a land on rent located at Block No. 336 admeasuring 66,976 sq. mtrs., Mouje Miroli, Taluka Dascroi, Sub-District Ahmedabad-II, Gujarat for installation of spinning facility to support backward integration.
2025	Company was Converted from Private Limited to Public Limited company.
2025	Acquisition of 99% share in profit/losses in Aarjay Enterprise (a Partnership Firm) , a related party entity engaged in weaving activities.

Corporate profile of our Company:

For details of our Company's activities, services, growth, awards & recognitions, technology, marketing strategy, competition and our customers, please refer section titled **"Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations"** and **"Basis for Issue Price"** on pages 123, 273 and 99 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and shareholding of our Promoters, please refer to sections titled **"Our Management"** and **"Capital Structure"** beginning on page 157 and 67 of the Draft Red Herring Prospectus respectively.

Time and Cost Overruns in Setting up Projects:

Our Company has not experienced any significant time and cost overrun in setting up projects.

Our holding company:

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Associates and Joint Ventures:

As on date of this Draft Red Herring Prospectus, our Company does not have any associates and joint ventures.

Our Subsidiary:

As on date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary.

Accumulated profits or losses:

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of the company that have not been accounted for or consolidated by our Company.

Strategic or Financial Partnerships:

As on the date of this Draft Red Herring Prospectus, Our Company does not have any strategic or financial partnerships.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:

As on the date of the Draft Red Herring Prospectus, there have been no defaults or rescheduling of borrowings with any financial institutions/banks.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.

Our Company has made an investment by way of capital contribution of ₹1,700 lakhs in Aarjay Enterprise, a partnership firm engaged in weaving activities, pursuant to the Supplemental Deed of Partnership dated August 23, 2025 executed among Mr. Ajay Ramkumar Agrawal, Mr. Kumar Rajendraprasad Agarwal and the Company. Consequently, our Company holds 99.00% share in the profits, losses and capital contribution of Aarjay Enterprise. The transaction was undertaken to align the weaving operations of Aarjay Enterprise with the Company's fabric processing operations.

Except mentioned above, Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Shareholders Agreements

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, 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 dealings in the securities of the Company.

OUR MANAGEMENT

Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
Rajendraprasad Ramkumar Agarwal Designation: Chairman and Managing Director Age: 67 years Date of Birth: December 11, 1958 Address: 104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India. Experience: 47 years Occupation: Business Qualification: Senior Secondary Current Term: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation. DIN: 00400787	Companies: Narol Textile Infrastructure & Enviro Management
Ajay Ramkumar Agrawal Designation: Whole time Director Age: 56 years Date of Birth: August 01, 1969 Address: 101, 102, 103 Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India. Experience: 36 years Occupation: Business Qualifications: Senior Secondary Current Term: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation. DIN: 00400818	Companies: Nil
Khushal Mithlesh Goyle Designation: Whole-time director Age: 40 years Date of Birth: December 16, 1985	Companies: Nil

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
Address: D/3, Charul Flats, Panjarapole, Ambavadi, Ahmedabad City, Ahmedabad, Gujarat, 380015 Experience: 18 years Occupation: Business Qualification: Diploma in Financial Management Current Term: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation. DIN: 02068313	
Kumar Rajendraprasad Agarwal Designation: Non-Executive Director Age: 40 years Date of Birth: March 03, 1986 Address: 104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India. Experience: 18 years Occupation: Business Qualification: Diploma in Financial Management Current Term: Effective from February 01, 2026 and is liable to retire by rotation. DIN: 07999068	Companies: • Pinaz Texfab Private Limited • Terra biofuels private limited
Shwetaben Arvindbhai Saparia Designation: Independent Director Age: 36 years Date of Birth: April 21, 1990 Address: Bus stand pachhad, Adityana, Porbandar, Gujarat-360545. Experience: 7 years Occupation: Professional Qualification: Company Secretary Current Term: Effective from December 01, 2025 for a period of 5 years DIN: 10083476	Companies: • Parampara Dairy Delights Limited • Vivaa Tradecom Limited • Poshan Nutriwell Private Limited
Ankitkumar Surendrakumar Agrawal Designation: Independent Director	Companies: • Orbit Pharma Laboratories Limited

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other Directorships
Age: 36 years Date of Birth: October 16, 1989 Address: 19, Agresen society, Manasarovar Road, Palanpur, Banaskantha, Gujarat-385001 Experience: 8 years Occupation: Professional Qualification: Company Secretary Current Term: Effective from December 01, 2025 for a period of 5 years DIN: 10118085	● Easy Pay Limited ● Trans India House Impex Limited ● Shri Akshar Gold Ornaments Limited ● Castora Agri Commodities Limited

Brief Profile of Directors:

1. **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** 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. **Khushal Mithlesh Goyle** is the Whole-Time Director of our company. He has been on the Board since 2012 and has over 18 years of experience in the Textile Industry. He completed his Diploma in Financial Management in the year 2008 from Nipam Shah-AMA Centre. He commenced his career in 2008 by being involved in the production and operational activities of our Company. Subsequently, he was appointed on the Board of our Company in the year 2012. He currently oversees production and quality control activities of our Company.
4. **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.
5. **Shwetaben Arvindbhai Saparia** is the Independent Director of the Company since December 01, 2025. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She holds Bachelor of Commerce degree from Gujarat University (2010). and a Bachelor of Laws (LL.B.) from the Gujarat University (2013). She is associated with Krishna Capital & Securities Limited since 2018 and has been engaged in working related to corporate secretarial matters.
6. **Ankitkumar Surendrakumar Agrawal** is the Independent Director of our Company of our Company and has been on the Board since December 01, 2025. He was admitted as an Associate Member of the Institute of Company Secretaries of India in the year 2016. He also holds a Master of Business Administration degree from Sikkim Manipal University, completed in the year 2013. He has around eight years of post-qualification experience in secretarial and regulatory compliances. He commenced his career as Company Secretary with Rama Gum Industries India Limited in the year 2017 and was associated with the said company until 2019. Thereafter, he joined Camrola Quartz Limited in the year 2019 and was associated with the said company until 2023. He is currently serving as Company Secretary of Prozeal Green Energy Limited.

Confirmations:

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors is or was the director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was the director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a willful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors:

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on December 29, 2025 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 Crore.

Compensation of our Managing Director & Whole-time Director:

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director & Whole-time Directors:

1. Rajendraprasad Ramkumar Agarwal: Chairman and Managing Director

Pursuant to the resolutions passed by the Board of Directors on October 30, 2025, and subsequently approved by the shareholders on December 01, 2025, Rajendraprasad Ramkumar Agarwal has been re-designated as Chairman and Managing Director for term of 5 years. His remuneration, which may comprise salary, dearness allowance, perquisites, and other allowances or a combination thereof, shall not exceed ₹5.00 lakhs per month.

2. Ajay Ramkumar Agrawal: Whole Time Director

Pursuant to the resolutions passed by the Board of Directors on October 30, 2025, and subsequently approved by the shareholders on December 01, 2025, Ajay Ramkumar Agrawal has been re-designated as Whole Time Director for term of 5 years. His remuneration, which may comprise salary, dearness allowance, perquisites, and other allowances or a combination thereof, shall not exceed ₹5.00 lakhs per month.

3. Khushal Mithlesh Goyle: Whole Time Director

Pursuant to the resolutions passed by the Board of Directors on October 30, 2025, and subsequently approved by the shareholders on December 01, 2025, Khushal Mithlesh Goyle has been re-designated as Whole Time Director for term of 5 years. His remuneration, which may comprise salary, dearness allowance, perquisites, and other allowances or a combination thereof, shall not exceed ₹5.00 lakhs per month.

Payments or benefits to Directors:

The remuneration paid to our Directors in Fiscal 2025 is as follows:

Name of Director	Remuneration paid in F.Y. 2024-25 (in lakhs)
Rajendraprasad Ramkumar Agarwal	24.00
Ajay Ramkumar Agrawal	24.00
Kumar Rajendraprasad Agarwal	24.00
Khushal Mithlesh Goyle	7.20

Bonus or Profit-Sharing Plan for our Directors:

We have no bonus or profit-sharing plan for our Directors.

Sitting Fees:

Our Board of Directors have resolved in their meeting dated October 30, 2025 for payment of sitting fees to independent directors of the Company, such sum as may be decided by the Board of Directors which shall be upto Rs 60,000 (Rupees Sixty Thousand Only) per board/Committee meeting attended by such director.

Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in % (Pre-Issue)
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
	Total	86,25,330	68.58

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.

As on the date of filing this Draft Red Herring Prospectus the company does not have any Subsidiary company.

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 157 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 263 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are

interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Interest of Directors in the promotion and formation of our Company

As on the date of this Draft Red Herring Prospectus, except for Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal and Kumar Rajendraprasad Agarwal the Promoters of our Company, none of our other Directors and Key Managerial Personnel are interested in the promotion of our Company. For further details, see “***Our Promoters and Promoter Group***” on page 172.

Interest of Directors in the property of Our Company:

Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

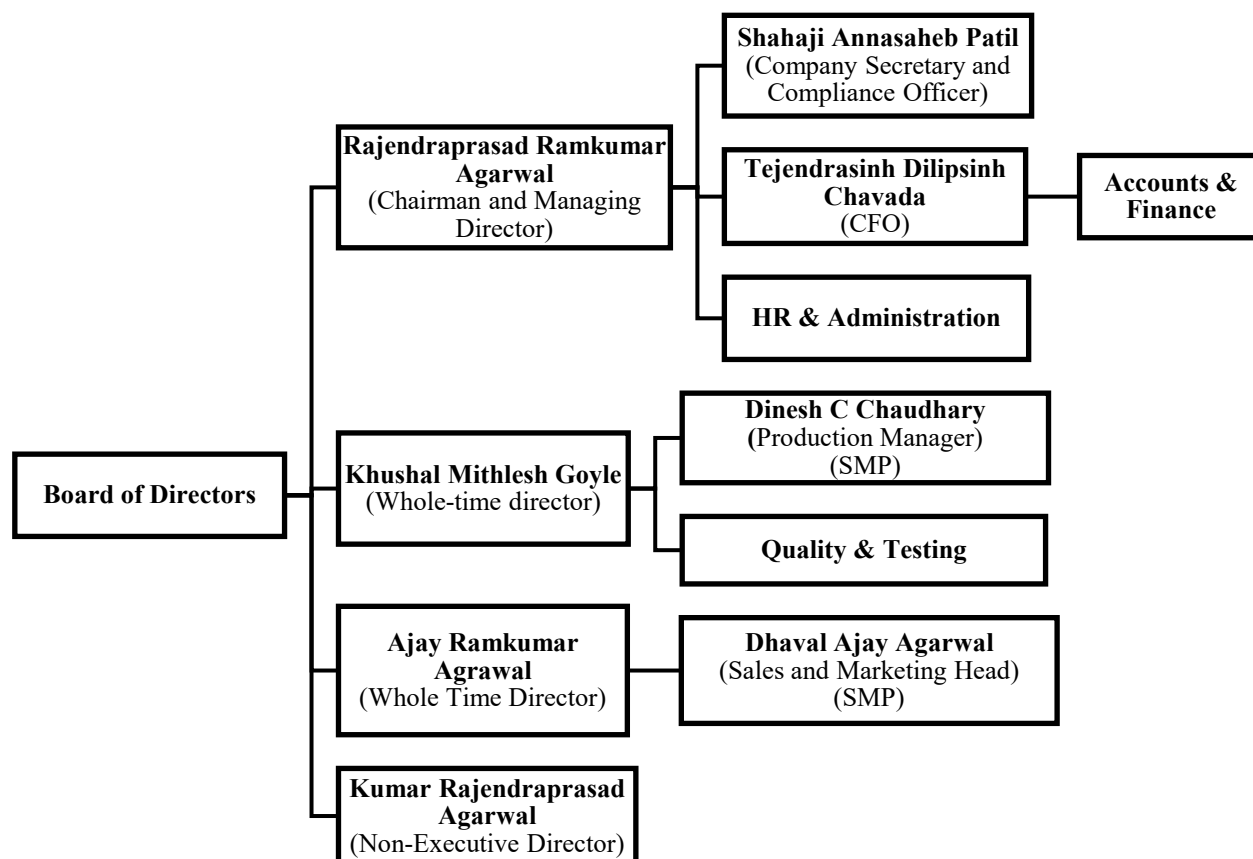
Changes to our Board in the last three years

The changes in our Board in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Reasons for Change in Board
Rajendraprasad Ramkumar Agarwal	December 01, 2025	Re-designated as Chairman and Managing Director
Ajay Ramkumar Agrawal	December 01, 2025	Re-designated as Whole Time Director
Khushal Mithlesh Goyle	December 01, 2025	Re-designated as Whole Time Director
Kumar Rajendraprasad Agarwal	February 01, 2026	Re-designated as Non-executive Director
Shwetaben Arvindbhai Saparia	December 01, 2025	Appointed as Independent Director
Ankitkumar Surendrakumar Agrawal	December 01, 2025	Appointed as Independent Director

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure –



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE. The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors out of which two (2) are Independent Directors, and we have One women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has formed an Audit Committee, vide Board Resolution dated December 01, 2025 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Ankitkumar Surendrakumar Agrawal	Chairman	Independent Director
Shwetaben Arvindbhai Saparia	Member	Independent Director
Rajendraprasad Ramkumar Agarwal	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure of the committee:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee:

The committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

C. Power of the Committee:

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

D. Role of the Committee:

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications and modified opinions in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an Issue (public Offer, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public Issue by the Company;
- Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

- 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;
- Discussing with internal auditors on any significant findings and follow up thereon;
- 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;
- Discussing 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;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

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

2. Stakeholders Relationship Committee

Our Company has formed Stakeholders Relationship Committee vide Board Resolution dated December 01, 2025 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Shwetaben Arvindbhai Saparia	Chairman	Independent Director
Ankitkumar Surendrakumar Agrawal	Member	Independent Director
Kumar Rajendraprasad Agarwal	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

i. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

ii. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

iii. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated December 01, 2025 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Shwetaben Arvindbhai Saparia	Chairman	Independent Director
Ankitkumar Surendrakumar Agrawal	Member	Independent Director
Kumar Rajendraprasad Agarwal	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure of the committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

C. Role of Terms of Reference:

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and

Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of 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 the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2024-25 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
Rajendraprasad Ramkumar Agarwal Designation: Chairman and Managing Director Educational Qualification: Senior Secondary Term of office: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation.	67	2000	24.00	47	Vishal Textile

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2024-25 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
Ajay Ramkumar Agrawal Designation: Whole Time Director Educational Qualification: Senior Secondary Term of office: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation.	56	1990	24.00	36	-
Khushal Mithlesh Goyle Designation: Whole Time Director Educational Qualification: Diploma in Financial Management Term of office: For a period of 5 consecutive years w.e.f, December 01, 2025; liable to retire by rotation.	40	2012	7.20	18	-
Shahaji Annasaheb Patil Designation: Company Secretary and Compliance Officer Educational Qualification: Company Secretary, LL.M, B.A. M.No.: A53268	43	2025	Nil	09	Viraj Alcohol Allied & Industries Limited
Tejendrasinh Dilipsinh Chavada Designation: Chief Financial Officer Educational Qualification: Chartered Accountant	37	2026	Nil	12	Cosmos Co-operative Bank Ltd.

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Rajendraprasad Ramkumar Agarwal - Please refer to section *“Brief Profile of our Directors”* beginning on page 159 of this Draft Red Herring Prospectus for details.

Ajay Ramkumar Agrawal Please refer to section *“Brief Profile of our Directors”* beginning on page 159 of this Draft Red Herring Prospectus for details.

Khushal Mithlesh Goyle Please refer to section *“Brief Profile of our Directors”* beginning on page 159 of this Draft Red Herring Prospectus for details.

Shahaji Annasaheb Patil is the Company Secretary and Compliance Officer of our Company, appointed with effect from December 01, 2025. He holds a Bachelor of Arts degree, completed in 2005, a Bachelor of Laws degree, completed in 2010, and a Master of Laws degree, completed in 2012, from Shivaji University, Kolhapur. He became an Associate Member of the Institute of Company Secretaries of India (ICSI) in 2017. He brings over 9 years of comprehensive experience in corporate compliance, secretarial practices, and Stock Exchange compliances. He began his professional journey in November 2017 with Dilip Pange & Associates, Practising Company Secretaries, where he worked in the secretarial and compliance function until April 2018. Thereafter, he was associated with Mantri Metallics Private Limited from March 2018 to October 2018. He subsequently served as Company Secretary and Compliance Officer of Sanmati Precision Engineering Limited from December 2018 to November 2020 and Viraj Alcohol Allied & Industries Limited from December 2020 until joining our Company. In his current role, he is responsible for overseeing the secretarial and regulatory compliance functions of our Company.

Tejendrasinh Dilipsinh Chavada is the Chief Financial Officer (“CFO”) of our Company, appointed with effect from June 01, 2026. He holds Bachelor of Commerce degree, completed in 2009 from Gujarat University. He became a Chartered accountant from Institute of Chartered Accountants of India in the year 2025. He possesses over 12 years of experience in the fields of finance, accounts, audit and taxation. He commenced his career with M/s. Pragnesh Thakkar & Associates as an Accountant in the year 2014 and was associated with the said firm until 2015. Thereafter, he joined Syphar Technosoft Private Limited as an Accountant and served in that capacity until 2018. He subsequently joined Pinal Madhukar Shah & Co. as an Audit Executive in 2019 and was associated with the said firm until August 2020. Thereafter, he was associated with N. S. Bhargava & Co., Mumbai, from 2020 to 2025, and subsequently with Cosmos Co-operative Bank Limited from November 2025 to April 2026. He joined our Company as an Accounts and Audit Professional in April 2026 and was subsequently

elevated to the position of Chief Financial Officer. As the CFO, he is responsible for overseeing the overall finance and accounts functions of our Company.

SENIOR MANAGEMENT PERSONNEL

In addition to Rajendraprasad Ramkumar Agarwal (Chairman and Managing Director), Ajay Ramkumar Agrawal (Whole time Director), Khushal Mithlesh Goyle (Whole time Director), Tejendrasinh Dilipsinh Chavada (Chief Financial Officer) and Shahaji Annasaheb Patil (Company Secretary and Compliance Officer) of the company, whose details are provided in “Key Managerial Personnel”, the details of our other Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as set forth below:

Name Designation and education Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2024-25 (in ₹ Lakhs)	Overall Experience in Years	Previous Employment
Name: Dinesh C Chaudhary Designation: Production Manager Education Qualification: B.com Hons. (Accounts)	47	2005	9.00	25	Mahalaxmi Mills Pvt Ltd
Name: Dhaval Ajay Agarwal Designation: Sales and Marketing Head Education Qualification: Bachelor of Arts	24	2022	19.50	03	-

BRIEF PROFILE OF SENIOR MANAGEMENT PERSONNEL

Dinesh C. Chaudhary is the Production Manager of our Company. He completed his Bachelor of Commerce (Honours) in Accounts from Baba Saheb Bhimrao Ambedkar University in the year 1998 and has over 25 years of work experience in production and processing operations. He commenced his career in the year 2000 as Assistant Processing Head with Mahalaxmi Mills Private Limited and was associated with the said company until 2005. In August 2005, he joined our Company as Processing Head. He is currently responsible for managing production activities of our company.

Dhaval Ajay Agarwal is the Sales and Marketing Head of our Company. He completed his Bachelor of Business Administration degree from Shridhar University, Pilani, Rajasthan in the year 2022. He has 3 years of experience and joined our Company in July 2022. He is currently responsible for managing the sales and marketing activities of our Company.

We confirm that:

- All the persons named as our Key Managerial Personnel and Senior Management Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above-mentioned Key Managerial Personnel and Senior Management personnel have been recruited.
- None of our KMPs except Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal and Khushal Mithlesh Goyle are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the Year ended March 2025.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel or Senior Management.
- None of the Key Managerial Personnel and personnel of Senior Management in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except:

Sr. No.	Name of the KMP's/Senior Management Personnel	No. of Shares held
1	Rajendraprasad Ramkumar Agarwal	39,71,310

2	Ajay Ramkumar Agrawal	37,46,120
	Total	77,17,430

- h. Presently, we do not have ESOP/ ESPS/Stock Appreciation Rights scheme for our employees.
i. The turnover of KMPs is not high, compared to the industry to which our company belongs.

Nature of any family relationship between our Directors, Key Managerial Personnel (KMP) and Senior Management personnel.

The Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. no.	Name of Director/KMP/Senior Management Personnel	Relationship with other Directors/KMPs/Senior Management Personnel
1.	Rajendraprasad Ramkumar Agarwal (Chairman and Managing Director)	Father of Kumar Rajendraprasad Agarwal (Non-Executive Director) and Brother of Ajay Ramkumar Agrawal (Whole Time Director)
2.	Ajay Ramkumar Agrawal (Whole Time Director)	Brother of Rajendraprasad Ramkumar Agarwal (Chairman and Managing Director) and Father of Dhaval Ajay Agarwal (Sales and Marketing Head- SMP)
3.	Kumar Rajendraprasad Agarwal (Non-Executive Director)	Son of Rajendraprasad Ramkumar Agarwal (Chairman and Managing Director)

Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Changes in the Key Managerial Personnel and Senior Management Personnel in last three years:

The changes in the Key Managerial Personnel and Senior Management Personnel of our Company during the last 3 (three) years are stated below:

Name	Designation (at the time of appointment/ Change in designation/ Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
Rajendraprasad Ramkumar Agarwal	Re-designated as Chairman and Managing Director	December 01, 2025	To ensure better Corporate Governance and compliance with Companies Act, 2013
Ajay Ramkumar Agrawal	Re-designated as Whole Time Director	December 01, 2025	
Khushal Mithlesh Goyle	Re-designated as Whole Time Director	December 01, 2025	
Shahaji Annasaheb Patil	Appointed as Company Secretary & Compliance Officer	December 01, 2025	
Govind Hansaji Prajapati	Appointed as CFO	December 01, 2025	
Govind Hansaji Prajapati	Resigned as CFO	May 30, 2026	
Tejendrasinh Dilipsinh Chavada	Appointed as CFO	June 01, 2026	
Dinesh C. Chaudhary	Production Manager	December 01, 2025	
Dhaval Ajay Agarwal	Sales and Marketing Head	December 12, 2025	

Interest of Our Key Managerial Persons and Senior Management Personnel

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none

of our key managerial personnel and Senior Management Personnel are interested in our Company. For details, please refer section titled ***“Financial information of the Company – Annexure 30- Related Party Disclosures”*** beginning on page 245 of this Draft Red Herring Prospectus.

Interest of KMP’s and SMP’s in the property of Our Company:

Except as disclosed in the section titled ***“Our Business – Immovable Properties”*** and ***“Financial Information – Related party transactions”*** on pages 140 and 178, our KMP’s and SMP’s do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

Other Interests in our Company

Except as stated in this section ***“Our Management”*** or the section titled ***“Financial information of the Company –Annexure-30 - Related Party Disclosure”*** beginning on page 157 and 245 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our KMPs and SMPs do not have any other interest in our business.

Details of Service Contracts of the Key Managerial Personnel and Senior Management Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel and Senior Management Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Loans given/ availed by Directors/ Key Managerial Personnel/ Senior Management Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/ KMPs/ SMPs and for details of transaction entered by them in the past please refer to ***“Annexure 30 – Related Party Disclosures”*** page 245 of this Draft Red Herring Prospectus.

Employee Stock Options

Presently, we do not have any ESOP/ ESPS/Stock Appreciation Rights Scheme for our employees.

OUR PROMOTERS & PROMOTER GROUP

OUR PROMOTERS:

Rajendraprasad Ramkumar Agarwal, Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Agarwal Rajendrakumar (HUF) and Ajaykumar R Agrawal (HUF) are the promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Our Promoters, in aggregate, hold 94,29,630 Equity shares of our Company, representing 74.97% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure –Equity Share Capital history of our Company*", on page 67 of this Draft Red Herring Prospectus.

Brief Profile of our Promoters are set forth below:



RAJENDRAPRASAD RAMKUMAR AGARWAL (Chairman and Managing Director)

Qualification: Senior Secondary

Experience: 47 years

Age: 67 years

Date of Birth: December 11, 1958

PAN: AAQPA0484N

Address: 104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.

No. of Equity Shares & % of Shareholding (Pre-issue): 39,71,310 equity shares aggregating to 31.58% of Pre-Issue Paid up Share Capital of the Company.

Other Directorship held: Narol Textile Infrastructure & Enviro Management

Other Ventures: Agarwal Rajendrakumar (HUF)



AJAY RAMKUMAR AGRAWAL (Whole-Time-Director)

Qualification: Senior Secondary

Experience: 36 years

Age: 56 years

Date of Birth: August 01, 1969

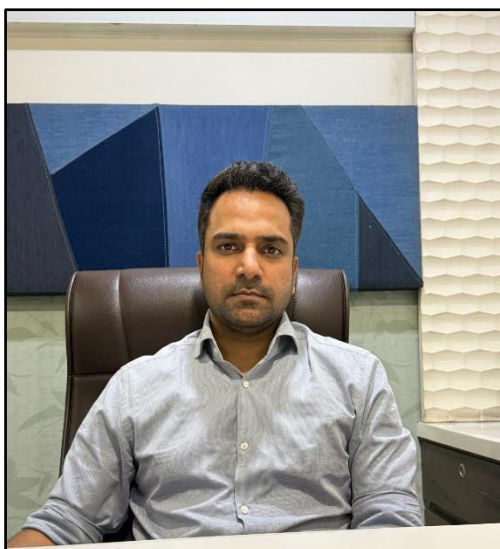
PAN: AAQPA9834N

Address: 101, 102, 103 Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.

No. of Equity Shares & % of Shareholding (Pre-issue): 37,46,120 equity shares aggregating to 29.78% of Pre-Issue Paid up Share Capital of the Company.

Other Directorship held: Nil

Other Ventures: Ajaykumar R Agrawal (HUF)



KUMAR RAJENDRAPRASAD AGARWAL
(Non- Executive Director)

Qualification: Diploma in Financial Management

Experience: 18 years

Age: 40 years

Date of Birth: March 03, 1986

PAN: AMNPK8570C

Address: 104, 105, 106, Vraj Garden, Near Nandanvan Baugh, Opp Shanti Asiatic School, Shela, Ahmedabad, Gujarat- 380058, India.

No. of Equity Shares & % of Shareholding (Pre-issue): 9,07,900 equity shares aggregating to 7.22% of Pre-Issue Paid up Share Capital of the Company.

Other Directorship held:

- Pinaz Texfab Private Limited
- Terra biofuels Private Limited

Other Ventures: Nil

For Brief Profile of Our Promoters, please refer to Chapter “Our Management” beginning on page 159 of this Draft Red Herring Prospectus for details.

Details of Promoter Entities

1. Agarwal Rajendrakumar (HUF)

HUF Information and History

Agarwal Rajendrakumar (HUF) came into existence on September 05, 1989, and Rajendraprasad Ramkumar Agarwal is its Karta and Ashadevi Rajendraprasad Agarwal and Kumar Rajendraprasad Agarwal are its coparceners.

As on date of this Draft Red Herring Prospectus, Agarwal Rajendrakumar (HUF) holds 5,04,000 Equity Shares, representing 4.01% of the issued, subscribed, and paid - up equity share capital of our Company.

The permanent account number is AAAHA7447P.

Address: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat- 380002, India.

Our Company confirms that the permanent account number and the bank account number of Agarwal Rajendrakumar (HUF), shall be submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus.

2. Ajaykumar R Agrawal (HUF)

HUF Information and History

Ajaykumar R Agrawal (HUF) came into existence on December 01, 2003, and Ajay Ramkumar Agrawal is its Karta and Anju Ajay Agrawal and Dhaval Ajay Agrawal are its coparceners.

As on date of this Draft Red Herring Prospectus, Ajaykumar R Agrawal (HUF) holds 3,00,300 Equity Shares, representing 2.39 % of the issued, subscribed, and paid - up equity share capital of our Company.

The permanent account number is AAFHA6216F.

Address: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India.

Our Company confirms that the permanent account number and the bank account number of Ajaykumar R Agrawal (HUF), shall be submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus.

Confirmations:

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhaar Card Number, Driving License Number and Passport Number of the Individual Promoters will be submitted at the time of submission of this Draft Red Herring Prospectus to the BSE.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of ;(ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our Promoters have not been declared as fugitive economic offenders as defined under the SEBI (ICDR) Regulations.

Change in the control of our Company:

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interest of our Promoters:

i. Interest in promotion and shareholding of Our Company:

Our Promoters are interested in our Company to the extent that (i) they are the promoters of our Company and (ii) to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. For details regarding the shareholding of our Promoters in our Company, please see **“Capital Structure”** on page 73 of this Draft Red Herring Prospectus

Our Promoters, who are also Directors and Key Managerial Personnel of our Company, may be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to **Annexure - 30 – “Related Party Transactions”** beginning on page 245 of this Draft Red Herring Prospectus.

ii. Interest in the property of Our Company:

Except as disclosed in the section titled **“Our Business - Immovable Properties”** and **“Financial Information – Related party transactions”** on pages 140 and 178, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

iii. Other Interests in our Company

For transactions in respect of loans and other monetary transactions entered in past please refer Annexure - 30 on “Related Party Transactions” on page 245 forming part of “Financial Information of the Company” of this Draft Red Herring Prospectus.

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 263 and 178 respectively of this Draft Red Herring Prospectus.

Payment or Benefits to our Promoter and Promoter Group during the last 2 years:

Save and except as disclosed under **“Compensation of our Managing Director”** in the chapter titled **“Our Management”** beginning on page 160 of this Draft Red Herring Prospectus and also refer **“Annexure - 30 on “Related Party Transactions”** on page 245 of this Draft Red Herring Prospectus forming part of **“Financial Information of the Company”**, there has been

no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus

Companies/Firms with which our Promoters have disassociated in the last (3) three years

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

Other ventures of our Promoter

Save and except as disclosed in this section titled **“Our Promoter & Promoter Group”** beginning on page 172 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoter

For details on litigations and disputes involving our Promoters, please refer to the section titled **“Outstanding Litigations and Material Developments”** beginning on page 298 of this Draft Red Herring Prospectus.

Experience of Promoters in the line of business

Our Promoters have adequate experience in the business activities undertaken by our Company. For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled **“Our Management”** beginning on page 157 of this Draft Red Herring Prospectus.

Related Party Transactions

Except as stated in **“Annexure – 30 - Related Party Transactions”** beginning on page 245 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

OUR PROMOTER GROUP:

In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018:

i. Individuals forming part of the Promoter Group:

Relationship	Rajendraprasad Ramkumar Agarwal	Ajay Ramkumar Agrawal	Kumar Rajendraprasad Agarwal
Father	Late Ramkumar Agarwal	Late Ramkumar Agarwal	Rajendraprasad Ramkumar Agarwal
Mother	Late Poonamdevi Ramkumar Agarwal	Late Poonamdevi Ramkumar Agarwal	Ashadevi Rajendraprasad Agarwal
Spouse	Ashadevi Rajendraprasad Agarwal	Anju Ajay Agrawal	Pragati Kumar Agrawal
Brother (s)	Balvantrai Ramkumar Agarwal Ajay Ramkumar Agrawal	Balvantrai Ramkumar Agarwal Rajendraprasad Ramkumar Agarwal	NA
Sister	Meena Mithlesh Goyle	Meena Mithlesh Goyle	Karishma Rajendraprasad Agrawal
Son	Kumar Rajendraprasad Agarwal	Dhaval Ajay Agarwal	Vedansh Kumar Agarwal
Daughter	Karishma Rajendraprasad Agrawal	Tanya Ajay Agarwal	Naisha Kumar Agarwal
Spouse's Father	Late Shankarlal Malaram Agarwal	Virander Kumar Goel	Praveen Nemani
Spouse's Mother	Late Kapurdevi Shankarlal Agarwal	Kiran Goel	Kiran Nemani
Spouse's Brother	Vijaykumar Agarwal	Late Rakesh Goel	Prashant Nemani

Spouse's Sister	Snehlata Agrawal	NA	NA

ii. Corporate Entities or Firms forming part of the Promoter Group:

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	any body corporate in which twenty per cent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;	• Pinaz Texfab Private Limited • Bonanza Textiles Private Limited • Kumar Spintex Private Limited • Jai Tripathi Steels Private Limited • Map Steels (India) Private Limited • Terrabiofuels Private Limited • Nemani Estates Private Limited
2.	any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	NA
3.	any Hindu Undivided Family or Trust or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent of the total capital;	• Agarwal Rajendrakumar (HUF) • Ajaykumar R Agrawal (HUF) • Ramkumar & Sons (HUF) • Aarjay Developers • Venus Denim • Vishal Spintex • Vedant Denim • Siya Industrial Developer • Venkatesh Developer • Missotaa Biofuel LLP • Missotaa Green LLP • PNV Infrabuild LLP • Royalkumar Infrastructure LLP • Praveen Nemani HUF • Prashant Nemani HUF • Tanya Dental House • M/s B. N. Shiv Lal Aggarwal

Other persons included in Promoter Group:

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the last three financial years and stub period ended Dec'25 to the date of the filing of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future. The Board may, at its discretion, recommend or declare dividends in the future only after considering the factors stated above and in compliance with applicable laws.

SECTION V – FINANCIAL INFORMATION OF THE COMPANY
RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS
(As required by Section 26 and 32 of Companies Act, 2013)

To,
The Board of Directors,
Kumar Cotton Mills Ltd
(Formerly Known as Kumar Cotton Mills Private Limited)
160/A, New Cloth Market, O/s Raipur Gate,
Ahmedabad, Gujarat, India – 380002

Dear Sir/Ma'am

1. We have examined the attached Restated Financial Information of Kumar Cotton Mills Ltd, comprising the Restated Statement of Assets and Liabilities on consolidated financial as at 31st December 2025 and standalone financials as at 31st March 2025, 2024 and 2023 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement on consolidated for the nine months ended 31st December 2025, and standalone for the year ended 31st March 2025, 2024, 2023 the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on June 26, 2026 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”).

These restated Summary Statement have been prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”)
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Gujarat and the SME Platform of BSE SME exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Financial Information. The Board of Directors’ 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.
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 May 27, 2026 in connection with the proposed IPO of equity shares of the Issuer;
 - 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.

4. These Restated Financial Information have been compiled by the management from: -
 - a. Consolidated as well as standalone Audited Special Purpose Interim Financial Statements of the Company for the nine months ended 31st December 2025 prepared in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014, which has been approved by the Board of Directors at their meeting held on 22nd June 2026.
 - b. Audited financial statements of the company as at and for 31st March 2025, 2024 and 2023 prepared in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014, which has been approved by the Board of Directors at their meeting held on 04th August 2025, 31st August 2024 and 28th July 2023 respectively.
5. We as a statutory auditor of company have audited the consolidated special purpose financial information of the Company for the period ended 31st December 2025, prepared by the Company in accordance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014 for the complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated 22nd June 2026 for the special purpose financial information to the Board of Directors who have approved these in their meeting held on 22st June 2026.
6. For the purpose of our examination, we have relied on:
 - a. Auditors’ Report issued by us dated 22nd June 2026 on the consolidated as well as standalone financial statements of the Company as at and for the nine months ended 31st December 2025 as referred in paragraph 4 and 5 above.
 - b. Auditors’ Report issued by previous auditors dated 4th August 2025, 31st August 2024, and 28th July 2023 on the financial statements of the company as at and for the year ended on March 31st2025, March 31st2024 and March 31st2023 respectively as referred in Paragraph 4(b) above
7. Based on our examination and according to the information and explanations given to us, we report that:
 - a. The **“Restated Summary Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company on consolidated financials as at and for the nine months ended on 31st December 2025, standalone financials as at and for the year ended on 31st March 2025, 2024 and 2023 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
 - b. The **“Restated Summary Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company on consolidated as at and for the nine months ended on 31st December 2025, standalone financials as at and for the year ended on 31st March 2025, 2024 and 2023 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
 - c. The **“Restated Summary Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company on consolidated as at and for the nine months ended on 31st December 2025, on standalone as at and for the year ended on 31st March 2025, 2024 and 2023 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this Report.
 - d. The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 - e. The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

- f. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
 - g. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
 - h. There were no qualifications in the Audit Reports issued by the Statutory Auditors on consolidated financial as at and for nine months ended on 31th December 2025, and standalone financials as at and for the year ended on 31st March 2025, 2024 and 2023 which would require adjustments in this Restated Financial Statements of the Company;
 - i. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this report;
 - j. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
 - k. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
 - l. The Company has not declared dividend during the period.
8. 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 on consolidated financial as at and nine months ended on 31th December 2025, standalone financial as at and for the year ended on 31st March 2025, 2024 and 2023 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus.

Annexure of Restated Financial Statements of the Company: -

- a. Restated Summary Statement of Assets and Liabilities in Annexure 1
- b. Restated Summary Statement of Profit and Loss in Annexure 2
- c. Restated Summary Statement of Cash Flows in Annexure 3
- d. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4
- e. Details of Share Capital as Restated appearing in Annexure 5 to this report;
- f. Details of Reserve and Surplus as Restated appearing in Annexure 6 to this report;
- g. Details of Minority Interest as Restated appearing in Annexure 6a to this report;
- h. Details of Long Term borrowings as Restated appearing in Annexure 7 to this report;
- i. Principal Terms of Secured & Unsecured Loans and Assets Charged as Security appearing in Annexure 7(A) to this report;
- j. Details of Deferred Tax Assets/(Liabilities) (Net) as Restated appearing in Annexure 8 to this report;
- k. Details of Other Long Term Provisions as Restated appearing in Annexure 9 to this report;
- l. Details of Short Term borrowings as Restated appearing in Annexure 10 to this report;
- m. Principal Terms of Secured Loans and Assets Charged as Security appearing in Annexure 10(A) to this report;
- n. Details of Trade Payables as Restated appearing in Annexure 11 to this report;
- o. Details of Other Current Liabilities as Restated appearing in Annexure 12 to this report;
- p. Details of Short term provisions as Restated appearing in Annexure 13 to this report;
- q. Details of Property Plant Equipment & Intangible Asset Restated appearing in Annexure 14 to this report;
- r. Details of Non-Current Investments Restated appearing in Annexure 15 to this report;
- s. Details of Non-Current Assets as Restated appearing in Annexure 16 to this report;
- t. Details of Inventories as Restated appearing in Annexure 17 to this report;
- u. Details of Trade Receivables as Restated appearing in Annexure 18 to this report;
- v. Details of Cash and Bank Balances as Restated appearing in Annexure 19 to this report;
- w. Details of Short-Term Loans and Advances as Restated appearing in Annexure 20 to this report;
- x. Details of Other Current Assets as Restated appearing in Annexure 21 to this report;
- y. Details of Revenue from operations as Restated appearing in Annexure 22 to this report;
- z. Details of Other Income as Restated appearing in Annexure 23 to this report;
- aa. Details of Cost of Material Consumed as restated appearing in Annexure 24 to this report;
- bb. Details of Change in Inventory of finished goods and Work-in-Progress as restated appearing in Annexure 25 to this Report;

- cc. Details of Employee Benefit Expenses as restated appearing in Annexure 26 to this report;
 - dd. Details of Finance Cost as restated appearing in Annexure 27 to this report;
 - ee. Details of Depreciation and Amortisation Expenses as restated appearing in Annexure 28 to this report;
 - ff. Details of Other Expense as restated appearing in Annexure 29 to this report;
 - gg. Details of Related Parties Transactions as Restated appearing in Annexure 30 to this report;
 - hh. Details of Statement of Tax Shelter as Restated appearing in Annexure 31 to this report;
 - ii. Details of Other financial Information and Other Accounting ratios as restated appearing in Annexure 32 to this report;
 - jj. Details of Contingent liabilities as restated appearing in Annexure 33 to this report;
 - kk. Details of Earnings and Expenditure in Foreign Currency as restated appearing in Annexure 34 to this report;
 - ll. Details of Corporate Social Responsibility [CSR] Expenses as restated appearing in Annexure 35 to this report;
 - mm. Details of Events Occurring after the Balance Sheet Date as restated appearing in Annexure 36 to this report;
 - nn. Details of Other Statutory/Regulatory/Other Information as restated appearing in Annexure 37 to this report;
 - oo. Details of statement of Capitalization as restated appearing in Annexure 38 to this report;
9. We, M/s. Bhupendra J Shah & Associates have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate No. 019720 issued by the **“Peer Review Board”** of the ICAI which is valid till 29th February 2028.
 10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
 11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
 12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus to be filed with Securities and Exchange Board of India, SME Platform of BSE SME exchange and Registrar of Companies, Gujarat in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, **Bhupendra J Shah & Associates**
Chartered Accountants
 Firm Registration No. 121812W

CA Ankit Ashokkumar Gupta
Partner
 Membership No. 130278
 UDIN : 26130278LTTWAK5044
 Place : Ahmedabad
 Date: 26th June 2026

ANNEXURE-1
RESTATED FINANCIAL STATEMENT OF ASSETS AND LIABILITIES

(₹ In Lakhs)

Particulars	Annexure No.	As at December 31, 2025	As at March 31,		
			2025	2024	2023
		(Consolidated)	(Standalone)	(Standalone)	(Standalone)
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
(a) Share Capital	5	1,257.73	179.68	179.68	179.68
(b) Reserves and Surplus	6	2,783.85	2,956.19	2,479.87	2,299.42
(2) Minority Interest	6a	1,457.84	-	-	-
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	7	4,829.87	2,745.86	2,000.56	2,380.65
(b) Deferred Tax Liability(Net)	8	-	-	-	-
(c) Long-term Provisions	9	65.44	50.09	39.95	32.71
(4) Current Liabilities					
(a) Short Term Borrowing	10	5,296.67	3,733.10	4,519.57	3,272.18
(b) Trade Payables					
(i) total outstanding dues of micro enterprises and small enterprises; and	11	-	-	-	-
(ii) total outstanding dues other than micro enterprises and small enterprises	11	7,299.00	4,256.41	2,785.39	4,147.83
(c) Other current liabilities	12	167.69	148.47	235.24	125.28
(d) Short-Term Provisions	13	617.93	196.78	120.86	127.35
Total		23,776.01	14,266.59	12,361.12	12,565.09
II.ASSETS					
(1) Non-Current Assets					
(a) Property, Plant and Equipment and Intangible Assets					
(i) Property, Plant and Equipment	14	4,893.44	2,359.82	2,098.57	2,464.26
(ii) Intangible Assets	14	54.64	-	-	-
(iii) Capital work-in-progress	14	1,609.44	242.72	-	-
(b) Non-Current Investment	15	0.12	0.12	0.12	0.12
(c) Deferred Tax Assets (net)	8	187.69	222.60	211.83	180.41
(d) Long-term loans and advances		-	-	-	-
(e) Other non-current assets	16	127.22	153.37	22.67	4.76
(2) Current Assets					
(a) Inventories	17	6,263.38	2,244.71	1,923.18	2,221.32
(b) Trade receivables	18	8,688.76	8,038.14	7,272.71	6,463.12
(c) Cash & Bank Balances	19	665.17	119.06	123.85	116.90
(d) Short-Term Loans And Advances	20	1,271.93	875.57	698.81	1,104.82
(e) Other Current Assets	21	14.23	10.49	9.39	9.39
Total		23,776.01	14,266.59	12,361.12	12,565.09

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd.
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
Chairman & Managing Director
DIN: 00400787

Ajay Ramkumar Agarwal
Whole Time Director
DIN: 00400818

Tejendrasinh Dilipsinh Chavada
Chief Financial Officer
PAN: AJYPC3396E

Shahaji Annasaheb Patil
Company Secretary
M. No.: A53268

ANNEXURE-2
RESTATED STATEMENT OF PROFIT & LOSS

(₹ In Lakhs)

	Particulars	Annexure No.	For the Period ended December 31, 2025	For the year ended March 31,		
				2025	2024	2023
			(Consolidated)	(Standalone)	(Standalone)	(Standalone)
A	Revenue:					
	Revenue From Operations	22	23,205.13	23,964.00	24,874.51	25,149.23
	Other Income	23	52.56	36.77	39.37	44.04
	Total Income		23,257.70	24,000.77	24,913.89	25,193.27
B	Expenses:					
	Cost of Material Consumed	24	15,823.56	15,064.51	14,506.11	14,944.25
	Changes in inventories of finished goods and work in progress	25	-397.30	-696.55	295.72	-309.41
	Employee benefit expenses	26	852.77	1,015.40	916.84	788.18
	Finance Costs	27	304.23	517.41	609.00	503.05
	Depreciation and amortization expenses	28	613.67	536.19	575.86	609.10
	Other Expenses	29	4,813.48	6,926.69	7,765.24	8,365.57
	Total Expenses		22,010.42	23,363.66	24,668.76	24,900.73
C	Profit before exceptional, extraordinary items and tax		1,247.28	637.11	245.12	292.53
	Less: Exceptional Items & Extra ordinary items		-	-	-	-
D	Profit before tax		1,247.28	637.11	245.12	292.53
E	Tax expenses:					
	Current tax		364.13	171.56	96.10	103.55
	Deferred Tax Expenses/(income)		-25.50	-10.77	-31.42	-29.45
F	Restated Profit after tax before share of profit of minority interest (D-E)		908.65	476.32	180.45	218.44
G	Less: Share of profit attributable to Minority Interest		2.94	-	-	-
H	Restated Profit attributable to the shareholders of the company (F-G)		905.71	476.32	180.45	218.44
I	Weighted Average no. of Shares	32	1,25,77,250	1,25,77,250	1,25,77,250	1,25,77,250
J	Earning per Equity Share of face value of Rs.10/- each.					
	(1) Basic in Rs.		7.20	3.79	1.43	1.74
	(2) Diluted in Rs.		7.20	3.79	1.43	1.74

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd.
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal Chairman & Managing Director DIN: 00400787	Ajay Ramkumar Agarwal Whole Time Director DIN: 00400818

Tejendrasinh Dilipsinh Chavada Chief Financial Officer PAN: AJYPC3396E	Shahaji Annasaheb Patil Company Secretary M. No.: A53268

ANNEXURE-3
RESTATED CASH FLOW STATEMENT

(₹ In Lakhs)

Particulars	For the period ended December 31, 2025 (Consolidated)	For the year ended March 31,		
		2025	2024	2023
		(Standalone)	(Standalone)	(Standalone)
Cash Flow From Operating Activities:				
Net Profit before tax as per Profit And Loss A/c	1,247.28	637.11	245.12	292.53
Adjustments for:				
Depreciation & Amortization Expense	613.67	536.19	575.86	609.10
Interest Income on Fixed Deposit	-18.93	-4.88	-11.04	-5.60
Interest on Income Tax Refund	-	-5.47	-13.98	-
Interest Expenses	304.23	517.41	609.00	503.05
Gratuity Expense	10.74	10.61	8.20	7.69
Bad debts written off	15.32	-	-	-
(Profit)/ Loss on Sale of Fixed Asset	-33.34	-21.92	-9.00	-10.20
Operating Profit Before Working Capital Changes	2,138.96	1,669.04	1,404.16	1,396.57
Adjusted for (Increase)/ Decrease in:				
(Increase)/Decrease in Short Term Loans & Advances	-264.01	-176.76	406.01	-246.94
(Increase)/Decrease in Long Term Loans & Advances	-	-	-	0.80
(Increase)/Decrease in Trade Receivable	3,424.97	-765.43	-809.59	-354.64
(Increase)/Decrease in Inventories	-1,027.81	-321.53	298.15	-125.49
Increase/(Decrease) in Other Current Liabilities	-314.34	-86.77	109.97	115.97
Increase/(Decrease) in Trade Payables	-1,591.92	1,471.02	-1,362.45	-548.47
(Increase)/Decrease in Other Non Current Assets	42.57	-130.70	-17.91	-4.76
(Increase)/Decrease in Other Current Assets	-	-1.10	-	8.91
Increase/(Decrease) in Short Term & Long Term Provisions	164.80	75.46	-7.45	24.68
Net Working capital Adjustment	434.25	64.19	-1,383.26	-1,129.93
Cash Generated From Operations	2,573.22	1,733.23	20.90	266.63
Net Income Tax paid/ refunded	-364.13	-166.08	-82.12	-85.18
Net Cash Flow from/(used in) Operating Activities: (A)	2,209.08	1,567.14	-61.22	181.45
Cash Flow From Investing Activities:				
Purchases of Fixed Assets	-609.82	-1,085.18	-241.39	-367.15
Proceed from Sales of Property, Plant & Equipment	80.30	66.94	40.22	21.85
Interest on Fixed Deposit	18.93	4.88	11.04	5.60
(Increase)/Decrease in Investments (Fixed Deposits more than 3 months)	44.76	30.07	-5.64	-4.23
Net Cash Flow from/(used in) Investing Activities: (B)	-465.83	-983.29	-195.77	-343.93
Cash Flow from Financing Activities:				
Increase/(Decrease) in Long Term Borrowing	-556.05	745.29	-380.09	57.71
Increase/(Decrease) in Short Term Borrowing	-475.00	-786.47	1,247.39	598.10
Increase/(Decrease) in Capital by Minority Partners	-252.50	-	-	-
Interest Expenses	-304.23	-517.41	-609.00	-503.05
Net Cash Flow from/(used in) Financing Activities (C)	-1,587.78	-558.59	258.31	152.77

Net Increase/(Decrease) in Cash & Other Bank Balances (A+B+C)	155.46	25.27	1.32	-9.72
Cash & Cash Equivalents As At Beginning of the Year/Period	33.43	8.16	6.84	16.56
Cash & Cash Equivalents As At End of the Year/Period	188.89	33.43	8.16	6.84

Notes:

1. Components of Cash & Cash Equivalents	As at December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Cash In Hand	50.93	33.43	8.16	6.84
Balance with Banks	137.96	-	-	-
Total	188.89	33.43	8.16	6.84

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated financial Statement (Annexure 4 to Annexure 38) are an integral part of this statement.

As per our report of even date

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd.
(Previously Known as Kumar Cotton Mills Private Limited)

CA ANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
Chairman & Managing Director
DIN: 00400787

Ajay Ramkumar Agarwal
Whole Time Director
DIN: 00400818

Tejendrasinh Dilipsinh Chavada
Chief Financial Officer
PAN: AJYPC3396E

Shahaji Annasaheb Patil
Company Secretary
M. No.: A53268

ANNEXURE-4
TO RESTATED FINANCIAL STATEMENTS
SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

A CORPORATE INFORMATION

Our Company was incorporated as “Kumar Cotton Mills Private Limited” on March 30, 1990 under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at the Extraordinary general meeting held on July 24, 2025 and the name of our Company was changed from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.” vide fresh certificate of incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U17710GJ1990PLC013562.

Company is engaged primarily in fabric processing activities, including bleaching, dyeing, printing, sizing and finishing of fabrics. The Company undertakes fabric processing on a job work basis as well as on an own-account basis, wherein it procures grey fabric, processes the same at its manufacturing facility and sells the processed fabrics to customers.

B SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Restated Statement of Assets and Liabilities (Consolidated) as at December 31, 2025 and Restated Statement of Assets and Liabilities (standalone) as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statements of Profit and Loss (Consolidated) for the nine months period ended December 31, 2025, the Restated Statements of Profit and Loss (standalone) for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Cash Flow Statement (Consolidated) for the nine months period ended December 31, 2025, the Restated Cash Flow Statement (standalone) for the period ended March 31, 2025, March 31, 2024 and March 31, 2023, the Summary Statement of Material Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (**collectively, the “Restated Financial Information”**), as approved by the Board of Directors of the company.

(a) These Restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of the current and non-current classification of assets and liabilities.

(b) The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non current classification of assets and liabilities.

(a) Basis of Preparation of Consolidated Restated Financial Information for the Period ended December 31, 2025

a. The consolidated restated financial information has been prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”), the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder, and other accounting principles generally accepted in India.

b. The consolidated restated financial information has been prepared on an accrual basis under the historical cost convention, except where otherwise stated.

c. The accounting policies adopted in the preparation of the consolidated restated financial information are consistent with those followed in the preparation of the financial statements of the Company, unless otherwise stated.

d. The consolidated financial information includes the financial information of Kumar Cotton Mills Ltd. and Aarjay Enterprise, a partnership firm engaged in weaving activities. Pursuant to the Third Supplemental Deed of Partnership dated August 23, 2025, our Company was admitted as a partner in Aarjay Enterprise and holds 99.00% share in its profits, losses and capital contribution. Accordingly, Aarjay Enterprise has been considered as a Controlled Partnership Entity of our Company from August 23, 2025.

b. Consolidation Period

The financial information of Aarjay Enterprise has been consolidated from August 23, 2025, being the date from which our Company obtained 99.00% interest in the profits, losses and capital contribution of the firm. Accordingly, the assets and liabilities of Aarjay Enterprise as at December 31, 2025 and its income and expenses for the period from August 23, 2025 to December 31, 2025 have been considered in the consolidated financial information.

c. Consolidation Method

The financial information of Aarjay Enterprise has been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses with those of our Company. All intra-group balances, transactions, income, expenses and cash flows between our Company and Aarjay Enterprise have been eliminated in full upon consolidation.

d. Investment / Capital Contribution in Aarjay Enterprise

The investment / capital contribution made by our Company in Aarjay Enterprise has been eliminated against our Company's share in the capital / net assets of Aarjay Enterprise as at the date of consolidation. The difference between the cost of investment / capital contribution and our Company's share in the capital / net assets of Aarjay Enterprise has been recognised as goodwill or capital reserve, as applicable, in the consolidated financial information.

e. Goodwill / Capital Reserve on Consolidation

Goodwill arising on consolidation represents the excess of the cost of investment / capital contribution made by our Company over its share in the capital / net assets of Aarjay Enterprise as at the date of consolidation. Capital reserve, if any, represents the excess of our Company's share in the capital / net assets of Aarjay Enterprise over the cost of investment / capital contribution. Goodwill / capital reserve has been presented separately in the consolidated financial information, as applicable.

f. Minority Interest / Non-controlling Interest

The share of the remaining partners in the capital / net assets and profits or losses of Aarjay Enterprise has been identified and presented separately as minority interest / non-controlling interest in the consolidated financial information. The share of profit or loss attributable to minority interest / non-controlling interest has been disclosed separately from the profit or loss attributable to the owners of our Company.

g. Uniform Accounting Policies

The financial information of Aarjay Enterprise has been prepared using accounting policies consistent with those adopted by our Company, to the extent applicable. Where necessary, adjustments have been made to align the accounting policies of Aarjay Enterprise with those of our Company for the purpose of preparation of the consolidated financial information.

Use of Estimates

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses including of warranty claims and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods. Significant estimates used by the management in the preparation of these financial statements include provision for employee benefits, estimates of the economic useful life of plant and equipment, provision for expenses, etc.

Accounting Convention

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods, including processed fabric, grey fabric, colour chemicals and yarn, is recognised when significant risks and rewards of ownership are transferred to the buyer, the price is determinable and collection is reasonably certain. Revenue is recorded at basic invoice value and is net of Goods and Services Tax, trade discounts, rebates and returns, wherever applicable.

Revenue from fabric processing charges and other job work/services is recognised on accrual basis when the related processing/service is performed and the right to receive consideration is established in accordance with the terms agreed with customers.

Export incentives, including duty drawback or similar benefits, are recognised when the right to receive the incentive is established and realisation is reasonably certain, or on receipt basis where such basis is followed consistently. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate. Insurance claims, subsidy and other claims are recognised when there is reasonable certainty of realisation. Profit or loss on sale of property, plant and equipment is recognised upon disposal of the relevant asset.

2 Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

i. Property, Plant & Equipment's

a) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, duties, taxes other than recoverable taxes, directly attributable expenditure required to bring the asset to the condition and location necessary for its intended use, and borrowing costs directly attributable to acquisition or construction of qualifying assets.

b) Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance expenditure are charged to the Statement of Profit and Loss as incurred.

c) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;

d) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.

e) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

The Company estimates the useful life for property, plant and equipment and intangible assets as under:

Description of Assets	Useful Life's
Buildings	30 Years
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Office Equipment's	5 Years
Computers	3 Years

f) Gains or losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

ii. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

Goodwill recognised on consolidation of M/s. Aarjay Enterprises represents the excess of purchase consideration paid by our Company for acquisition of 99% partnership interest over its share in the net assets of M/s. Aarjay Enterprises as at the date of acquisition, i.e., August 23, 2025. Such goodwill has arisen on consolidation and has been disclosed separately under "Goodwill". No amortisation has been charged on such goodwill, as goodwill arising on consolidation is governed by AS 21 and is outside the scope of AS 26.

Goodwill arising on consolidation is disclosed separately in the consolidated restated financial information and is reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

iii. Capital Work in progress

Capital work-in-progress represents expenditure incurred on assets under construction, installation or development, including land acquired for projects under development, along with directly attributable costs and borrowing costs, wherever applicable. Such expenditure is transferred to the appropriate category of property, plant and equipment when the relevant asset is ready for its intended use. Capital work-in-progress, including land forming part of projects under development, is not depreciated.

3 Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4 Inventories

Raw material, Work in Progress and finished goods

Inventories comprise raw materials, chemicals, consumables, work-in-progress and finished goods, as applicable. Inventories are valued at the lower of cost and net realisable value. Cost of raw materials, chemicals and consumables is determined on First-in First-out (FIFO) basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition.

Finished goods and work-in-progress are valued at the lower of cost, calculated on full absorption basis, and net realisable value. Cost of finished goods and work-in-progress includes cost of materials, conversion costs and appropriate manufacturing overheads incurred in bringing the inventories to their present location and condition. Work-in-progress is valued based on the stage of completion as estimated by the management. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

5 Foreign Exchange Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

(iii) Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting Company monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from operating, investing and financing activities are segregated in the Restated Statement of Cash Flow.

Consolidated Cash Flow Statement

- a. The consolidated cash flow statement includes the cash flows of the Company and M/s. Aarjay Enterprise from the date on which M/s. Aarjay Enterprise became a Controlled Partnership Entity of the Company, i.e. August 23, 2025.
- b. Cash flows of M/s. Aarjay Enterprise have been considered only for the period from August 23, 2025 to December 31, 2025. Accordingly, movements in assets and liabilities of M/s. Aarjay Enterprise have been considered from the date of consolidation and not from the beginning of the financial year.
- c. Intra-group cash flows, balances and transactions between the Company and M/s. Aarjay Enterprise, including capital contribution / investment and corresponding capital account balances, have been eliminated while preparing the consolidated cash flow statement.
- d. Non-cash consolidation adjustments, including elimination of investment against net assets / capital of M/s. Aarjay Enterprise and recognition of goodwill / capital reserve on consolidation, have been excluded from the consolidated cash flow statement.
- e. Cash and cash equivalents of M/s. Aarjay Enterprise as on the date of consolidation have been considered as cash and cash equivalents brought into consolidation and have not been treated as operating, investing or financing cash flows of the period.

7 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

8 Taxation

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred Tax is calculated at the rates and laws that have been enacted or substantively enacted as at the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

9 Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

BASIC AND DILUTED EARNINGS PER SHARE

Particulars		For the period ended Dec'25	FY 2024-2025	FY 2023- 2024	FY 2022- 2023
		Consolidated	Standalone	Standalone	Standalone
Restated Profit attributable to the shareholders of the company	Rs. (In Lakhs)	905.71	476.32	180.45	218.44
Weighted average number of Equity shares (after bonus)	Nos.	1,25,77,250	1,25,77,250	1,25,77,250	1,25,77,250
Basic earnings per share	Rupees	7.20	3.79	1.43	1.74
Diluted Earning per Share	Rupees	7.20	3.79	1.43	1.74

10 Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A contingent liability is disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or where a present obligation exists but it is not probable that an outflow of resources will be required or a reliable estimate cannot be made. Contingent assets are not recognised in the financial statements. Contingent liabilities and commitments, to the extent not provided for, are disclosed in Annexure 33.

11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

12 Investments

Investments that are readily realisable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as non-current investments. Investments are initially recognised at cost, including purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at the lower of cost and fair value. Non-current investments are carried at cost, less provision for diminution in value, other than temporary, if any. Investment in partnership firm is classified as current or non-current based on the intended period of holding/realisation and the relevant terms of the arrangement. Share of profit or loss from partnership firm is recognised when the right to receive such share is established and the amount is ascertainable.

13 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant or subsidy will be received. Grants related to depreciable capital assets are presented by deducting the grant from the carrying value of the relevant asset and are recognised in the Statement of Profit and Loss over the life of the asset by way of reduced depreciation charge. Grants or subsidies related to revenue expenditure are recognised as income or deducted from the related expense over the periods necessary to match them with the costs they are intended to compensate. Export incentives are recognised in accordance with the revenue recognition policy stated above.

14 Contingencies and events occurring after the Balance Sheet date

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

15 Related Party Transactions

Related parties are identified in accordance with Accounting Standard 18, "Related Party Disclosures", based on representations made by management and information available with the Company. Related party transactions are disclosed in Annexure 30 to the Restated Financial Information. All transactions with related parties are in the ordinary course of business and on arms' length basis.

16 Segment Reporting

Business Segment:

The Company is primarily engaged in the manufacturing and sale of cotton fabrics and in dyeing, printing and processing (service) of grey cotton and man-made fabrics. The Company's operations are principally related to textile products and are carried out within a similar risk and return profile. Considering the nature of the Company's business activities, organisational structure and internal financial reporting framework, the Company has identified only one reportable business segment. Accordingly, separate segment reporting disclosures under Accounting Standard 17, "Segment Reporting", are not applicable to the Company.

Geographical Segment:

For the purpose of geographical segment reporting, our Company carries out its business operations primarily from India. While our Company has domestic sales as well as export sales, including exports to Nepal, considering the nature of operations, risks and returns, and the internal financial reporting framework, no separate geographical segment has been identified as a reportable segment in accordance with Accounting Standard 17, "Segment Reporting".

17 Employee Benefits

Employee benefits are accounted for in accordance with Accounting Standard 15, "Employee Benefits".

(i) Short term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

(ii) Post-Employment Benefit**Defined-contribution plans:**

The Company's contributions to provident fund, employee state insurance and other statutory welfare funds are considered as defined contribution plans. The Company's obligation under such schemes is limited to the amount of contribution required to be made under the respective statutes. Accordingly, such contributions are recognised as an expense in the Statement of Profit and Loss in the period in which the related employee services are rendered.

Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, based on the respective employee's salary and tenure of employment with the Company.

Liability in respect of the gratuity plan is determined by actuarial valuation carried out by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company recognises the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, as applicable, in accordance with Accounting Standard 15, "Employee Benefits".

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they arise. The Company's gratuity plan is unfunded.

Detailed disclosures relating to gratuity are provided in Annexure 9 to the Restated Financial Information.

18 Extraordinary items, Exceptional items, Prior period items & changes in accounting policies

a) Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

b) On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

c) There were no changes in accounting policies requiring adjustments in the Restated Financial Statements, except for the accounting of retirement benefits in accordance with AS-15 (Revised) – 'Employee Benefits' and deferred tax in accordance with AS-22 – 'Accounting for Taxes on Income'. During the restatement, the Company has accounted for retirement benefits based on an actuarial valuation certificate and recognized deferred tax as per the requirements of AS-22.

CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS

There were no changes in the accounting policies of the Company during the period/year covered in the Restated Financial Information, except for adjustments made to comply with the applicable Accounting Standards and for consistency of presentation.

In the Restated Financial Information, the Company has recognised provision for gratuity in accordance with Accounting Standard 15, "Employee Benefits", on the basis of actuarial valuation. The impact of such provision has been considered in the respective period/year to which it relates. The related disclosures on employee benefits are provided in Annexure 9 to the Restated Financial Information.

The Company has not recognised any provision for earned leave in the Restated Financial Information, as the Company does not have an earned leave policy.

The deferred tax impact arising on restatement adjustments, including the impact relating to gratuity provision, has been recognised in accordance with Accounting Standard 22, "Accounting for Taxes on Income". The related deferred tax disclosure is provided in Annexure 8 to the Restated Financial Information.

NOTES TO RESTATED SUMMARY STATEMENTS:

- 1** The financial statements including other financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the requirements of the Companies Act, 2013, applicable Accounting Standards and SEBI ICDR Regulations. As a result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant period/years.
- 2 Employee benefits:**

The Company has adopted Accounting Standard 15, "Employee Benefits", during the restated financials period. The disclosure as envisaged under the Accounting Standard is given in Annexure 9 to the Restated Financial Information.
- 3 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.
- 4 Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities and commitments, to the extent not provided for, have been disclosed in Annexure 33 to the Restated Financial Information.
- 5 Related Party Transactions**

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure 30 of the enclosed restated financial statements.
- 6 Accounting For Taxes on Income (AS 22)**

Deferred tax asset/liability in view of Accounting Standard 22, "Accounting for Taxes on Income", as at the end of the respective period/years, is reported in Annexure 8 to the Restated Financial Information.
- 7 Earnings Per Share (AS 20):**

Earnings per share has been calculated in accordance with Accounting Standard 20, "Earnings Per Share", and is reported in Annexure 32 to the Restated Financial Information.
- 8 Contingencies and events occurring after the Balance Sheet Date**

Events that occur between the balance sheet date and the date on which the financial statements are approved, which require adjustment or disclosure, have been considered in accordance with Accounting Standard 4, "Contingencies and Events Occurring after the Balance Sheet Date". The details of such events, if any, are reported in Annexure 36 to the Restated Financial Information
- 9 Extraordinary, Exceptional, Prior Period Items and Changes in Accounting Policies**

Income or expenses arising from events or transactions clearly distinct from the ordinary activities of the Company are classified as extraordinary items and disclosed, wherever applicable. On certain occasions, the size, type or incidence of an item of income or expense relating to ordinary activities may require separate disclosure to understand the performance of the Company. Such items are classified as exceptional items and disclosed, wherever applicable. Prior period items, wherever identified, have been adjusted in the respective period/year to which they relate.
- 10 Realizations**

The Company evaluated the carrying amounts of property, plant and equipment, investments, inventories, loans and advances, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties, the Company, as at the date of approval of these Restated financials has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Due to any unforeseen circumstances the final impact on the Company's assets in future may differ from that estimate as at the date of approval of these Restated Financials.

11 Material Adjustments

Appropriate adjustments have been made in the Restated Financial Information, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flow statement, in order to ensure consistency and compliance with the requirements of Schedule III to the Companies Act, 2013, applicable Accounting Standards and SEBI ICDR Regulations.

12 The management has confirmed that adequate provisions have been made for all known and determined liabilities and the same are not in excess of the amounts reasonably required to be provided for.

13 The balances of trade payables, trade receivables, loans and advances, deposits and other balances are subject to confirmations/reconciliations from the respective parties, wherever applicable.

14 Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for in the Restated financial statements.

15 Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There are no Audit qualifications during the period of restatement which is requiring any adjustment in restated financial statements. Further there are no such qualification by the Auditor which does not require any adjustment in restated financial Statement.

16 Amounts in the financial statements

Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

17 The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit /(losses) of the Company is as under.

Statement of Adjustments in the Financial Statements:**(Rs. In lakhs)**

Particulars	As at December 31, 2025	For the Year Ended on 31st March		
		2025	2024	2023
	Consolidated	Standalone	Standalone	Standalone
Net Profit/(Loss) after Tax attributable to the shareholders as per Audited Profit & Loss Account	905.71	515.77	222.18	273.66
<u>Adjustments for:</u>				
Provision for Gratuity as per AS -15 (Revised)	-	-9.16	-6.09	-4.42
Provision for Deferred Tax Liability	-	13.51	13.62	13.10
Provision for Expenses not recognised (TDS Demand)		-0.69	-3.34	-1.15
Prior Period Items	-	-	-	-18.36
Depreciation	-	-43.10	-45.93	-44.39
Net Adjustment in Profit and Loss Account	-	-39.45	-41.73	-55.22
Total	905.71	476.32	180.45	218.44
Net Profit/(Loss) After Tax attributable to the shareholders of the company as per Restated Financial Statements	905.71	476.32	180.45	218.44

Explanation to Adjustments:

1 In 2022-23 to 2023-24 : There is change in valuation of Gratuity, Company has accounted gratuity on cash basis but during restatement, Company has complied with the requirement of AS - 15 "Employee Benefits" and accordingly booked Gratuity expenses basis of Actuarial Valuation Report.

1.1 In 2023-24 to 2024-25 : There is change in valuation of Gratuity, Company has accounted gratuity on cash basis but during restatement, Company has complied with the requirement of AS - 15 "Employee Benefits" and accordingly booked Gratuity expenses basis of Actuarial Valuation Report.

2 In 2022-23 : There is prior period Tax adjustment as per audited financials, hence during restatement, Company has recognised in Reserve & Surplus, instead of Profit and Loss for that year.

3 Due to Gratuity, provision for deferred tax component on the same has also undergone change.

4 Short / (Excess) provision for expenses not recognised – TDS Demand during FY 22-23, 23-24 and 24-25, the adjustment represents the impact of provision / reversal made in respect of TDS demand or related statutory liability, which was not appropriately recognised / provided in the respective audited financial statements. Accordingly, the same has been adjusted in the Restated Financial Statements in the year to which it pertains, based on the relevant demand / records and management assessment.

5 Short / (Excess) depreciation during FY 22-23, 23-24 and 24-25 the adjustment represents the difference arising on recomputation of depreciation on property, plant and equipment as per the accounting policy followed by the Company and the applicable useful life of assets. Accordingly, the excess / short depreciation charged in the audited financial statements has been adjusted in the respective years in the Restated Financial Statements.

RECONCILIATION OF EQUITY AND RESERVES:

(Rs in lakhs)

Adjustments for	As at December 31, 2025	For the Year Ended on 31st March		
		2025	2024	2023
		Standalone	Standalone	Standalone
Equity and Reserve as per Audited Balance sheet	4,041.58	3,723.30	3,207.53	2,985.35
<u>Adjustments for:</u>				
Difference Due to Change in P&L	-	-587.44	-547.99	-55.22
Prior period Adjustments	-	-	-	-451.04
Total	4,041.58	3,135.86	2,659.55	2,479.09
Equity and Reserve as per Re-stated Balance sheet	4,041.58	3,135.86	2,659.55	2,479.09

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

Note 1 - Adjustments having impact on Profit:

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

From 2022-23 to 2024-25 Adjustment in Equity and Reserve difference due to change in P&L: Value of Employee benefit expense, Expenses not recognised (TDS demand), Depreciation, Income tax provision & Deferred Tax expense has been considered for the respective change.

Note - To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

For, BHUPENDRA J SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 121812W

For and on behalf of Board of Directors
KUMAR COTTON MILLS Ltd.
(Previously Known as Kumar Cotton Mills Private Limited)

CAANKIT ASHOKKUMAR GUPTA
Partner
Membership No. 130278
UDIN : 26130278LTTWAK5044
Place : Ahmedabad
Date: 26th June 2026

Rajendraprasad Ramkumar Agarwal
Chairman & Managing Director
DIN: 00400787

Ajay Ramkumar Agarwal
Whole Time Director
DIN: 00400818

Tejendrasinh Dilipsinh Chavada
Chief Financial Officer
PAN: AJYPC3396E

Shahaji Annasaheb Patil
Company Secretary
M. No.: A53268

ANNEXURE -5
RESTATED SUMMARY STATEMENT OF SHARE CAPITAL

(₹ In Lakhs, Except no of share)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
A) Authorised Share Capital :				
1,80,00,000 Equity Shares of Rs. 10/- Each (Fully Paid up) (As on 31-03-2025, 31-03-2024 & as on 31-03-2023- 3,00,000 Equity Shares of Rs. 100 Each)	1,800.00	300.00	300.00	300.00
	1,800.00	300.00	300.00	300.00
B) ISSUED, SUBSCRIBED AND PAID UP				
Equity Share Capital 1,25,77,250 Equity Shares of Rs. 10/- Each (Fully Paid up) (As on 31-03-2025, 31-03-2024 & as on 31-03-2023 1,79,675 Equity Shares of Rs. 100 Each Fully Paid Up)	1,257.73	179.68	179.68	179.68
Total Paid-up Equity Share Capital	1,257.73	179.68	179.68	179.68

Reconciliation of number of shares outstanding at the end of the year:	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Equity Shares at the beginning of the year Class	1,79,675	1,79,675	1,79,675	1,79,675
(a) Sub-division of equity shares from ₹100 to ₹10 (1,79,675 *10 = 17,96,750)	17,96,750	-	-	-
(b) Add: Bonus Issue of Equity Shares	1,07,80,500	-	-	-
TOTAL (a+b)	1,25,77,250	1,79,675	1,79,675	1,79,675

Note : The Company was converted into a public limited company with effect from 6th August 2025 and is presently bearing CIN: U17710GJ1990PLC013562. It was originally incorporated as Kumar Cotton Mills Private Limited on 30th March 1990 under the provisions of the Companies Act, 1956.

1. Terms/rights attached to equity shares:

- The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount will be distributed in proportion to the number of equity shares held by the shareholders.
- The Company has increased authorised capital from ₹ 3,00,00,000/- to ₹ 18,00,00,000/- on dated 3rd June 2025. & Sub-division of equity shares from ₹100 to ₹10 on dated 3rd June 2025.
- During the period ended 31st December 2025, the company has issued Bonus issue of 1,07,80,500 Equity Shares of Face Value of ₹ 10/- each in the ratio of 6:1 i.e. Six (6) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on, 26th June 2025.
- The Company has an authorised share capital of ₹18,00,00,000, divided into 1,80,00,000 equity shares of ₹10 each. The issued, subscribed, and fully paid-up share capital of the Company is ₹12,57,72,500, divided into 1,25,77,250 equity shares of ₹10 each.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- There are no calls unpaid by the Directors or officers of the company.

ANNEXURE 5(A)

2. Shareholders holding more than 5% of shares of the Company:

Particulars	As at December 31, 2025	
	No. of share	% of Holding
Rajendraprasad R. Agarwal	39,71,310	31.58%
Ajay R. Agarwal	37,46,120	29.78%
Ashadevi R Agarwal	12,25,000	9.74%
Kumar R. Agarwal	9,07,900	7.22%
Nilesh Tradelink Pvt. Ltd.	6,85,650	5.45%
Total	1,05,35,980	83.77%

Particulars	As at March 31, 2025	
	No. of share	% of Holding
Rajendraprasad R. Agarwal	56,733	31.58%
Ajay R. Agarwal	53,516	29.78%
Ashadevi R Agarwal	17,500	9.74%
Kumar R. Agarwal	12,970	7.22%
Nilesh Tradelink Pvt. Ltd.	9,795	5.45%
Total	1,50,514	83.77%

Particulars	As at March 31, 2024	
	No. of share	% of Holding
Ajay R. Agarwal	53,516	29.78%
Rajendraprasad R. Agarwal	37,019	20.60%
Ashadevi R Agarwal	17,500	9.74%
Vishal Balwantraai Agarwal	15,000	8.35%
Kumar R. Agarwal	12,970	7.22%
Nilesh Tradelink Pvt. Ltd.	9,795	5.45%
Total	1,45,800	81.15%

Particulars	As at March 31, 2023	
	No. of share	% of Holding
Ajay R. Agarwal	53,516	29.78%
Rajendraprasad R. Agarwal	37,019	20.60%
Ashadevi R Agarwal	17,500	9.74%
Vishal Balwantraai Agarwal	15,000	8.35%
Kumar R. Agarwal	12,970	7.22%
Nilesh Tradelink Pvt. Ltd.	9,795	5.45%
Total	1,45,800	81.15%

ANNEXURE – 5B

3. Change in the Shareholding of the Promoters:

Particulars	As at December 31, 2025		
	No of Shares	% of Holding	Change in %
Rajendraprasad Ramkumar Agarwal	39,71,310	31.58%	0.00%
Kamladevi Agarwal	1,41,400	1.12%	0.00%
Ajay Ramkumar Agarwal	37,46,120	29.78%	0.00%
Ashadevi Agarwal	12,25,000	9.74%	0.00%
Agarwal Rajendrakumar (HUF)	5,04,000	4.01%	0.00%
Anju Ajay Agarwal	1,36,150	1.08%	0.00%
Kumar Rajendraprasad Agarwal	9,07,900	7.22%	0.00%
Ajaykumar R Agrawal (HUF)	3,00,300	2.39%	0.00%
Ramkumar & Sons HUF	2,10,000	1.67%	0.00%
Vishal Balwantraai Agarwal	-	0.00%	0.00%
Pragati Kumar Agarwal	1,00,100	0.80%	0.00%
Vishal Jitendrabhai Dave	16,800	0.13%	0.00%
Ramnivas Agarwal	1,41,400	1.12%	0.00%
Total	1,14,00,480	90.64%	0.00%

Particulars	As at March 31, 2025		
	No of Shares	% of Holding	Change in %
Balvantraai Ramkumar Agarwal	-	0.00%	-1.50%
Rajendraprasad Ramkumar Agarwal	56,733	31.58%	10.97%
Kamladevi Agarwal	2,020	1.12%	0.00%
Ajay Ramkumar Agarwal	53,516	29.78%	0.00%
Ashadevi R. Agarwal	17,500	9.74%	0.00%
Agarwal Rajendrakumar (HUF)	7,200	4.01%	0.00%
Anju Ajay Agarwal	1,945	1.08%	0.00%
Kumar Rajendraprasad Agarwal	12,970	7.22%	0.00%
Ajaykumar R Agrawal (HUF)	4,290	2.39%	0.00%
Ramkumar & Sons HUF	3,000	1.67%	0.00%
Vishal Balwantraai Agarwal	-	0.00%	-8.35%
Pragati Kumar Agarwal	1,430	0.80%	0.00%
Vishal Jitendrabhai Dave	240	0.13%	0.00%
Ramnivas Agarwal	2,020	1.12%	0.00%
Vimladevi Balwantraai Agarwal	-	0.00%	-1.12%
Total	1,62,864	90.64%	0.00%

Particulars	As at March 31, 2024		
	No of Shares	% of Holding	Change in %
Balvantraai Ramkumar Agarwal	2,694	1.50%	0.00%
Rajendraprasad Ramkumar Agarwal	37,019	20.60%	0.00%
Kamladevi Agarwal	2,020	1.12%	0.00%
Ajay Ramkumar Agarwal	53,516	29.78%	0.00%
Ashadevi R. Agarwal	17,500	9.74%	0.00%
Agarwal Rajendrakumar (HUF)	7,200	4.01%	0.00%
Anju Ajay Agarwal	1,945	1.08%	0.00%
Kumar Rajendraprasad Agarwal	12,970	7.22%	0.00%
Ajaykumar R Agrawal (HUF)	4,290	2.39%	0.00%

Ramkumar & Sons HUF	3,000	1.67%	0.00%
Vishal Balwantrai Agarwal	15,000	8.35%	0.00%
Pragati Kumar Agarwal	1,430	0.80%	0.00%
Vishal Jitendrabhai Dave	240	0.13%	0.00%
Ramnivas Agarwal	2,020	1.12%	0.00%
Vimladevi Balwantrai Agarwal	2,020	1.12%	0.00%
Total	1,62,864	90.64%	

Particulars	As at March 31, 2023		
	No. of share	% of Holding	Change in %
Balvantrai Ramkumar Agarwal	2,694	1.50%	0.00%
Rajendraprasad Ramkumar Agarwal	37,019	20.60%	0.00%
Kamladevi Agarwal	2,020	1.12%	0.00%
Ajay Ramkumar Agarwal	53,516	29.78%	0.00%
Ashadevi R. Agarwal	17,500	9.74%	0.00%
Agarwal Rajendrakumar (HUF)	7,200	4.01%	0.00%
Anju Ajay Agarwal	1,945	1.08%	0.00%
Kumar Rajendraprasad Agarwal	12,970	7.22%	0.00%
Ajaykumar R Agrawal (HUF)	4,290	2.39%	0.00%
Ramkumar & Sons HUF	3,000	1.67%	0.00%
Vishal Balwantrai Agarwal	15,000	8.35%	0.00%
Pragati Kumar Agarwal	1,430	0.80%	0.00%
Vishal Jitendrabhai Dave	240	0.13%	0.00%
Ramnivas Agarwal	2,020	1.12%	0.00%
Vimladevi Balwantrai Agarwal	2,020	1.12%	0.00%
Total	1,62,864	90.64%	

List of persons/entities classified as 'Promoters' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE -5C

Further Disclosure of Share Capital issued in Five Year immediately preceding the latest period of Restatement.

1. From FY 2019-20 to FY 2024-25, no buyback of equity shares done by the company.
2. From FY 2019-20 to FY 2024-25. The Company has increased authorised capital from ₹ 3,00,00,000/- to ₹ 18,00,00,000/- on dated 3rd June 2025. & Sub-division of equity shares from ₹100 to ₹10 on dated 3rd June 2025 & During the period ended 31st December 2025, the company has issued Bonus issue of 1,07,80,500 Equity Shares of Face Value of ₹ 10/- each in the ratio of 6:1 i.e. Six (6) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on, 26th June 2025.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 6
RESTATED SUMMARY STATEMENT OF RESERVES & SURPLUS

(₹ In Lakhs)

Particulars	As at December 31, 2025 (Consolidated)	As at March 31,		
		2025	2024	2023
		(Standalone)	(Standalone)	(Standalone)
Reserve & Surplus				
Securities Premium:-				
Opening Balance	684.10	684.10	684.10	684.10
Add/(Less): Amount capitalised for issue of Bonus Shares	(684.10)			
Closing Balance	-	684.10	684.10	684.10
Surplus :-				
Opening Balance	2,272.09	1,795.78	1,615.32	1,847.92
Add - Current Year profit	905.71	476.32	180.45	218.44
Add/(Less) Amount related with Prior Year	-	-	-	(451.04)
Add/(Less) Provision for Gratuity and Earned Leave Earlier	-	-	-	-40.50
Add/(Less) Provision for Deferred Tax Earlier	-	-	-	160.70
Add/(Less) Amount related with Earlier Year related to PPE	-	-	-	-589.60
Add/(Less) Amount related with Earlier Year	-	-	-	18.36
Add/(Less) Amount capitalised for issue of Bonus Shares	(393.96)	-	-	-
Closing Balance	2,783.85	2,272.09	1,795.78	1,615.32
TOTAL	2,783.85	2,956.19	2,479.87	2,299.42

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- 2.Company does not have any Revaluation Reserve.
- 3.The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 6a
RESTATED SUMMARY STATEMENT OF MINORITY INTEREST

(₹ In Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Minority Interest	45.84	-	-	-
Current Capital pertaining to Minority Partners*	1,412.00	-	-	-
	1,457.84	-	-	-

*Minority Current Capital Account Payables represents the current capital account balance attributable to the minority partner of M/s. Aarjay Enterprises. The said balance is not in the nature of fixed capital contribution and represents the partner's current account balance. Such balance may be withdrawn by the minority partner in accordance with the terms of the partnership deed and applicable law. Accordingly, the same has been separately disclosed under Minority Interest in the Consolidated Restated Financial Statements.

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- 2.The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 7
RESTATED SUMMARY STATEMENT OF LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Secured Loans				
From Banks	2,713.57	1,017.68	441.06	769.86
Sub-total (a)	2,713.57	1,017.68	441.06	769.86
Unsecured Loans				
From related parties	1,011.21	1,257.41	791.90	1,343.38
From others	2,003.70	753.52	980.00	632.74
Sub-total (b)	3,014.91	2,010.93	1,771.90	1,976.12
Total (a+b)	5,728.48	3,028.62	2,212.96	2,745.98
Less: Current Maturities to Long Term Borrowings	898.61	282.76	212.40	365.33
Total	4,829.87	2,745.86	2,000.56	2,380.65

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in annexure 7(A).
2. The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
3. The company has not been declared as "wilful defaulter" by any bank or financial Institution or other lender.
4. The Company has not taken any loan from financial institution or banks for any specified purpose for which it is not utilised.
5. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
6. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 7A
RESTATED SUMMARY STATEMENT OF LONG-TERM BORROWINGS - PRINCIPAL TERMS OF SECURED & UNSECURED LOANS AND ASSETS CHARGED AS SECURITY

SECURED LOANS
LONG-TERM BORROWINGS

(₹ in Lakhs)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Date of Sanction	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	As on 31.12.2025
1	BMW FINANCIAL SERVICES PRIVATE LIMITED	Vehicle Loan	41.90	26-Sep-22	9.25%	Note 1	First Instalment of Rs. 79,719/- and 59 Equal Instalments of Rs. 87,485/-	16.80
2	HDFC BANK LTD.	Vehicle Loan	72.00	27-Sep-22	7.90%	Note 1	60 Equal Instalments/EMI of Rs. 1,45,646/-	29.74
3	HDFC BANK LTD.	Vehicle Loan	84.23	05-Feb-22	6.85%	Note 1	42 Equal Instalments/EMI of Rs. 1,66,190/-	22.30
4	HDFC BANK LTD.	Vehicle Loan	71.76	29-Nov-22	8.20%	Note 1	60 Equal Instalments/EMI of Rs. 1,46,191/-	32.26
5	ICICI BANK LIMITED	Vehicle Loan	99.90	08-Sep-22	8.25%	Note 1	59 Equal Instalments/EMI of Rs. 2,03,434/- & last Instalment/EMI of 2,03,426/-	39.65
6	ICICI Bank Ltd.	Vehicle Loan	40.00	02-Jun-23	8.95%	Note 1	60 Equal Instalments/EMI of Rs. 82,835/-	21.53
7	HDFC BANK LTD.	Vehicle Loan	119.55	13-Sep-24	8.95%	Note 1	60 Equal Instalments/EMI of Rs. 2,47,876/-	94.46
8	HDFC BANK LTD.	Vehicle Loan	120.00	29-Oct-25	7.90%	Note 1	First Instalment of Rs.258543/- and 59 Equal Instalments of Rs. 2,42,743.00/-	118.36
9	State Bank of India	Term Loan	775.00	26-Jul-24	10.15%	Note 2	60 Equal Instalments of Rs. 12,91,667/-	553.51

10	SIDBI	Term Loan	460.89	11-Jul-24	8.20%	Note 3	Total 60 months including 6 months moratorium and 54 Equal Instalments of Rs. 8,53,500/-	367.01
11	ICICI Bank Ltd	Term Loan	2,000.00	02-Nov-21	7.75%	Note 4	Total of 78 monthly Instalments of Rs. 25,64,102.53/-	1,051.28
12	ICICI Bank Ltd	Term Loan	600.00	27-Sep-24	9.65%	Note 4	Total of 60 Monthly Instalments of Rs. 16,66,666.66/-	366.67
	TOTAL							2,713.57
	Less: Current Maturities to Long Term Borrowings							898.61
	Total							1,814.97

Primary & Collateral Security

Note :1 By way of hypothecation of respective motor vehicles purchased.

Note :2 "Primary Security -

- (i) 1st pari passu charge (with Kotak Mahindra Bank) By way of hypothecation on entire stock of inventories, receivables bills and other chargeable current assets of the company both present and future.
- (ii) 1st and exclusive charge over through hypothecation of assets, i.e. building and plant and machineries created out of bank finance.

Collateral Security -

- (i) 1st and exclusive charge by way of mortgage of commercial plot bearing survey number : 108/1, 109/7, 109/8, 109/9/2, 109/9/4, situated at T P No 61 Narol, Ahmedabad, 382405, (Semi Urban), Admeasuring total area : 24812 Sq mtr

Third Party Guarantee -

Personal Guarantee of:-

1. Mr. Rajendraprasad Agarwal
2. Mr. Ajay Ramkumar Agarwal
3. Mr. Khushal Goyle
4. Mr. Kumar Rajendraprasad Agarwal
5. Ms. Ashadevi Agarwal
6. Ms. Karishma Agarwal"

Note:-3 "Primary Security -

First charge by way of hypothecation in favour of SIDBI on the plant and machinery, equipment, spares, tools, accessories and all other assets including movable assets acquired to be acquired under the present project.

Collateral Security -

The borrower shall deposit with SIDBI the duly discharged and lien marked term deposit receipts [TDRs] issued by SIDBI for deposit receipts [TDRs] issued by SIDBI for an amount of Rs.139 Lakh. The FDR should be taken in auto-renewal mode and shall continue till the tenure of the loan. No premature withdrawal is permitted. The interest accrued on the FDRs shall not be payable periodically and the principal amount together with interest accrued thereon shall be payable on complete repayment of the loan and all other monies payable under this agreement.

Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities at its costs and expenses as may be necessary or required for the said purpose. Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities at its costs and expenses as may be necessary or required for the said purpose.

Guarantee (S) -

The Borrower shall procure and furnish irrevocable, unconditional joint and several personal guarantees from Shri Ajay Ramkumar Agrawal, Shri Kumar Rajendraprasad Agarwal, in favour of SIDBI for the due repayment of the dues outstanding under the loan and the payment of all interest and other monies payable by the Borrower in the form and manner prescribed by SIDBI and to be delivered to SIDBI before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantors. The guarantee shall be joint and several and the guarantors shall be liable to SIDBI as if he/she/it is/are principal debtors to SIDBI."

Note-4 "The Term loan and credit facilities availed by Aarjay Enterprise from ICICI Bank Limited, comprising Cash Credit, Rupee Term Loan and Working Capital Term Loan, are secured by way of exclusive charge over specified movable and immovable assets, together with corporate guarantee and personal guarantees / contractual comforts, as per the terms of the sanction arrangement with the lender.

The facilities are secured by way of exclusive charge over the movable fixed assets and current assets of Aarjay Enterprise. Further, the facilities are also secured by exclusive charge over immovable properties situated at:

- (i) Bungalow No. 101 to 103, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Ajay Agarwal and Ms. Anju Agarwal;
- (ii) Bungalow No. 104 to 106, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Rajendraprasad Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal;
- (iii) properties situated at Survey Nos. 680, 681 and 683, Paldi Kankaj, Nr Dholka Road, Opp Swaminarayan Temple, Ahmedabad, Gujarat; and
- (iv) F.P. No. 78, Block No. 160, T.P.S. No. 421/B, Kamod, Vatva, Ahmedabad, Gujarat, provided by Aarjay Developers.

The aforesaid facilities are further supported by corporate guarantee of Kumar Cotton Mills Ltd., Aarjay Developers and personal guarantees of Mr. Rajendraprasad Ramkumar Agarwal, Ms. Anju Agarwal, Mr. Ajay R. Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal, in favour of ICICI Bank Limited."

**UNSECURED LOANS
FROM DIRECTORS, RELATIVE OF DIRECTORS & OTHERS**

(Rs. In lakhs)

Sr. No.	Name of Lender	Purpose	Re-Payment Schedule	As on 31.12.2025
A	Directors			
1	Ajaykumar R.Agarwal	Business Purpose	Payable on demand	129.03
2	Rajendraprasad R.Agarwal	Business Purpose	Payable on demand	84.01
3	Kumar R.Agarwal	Business Purpose	Payable on demand	50.00
	TOTAL (A)			263.04
B	From Related party			
1	Karishma Agarwal	Business Purpose	Payable on demand	211.00
2	Anjudevi A.Agarwal	Business Purpose	Payable on demand	31.07
3	Ashadevi R.Agarwal	Business Purpose	Payable on demand	362.63
4	Pragati Kumar Agarwal	Business Purpose	Payable on demand	10.00
5	Aarjay Devlopers*	Business Purpose	Payable on demand	133.46
	TOTAL (B)			748.17
C.	From Others			
1	Bansal Cotspin Pvt.Ltd.	Business Purpose	Payable on demand	455.00
2	Panem Industries Pvt.Ltd.	Business Purpose	Payable on demand	74.01
3	Gain Well Mercantiles Pvt Ltd	Business Purpose	Payable on demand	90.00
4	Miraya Infinity Private Limited	Business Purpose	Payable on demand	65.00
5	Virat Spinners Pvt.Ltd.	Business Purpose	Payable on demand	200.00
6	Akash Mahendra Tulsyan*	Business Purpose	Payable on demand	25.00
7	Jai Tripathi Steels Pvt. Ltd.*	Business Purpose	Payable on demand	2.19
8	Kavita Krutarth Mistry*	Business Purpose	Payable on demand	560.00
9	Keshav Fabrics*	Business Purpose	Payable on demand	62.00
10	Krishna Textiles*	Business Purpose	Payable on demand	50.00
11	Mercury Traders*	Business Purpose	Payable on demand	43.00
12	Monil Trading Co.*	Business Purpose	Payable on demand	47.50
13	Prashant Nemani HUF*	Business Purpose	Payable on demand	40.00
14	Sanjeev Kumarramkumar Agrawal*	Business Purpose	Payable on demand	100.00
15	Shahid Enterprise*	Business Purpose	Payable on demand	35.00

16	Shri Bhagwati Fabrics*	Business Purpose	Payable on demand	90.00
17	Umeshkumar Ratanprakash Gupta HUF*	Business Purpose	Payable on demand	65.00
	TOTAL (C)			2,003.70
	TOTAL (A+B+C)			3,014.91

**The balances marked represent unsecured loans appearing in the books of Aarjay Enterprise, which have been considered in the consolidated financial information of the Company as at December 31, 2025. Accordingly, such balances are disclosed only for the period ended December 31, 2025 and are not appearing in the standalone financial information of the Company for the previous years.*

ANNEXURE – 8
RESTATED SUMMARY STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES)

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Deferred Tax (Liabilities)/Assets on account of WDV :-				
WDV as per Companies Act, 2013	4,542.92	2,297.34	2,036.10	2,401.78
WDV as per Income Tax Act, 1961	5,251.68	3,106.41	2,812.98	3,062.02
Timing Difference on WDV	708.76	809.06	776.88	660.23
Provision for Gratuity	90.22	75.32	64.71	56.51
Temporary Difference	90.22	75.32	64.71	56.51
Deferred Tax Assets /(Liabilities)	187.69	222.60	211.83	180.41
Deferred Tax Assets Carried to Balance Sheet	187.69	222.60	211.83	180.41
Add/Less: Adjustment on account of consolidation (partnership firm balances to be carried)	-60.41	-	-	-
Balance Brought Forward	222.60	211.83	180.41	-9.75
Amount Credited / (Debited) to Profit & Loss A/c	25.50	10.77	31.42	190.15

Notes:

1. The Company has created/reversed DTA/DTL as per AS-22 issued by ICAI.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Deferred tax assets have been recognised on the basis that the Company expects to generate sufficient taxable profits in future years to utilise the underlying deductible temporary differences under applicable tax laws.
4. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 9
RESTATED SUMMARY STATEMENT OF OTHER LONG-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Provision for Gratuity	65.44	50.09	39.95	32.71
TOTAL	65.44	50.09	39.95	32.71

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.
3. The disclosure of Employee Benefits as defined in the Accounting Standard 15 - "Employee Benefits" as below:

A. Defined Contribution Plans:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Employer's Contribution to Provident Fund	3.26	5.38	5.87	4.27
Employer's Contribution to Employee State Insurance Fund	0.75	1.03	1.07	0.99
TOTAL	4.00	6.41	6.93	5.26

B. Defined Benefit Plans (Gratuity - Unfunded)

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

1.1: Table Showing Changes in Present Value of Obligations:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Opening Defined Benefit Obligation	79.49	64.71	56.51	48.83
Interest Cost	3.79	4.67	4.22	3.37
Current Service Cost	11.71	10.33	7.14	6.57
Actuarial Gain / (Loss)	-4.76	-4.39	-3.15	-2.25
Benefits Paid	-	-	-	-
Closing Defined Benefit Obligation	90.23	75.32	64.71	56.51

1.2: Table Showing Change in the Fair Value of Plan Assets:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Fair Value of Plan Assets at the End of the Period	-	-	-	-

The gratuity plan is unfunded, and accordingly, there are no plan assets.

1.3: Expenses Recognized in the Statement of Profit or Loss for Current Period:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Current Service Cost	11.71	10.33	7.14	6.57
Net Interest Cost	3.79	4.67	4.22	3.37
Actuarial (Gains)/Losses	-4.76	-4.39	-3.15	-2.25
Expenses Recognized in the Statement of Profit or Loss	10.74	10.61	8.20	7.69

1.4: Balance Sheet Reconciliation:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Opening Net Liability	79.49	64.71	56.51	48.83
Expense Recognized in Statement of Profit or Loss	10.74	10.61	8.20	7.69
Net Liability/(Asset) Transfer In	-	-	-	-
Net (Liability)/Asset Transfer Out	-	-	-	-
(Benefit Paid Directly by the Employer)	-	-	-	-
Opening adjustment through Reserve				
(Employer's Contribution)	-	-	-	-
Closing Net Liability/(Asset) Recognized in the Balance Sheet	90.23	75.32	64.71	56.51

1.5: Current and Non-Current Liability:

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Current Liability	24.79	25.23	24.76	23.80
Non-Current Liability	65.44	50.09	39.95	32.71
Total Liability	90.23	75.32	64.71	56.51

1.6: Sensitivity Analysis

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Delta Effect of +1% Change in Rate of Discounting	-10.66%	-7.99%	-5.90%	-4.98%
Delta Effect of -1% Change in Rate of Discounting	12.80%	9.50%	6.92%	5.84%
Delta Effect of +1% Change in Rate of Salary Increase	11.67%	8.50%	5.96%	4.72%
Delta Effect of -1% Change in Rate of Salary Increase	-9.91%	-7.30%	-5.07%	-3.98%
Delta Effect of +1% Change in Rate of Employee Turnover	-1.89%	-1.11%	-0.32%	-0.28%
Delta Effect of -1% Change in Rate of Employee Turnover	1.95%	1.17%	0.32%	0.26%

*For the period ended December 31, 2025, the sensitivity analysis has been carried out on a separate entity-wise basis for Kumar Cotton Mills Ltd. and Aarjay Enterprise, considering the actuarial assumptions applicable to the respective entities. Accordingly, the sensitivity impact disclosed in the consolidated column represents the combined impact of changes in the respective actuarial assumptions of Kumar Cotton Mills Ltd and Aarjay Enterprise, after considering their respective defined benefit obligations. The variation in sensitivity percentages is due to differences in employee profile, salary escalation

assumptions, attrition assumptions, past experience and service profile of employees of the respective entities.

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

1.7: Benefits valued

Particulars	As at December 31, 2025 (Consolidated)	As at March 31,		
		2025	2024	2023
		(Standalone)	(Standalone)	(Standalone)
Type of Benefit	Gratuity	Gratuity	Gratuity	Gratuity
Country	India	India	India	India
Reporting Currency	INR	INR	INR	INR
Reporting Standard	Accounting Standard 15 (Revised 2005)	Accounting Standard 15 (Revised 2005)	Accounting Standard 15 (Revised 2005)	Accounting Standard 15 (Revised 2005)
Funding Status	Unfunded	Unfunded	Unfunded	Unfunded
Starting Period	01-Apr-25 & 23-Aug-25*	01-Apr-24	01-Apr-23	01-Apr-22
Date of Reporting	31-Dec-25	31-Mar-25	31-Mar-24	31-Mar-23
Period of Reporting	9 Months & 4 Months*	12 Months	12 Months	12 Months

1.9 Assumptions (Closing Period)

Particulars	As at December 31, 2025 (Consolidated)	As at March 31,		
		2025	2024	2023
		(Standalone)	(Standalone)	(Standalone)
Rate of Discounting	6.76% p.a.	6.71% p.a.	7.21% p.a.	7.46% p.a.
Rate of Salary Increase	7%/10% p.a.*	7.00% p.a.	7.00% p.a.	7.00% p.a.
Attrition Rate				
For service 4 years and below	19%/10% p.a.*	19.00% p.a.	19.00% p.a.	19.00% p.a.
For service 5 years and above	5%/10% p.a.*	5.00% p.a.	5.00% p.a.	5.00% p.a.
Retirement Age	58 Years	58 Years	58 Years	58 Years
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

*For the period ended December 31, 2025, the actuarial valuation has been carried out on a separate entity-wise basis for Kumar Cotton Mills Ltd. and Aarjay Enterprise. Certain actuarial assumptions, including the rate of salary increase and attrition rate, differ between Kumar Cotton Mills Ltd. and Aarjay Enterprise based on the respective employee profile, past experience, length of service, expected future salary revisions and management estimates considered by the actuary. Accordingly, the assumptions disclosed as 7%/10% p.a., 19%/10% p.a. and 5%/10% p.a. represent the respective assumptions considered for Kumar Cotton Mills Ltd. and Aarjay Enterprise.

Method of Valuation:

The Company operates an unfunded gratuity plan, and gratuity benefits are paid as and when they fall due. The Company does not have any plan assets as at the reporting dates. The gratuity liability is determined annually based on an independent actuarial valuation carried out using the Projected Unit Credit Method in accordance with AS 15 (Revised), as applicable.

Actuarial Gains/ Losses are accounted for in the period of occurrence in the Statement of Profit or Loss.

Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

During the year, there were no plan amendments, curtailments and settlements.

Basis of Valuation:

1. Mortality is used as per Published rates under Indian Assured Lives Mortality.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE -10
RESTATED SUMMARY STATEMENT OF SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
I. Secured Loan				
(a) Loans Repayable on Demand				
(i) from Banks: (Secured against hypothecation of stock, debtors & property of Directors)	4,398.07	3,450.34	4,307.17	2,906.85
II. Unsecured Loan	-	-	-	-
III. Current Maturities of Long Term Borrowings	898.61	282.76	212.40	365.33
Total	5,296.67	3,733.10	4,519.57	3,272.18

Notes:

1. The terms and conditions and other information in respect of Secured Loans are given in annexure 10(A).
2. The Company does not have any continuing default in repayment of loans and interest as on the reporting date.
3. There is no such borrowing from banks and financial institutions taken by company for specific purpose but not used for same purpose
4. The Company has not taken any loan from financial institution or banks for any specified purpose for which it is not utilised.
5. The stock records maintained by the company do not facilitate day to day valuation of inventory, despite of day to day quantitative records being maintained. However, year end Inventory is assigned valuation. In view of this, Quantitative stock statements submitted to bank are not subject to verification/ reconciliation with books.
6. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
7. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 10(A)
RESTATED SUMMARY STATEMENT OF SHORT-TERM BORROWINGS - PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

SECURED LOANS
SHORT-TERM BORROWINGS

(Rs. In lakhs)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Date of Sanction	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	As at December 31, 2025
1	STATE BANK OF INDIA	Working capital	(Original 1500.00) Revised 2500.00	(Original: 26-Jul-2024) Revised 30-Oct-2025	(Original-10.15%) Revised - 9.15%	Note 1	Repayable on Demand	2,850.74
2	ICICI Bank	Working capital	1,000.00	27-Sep-24	9.65%	Note 2	Repayable on Demand	1,547.32
	TOTAL							4,398.07
	Add: Current Maturity of long-term borrowings							898.61
	TOTAL							5,296.67

Primary & Collateral Security

Note :1 "Primary Security -

- (i) 1st pari passu charge by way of hypothecation on entire stock of inventories, receivables bills and other chargeable current assets of the company both present and future.
- (ii) 1st and exclusive charge over through hypothecation of assets, i.e. building and plant and machineries created out of bank finance.

Collateral Security -

- (i) 1st and exclusive charge by way of mortgage of commercial plot bearing survey number : 108/1, 109/7, 109/8, 109/9/2, 109/9/4, situated at T P No 61 Narol, Ahmedabad, 382405, (Semi Urban), Admeasuring total area : 24812 Sq mtr

Third Party Guarantee -

Personal Guarantee of:-

1. Mr. Rajendraprasad Agarwal
2. Mr. Ajay Ramkumar Agarwal
3. Mr. Khushal Goyle
4. Mr. Kumar Rajendraprasad Agarwal
5. Ms. Ashadevi Agarwal
6. Ms. Karishma Agarwal"

Note-2 "The Term loan and credit facilities availed by Aarjay Enterprise from ICICI Bank Limited, comprising Cash Credit, Rupee Term Loan and Working Capital Term Loan, are secured by way of exclusive charge over specified movable and immovable assets, together with corporate guarantee and personal guarantees / contractual comforts, as per the terms of the sanction arrangement with the lender.

The facilities are secured by way of exclusive charge over the movable fixed assets and current assets of Aarjay Enterprise. Further, the facilities are also secured by exclusive charge over immovable properties situated at:

- (i) Bungalow No. 101 to 103, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Ajay Agarwal and Ms. Anju Agarwal;
- (ii) Bungalow No. 104 to 106, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Rajendraprasad Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal;
- (iii) properties situated at Survey Nos. 680, 681 and 683, Paldi Kankaj, Nr Dholka Road, Opp Swaminarayan Temple, Ahmedabad, Gujarat; and
- (iv) F.P. No. 78, Block No. 160, T.P.S. No. 421/B, Kamod, Vatva, Ahmedabad, Gujarat, provided by Aarjay Developers.

The aforesaid facilities are further supported by corporate guarantee of Kumar Cotton Mills Ltd., Aarjay Developers and personal guarantees of Mr. Rajendraprasad Ramkumar Agarwal, Ms. Anju Agarwal, Mr. Ajay R. Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal, in favour of ICICI Bank Limited."

ANNEXURE – 11
RESTATED SUMMARY STATEMENT OF TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
a. Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
b. Total outstanding dues of other than micro enterprises and small enterprises	7,299.00	4,256.41	2,785.39	4,147.83
TOTAL	7,299.00	4,256.41	2,785.39	4,147.83

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.
3. The above balances of trade payables are subject to confirmation from respective vendor / supplier.
4. Balances outstanding from related parties, included under trade payables, have been disclosed separately in the Annexure No. 30 on Related Party Transactions forming part of the Restated Financial Statements.
5. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, (MSMED Act, 2006) have been identified by the company on the basis of information available with it. The details are as follows:

ANNEXURE - 11A

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
A. Principal amount remaining unpaid	-	-	-	-
B. Interest due thereon	-	-	-	-
C. Interest paid by the company in term of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during the year	-	-	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-	-
E. Interest accrued and remaining unpaid	-	-	-	-
F. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-	-	-

ANNEXURE – 11B

7. Trade Payable Ageing Schedule as per Schedule III

(₹ in Lakhs)

Particulars	As at	As at March 31,		
	December 31, 2025	2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Outstanding for following periods from due date of payment				
(i) MSME				
Unbilled dues not due	-	-	-	-
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	-	-	-
(ii) Others				
Unbilled dues not due	-	-	-	-
Less than 1 year	7,281.53	4,242.34	2,767.29	4,125.53
1-2 years	6.33	0.00	0.13	4.62
2-3 years	0.58	-	3.67	3.38
More than 3 years	10.56	14.07	14.30	14.31
Total	7,299.00	4,256.41	2,785.39	4,147.83
(iii) Disputed dues – MSME	-	-	-	-
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
Less than 1 year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	-	-	-
TOTAL	7,299.00	4,256.41	2,785.39	4,147.83

ANNEXURE – 12

RESTATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Advances From Customers	42.53	29.43	135.14	38.53
Security deposit- Rent	0.41	0.56	0.56	0.56
Salary Payable	99.26	92.15	76.67	72.62
Statutory Dues	20.23	21.14	18.38	12.41
TDS Demand Payable	5.26	5.19	4.49	1.15
Total	167.69	148.47	235.24	125.28

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 13
RESTATED SUMMARY STATEMENT OF SHORT-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Provision for Gratuity	24.79	25.23	24.76	23.80
Provision For Expenses	153.27	-	-	-
Income Tax Provision	439.87	171.56	96.10	103.55
Closing Balance	617.93	196.78	120.86	127.35

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 14

**RESTATED SUMMARY STATEMENT OF PROPERTY, PLANT, EQUIPMENT & INTANGIBLE ASSETS
FOR THE PERIOD ENDED DECEMBER 31, 2025 (CONSOLIDATED)**

(₹ in Lakhs)

Sr No	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		As At 01-04-2025	Adjustment on Consolidation 23-08-2025	Addition during the period	Deduction during the period	As At 31-12-2025	As At 01-04-2025	Adjustment on Consolidation 23-08-2025	For the Period	Sold during the Period	Total up to 31-12-2025	As At 31-12-2025	As At 31-03-2025
	Property, Plant & Equipment's												
1	Building - Factory	1,529.93	282.48	-	-	1,812.41	970.21	66.09	47.70	-	1,084.00	728.41	559.72
2	Building - Office	48.79	-	-	-	48.79	33.34	-	1.10	-	34.44	14.35	15.46
3	Land & Land Develop.	62.48	251.64	36.40	-	350.51	-	-	-	-	-	350.51	62.48
4	Plant & Machinery	7,443.36	3,035.06	610.13	497.73	10,590.82	6,064.44	1,175.73	448.69	451.17	7,237.69	3,353.13	1,378.92
5	Office Equipment's	-	-	-	-	-	-	-	-	-	-	-	-
6	Computers and Laptops	30.98	1.39	1.95	-	34.32	29.43	1.21	0.40	-	31.04	3.28	1.55
7	Furniture & Fixture	134.04	2.85	1.73	-	138.62	118.60	1.12	2.38	-	122.09	16.53	15.45
8	Vehicle - car	987.03	33.68	189.11	7.16	1,202.66	660.78	8.07	113.39	6.80	775.44	427.22	326.25
	Total (i)	10,236.61	3,607.11	839.31	504.89	14,178.14	7,876.79	1,252.22	613.67	457.97	9,284.71	4,893.44	2,359.82
	Intangible Assets												
1	Goodwill*	-	-	54.64	-	54.64	-	-	-	-	-	54.64	-
	Total (ii)	-	-	54.64	-	54.64	-	-	-	-	-	54.64	-
	Capital WIP	242.72	1,596.21	61.45	290.95	1,609.44						1,609.44	242.72
	Total (iii)	242.72	1,596.21	61.45	290.95	1,609.44	-	-	-	-	-	1,609.44	242.72
	Total Assets	10,479.33	5,203.31	955.41	795.83	15,842.22	7,876.79	1,252.22	613.67	457.97	9,284.71	6,557.52	2,602.54
	PFY 2024-25	9,650.94	-	1,085.15	256.75	10,479.33	7,552.37	-	536.19	211.77	7,876.79	2,602.54	2,098.57

**Goodwill recognised on consolidation of M/s. Aarjay Enterprises represents the excess of purchase consideration paid by our Company for acquisition of 99% partnership interest over its share in the net assets of M/s. Aarjay Enterprises as at the date of acquisition, i.e., August 23, 2025. Such goodwill has arisen on consolidation and has been disclosed separately under “Goodwill”. No amortisation has been charged on such goodwill, as goodwill arising on consolidation is governed by AS 21 and is outside the scope of AS 26.*

Annexure 14.1

CAPITAL WORK IN PROGRESS - AGEING

(₹ in Lakhs)

CWIP	Less than 1 year	1 year to 2 years	2 year to 3 years	More than 3 Years	Total
Project in Progress	14.41	1,595.03	-	-	1,609.44
Project Temporarily Suspended					

FOR THE FY 2024-25 (STANDALONE)

(₹ in Lakhs)

Sr No .	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2024	Addition	Deduction during the year	As At 31-03-2025	As at 1-04-2024	For the Year	Sold during the year	Total up to 31-03-2025	As At 31-03-2025	As At 31-3-2024
	Property, Plant & Equipment's										
1	Building - Factory	1,515.32	14.60	-	1,529.93	912.41	57.80	-	970.21	559.72	602.91
2	Building - Office	48.79	-	-	48.79	31.71	1.62	-	33.34	15.46	17.08
3	Land & Land Develop.	62.48	-	-	62.48	-	-	-	-	62.48	62.48
4	Plant & Machinery	6,952.07	648.50	157.20	7,443.36	5,870.31	319.23	125.10	6,064.44	1,378.92	1,081.75
5	Computers and Laptops	30.98	-	-	30.98	28.54	0.90	-	29.43	1.55	2.45
6	Furniture & Fixture	125.84	8.20	-	134.04	115.87	2.73	-	118.60	15.45	9.97
7	Vehicle	915.46	171.12	99.55	987.03	593.53	153.92	86.67	660.78	326.25	321.93
	Total (i)	9,650.94	842.42	256.75	10,236.61	7,552.37	536.19	211.77	7,876.79	2,359.82	2,098.57
	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total (ii)	-	-	-	-	-	-	-	-	-	-
	Capital WIP	-	242.72	-	242.72	-	-	-	-	242.72	-
	Total (iii)	-	242.72	-	242.72	-	-	-	-	242.72	-
	Total Assets (i+ii+iii)	9,650.94	1,085.15	256.75	10,479.33	7,552.37	536.19	211.77	7,876.79	2,602.54	2,098.57
	PFY 2023-24	9,484.35	241.41	74.81	9,650.94	7,020.09	575.86	43.58	7,552.37	2,098.57	2,464.26

ANNEXURE 14.1 CAPITAL WORK IN PROGRESS - AGEING

(₹ in Lakhs)

CWIP	Less than 1 year	1 year to 2 years	2 year to 3 years	More than 3 Years	Total
Project in Progress	242.72	-	-	-	242.72
Project Temporary Suspended	-	-	-	-	-

FOR THE FY 2023-24 (STANDALONE)

(₹ in Lakhs)

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2023	Addition	Deduction during the year	As At 31-3-2024	As at 01-04-2023	For the Year	Sold during the year	Total up to 31-3-2024	As At 31-3-2024	As At 31-3-2023
	Property, Plant & Equipment's										
1	Building - Factory	1,525.58	-	10.25	1,515.32	848.88	63.53	-	912.41	602.91	676.69
2	Building - Office	48.79	-	-	48.79	29.92	1.79	-	31.71	17.08	18.87
3	Land & Land Develop.	62.48	-	-	62.48	-	-	-	-	62.48	62.48
4	Plant & Machinery	6,876.88	100.19	25.00	6,952.07	5,532.91	344.85	7.45	5,870.31	1,081.75	1,343.97
5	Computers and Laptops	30.98	-	-	30.98	25.74	2.80	-	28.54	2.45	5.24
6	Furniture & Fixture	125.84	-	-	125.84	114.17	1.70	-	115.87	9.97	11.67
7	Vehicle	813.80	141.22	39.56	915.46	468.47	161.19	36.13	593.53	321.93	345.33
	Total (i)	9,484.35	241.41	74.81	9,650.94	7,020.09	575.86	43.58	7,552.37	2,098.57	2,464.26
	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total (ii)	-	-	-	-	-	-	-	-	-	-
	Total Assets (i+ii)	9,484.35	241.41	74.81	9,650.94	7,020.09	575.86	43.58	7,552.37	2,098.57	2,464.26
	PFY 2022-23	9,222.72	367.15	105.52	9,484.35	6,504.86	609.10	93.87	7,020.09	2,464.26	2,717.86

FOR THE FY 2022-23 (STANDALONE)

(₹ in Lakhs)

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01-04-2022	Addition	Deduction during the year	As At 31-3-2023	As at 01-04-2022	For the Year	Sold during the year	Total up to 31-3-2023	As At 31-3-2023	As At 31-3-2022
	Property, Plant & Equipment's										
1	Building - Factory	1,525.58	-	-	1,525.58	778.69	70.19	-	848.88	676.69	746.89
2	Building - Office	48.79	-	-	48.79	27.94	1.98	-	29.92	18.87	20.85
3	Land & Land Develop.	62.48	-	-	62.48	-	-	-	-	62.48	62.48
4	Plant & Machinery	6,843.87	38.93	5.92	6,876.88	5,129.23	408.79	5.11	5,532.91	1,343.97	1,714.63
5	Computers and Laptops	30.98	-	-	30.98	18.13	7.61	-	25.74	5.24	12.86
6	Furniture & Fixture	125.84	-	-	125.84	111.86	2.31	-	114.17	11.67	13.98
7	Vehicle	585.18	328.21	99.60	813.80	439.02	118.21	88.76	468.47	345.33	146.17
	Total (i)	9,222.72	367.15	105.52	9,484.35	6,504.86	609.10	93.87	7,020.09	2,464.26	2,717.86
	Intangible Assets	-	-	-	-	-	-	-	-	-	-
	Total (ii)	-	-	-	-	-	-	-	-	-	-
	Total Assets	9,222.72	367.15	105.52	9,484.35	6,504.86	609.10	93.87	7,020.09	2,464.26	2,717.86
	PFY 2021-22	9,222.72	-	-	9,222.72	5,918.20	586.66	-	6,504.86	2,717.86	3,304.43

Note:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 15
RESTATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Investment in share	0.12	0.12	0.12	0.12
TOTAL	0.12	0.12	0.12	0.12

(₹ in Lakhs)

Aggregate amount of Other Investments Unquoted:-	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Investment in 200 (P.Y. 200) Fully paid-up Equity Shares of ₹ 50/- each in Social Co. Op. Bank Limited at cost	0.10	0.10	0.10	0.10
Investment in 40 (P.Y. 40) Fully paid-up Equity Shares of ₹ 25/- each in Ellisbridge Co. Op. Bank Limited at cost	0.01	0.01	0.01	0.01
Investment in 5 (P.Y. 5) Fully paid up Equity Shares of ₹ 100/- each in Naroda Nagrik Co. Op. Bank Limited at cost	0.01	0.01	0.01	0.01

Notes:

1. Refer Significant Accounting policy.
- 2 Investment are in compliance of section 186 of the Companies Act, 2013.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- 4.The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 16
RESTATED SUMMARY STATEMENT OF NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	Consolidated)	(Standalone)	(Standalone)	(Standalone)
Capital Advance	110.00	152.57	21.87	3.96
Security Deposits	17.22	0.80	0.80	0.80
TOTAL	127.22	153.37	22.67	4.76

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 17
RESTATED SUMMARY STATEMENT OF INVENTORIES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Inventories				
Raw materials	1,374.93	138.27	419.83	519.68
Chemical Stock	671.89	505.16	507.34	445.80
Work in Progress	1,411.73	-	143.95	241.51
Finished Goods	2,012.16	1,103.52	263.02	461.18
Consumables Stock	792.67	497.76	589.04	553.16
TOTAL	6,263.38	2,244.71	1,923.18	2,221.32

Note:

1. Entire inventory of the Company has been hypothecated as security against certain bank borrowings of the Company as at reporting dates. For more details of lien/charge against inventories refer ANNEXURE No. 10(A).
2. These inventories are valued at lower of cost or net realisable value.
3. Inventory has been physically verified by the management of the Company at the end of respective period/year.
4. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
5. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 18
RESTATED SUMMARY STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Trade Receivables				
Secured & Considered Good				
Unsecured and Considered Good	8,688.76	8,038.14	7,272.71	6,463.12
Doubtful	-	-	-	-
	-	-	-	-
TOTAL	8,688.76	8,038.14	7,272.71	6,463.12

Notes:

1. For lien/charge against trade receivables refer ANNEXURE No. 10(A).
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors.
3. Balances outstanding from related parties, included under trade receivables, have been disclosed separately in the Annexure No. 30 on Related Party Transactions forming part of the Restated Financial Statements.
4. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
5. No provision has been created against doubtful trade receivable as & when the debtors become unrecoverable same as treated bad debts.
6. Balances of Trade Receivables are subject to confirmation from respective customer.
7. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
8. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE 18(A)

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Outstanding for following periods from due date of payment				
(i) Undisputed Trade receivables – considered good				
Less than 6 months	8,037.87	7,090.25	6,745.57	5,719.71
6 months - 1 year	414.90	779.68	279.42	644.27
1-2 years	101.80	83.74	142.36	27.68
2-3 years	52.56	16.90	36.14	6.67
More than 3 years	81.63	67.58	69.21	64.79
Total	8,688.76	8,038.14	7,272.71	6,463.12
(ii) Undisputed Trade Receivables – considered doubtful		-	-	-
Less than 6 months		-	-	-
6 months - 1 year		-	-	-
1-2 years		-	-	-
2-3 years		-	-	-
More than 3 years		-	-	-
Total	-	-	-	-
(iii) Disputed Trade Receivables considered good		-	-	-

Less than 6 months		-	-	-
6 months - 1 year		-	-	-
1-2 years		-	-	-
2-3 years		-	-	-
More than 3 years		-	-	-
Total	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful		-	-	-
Less than 6 months		-	-	-
6 months - 1 year		-	-	-
1-2 years		-	-	-
2-3 years		-	-	-
More than 3 years		-	-	-
Total	-	-	-	-
GRAND TOTAL	8,688.76	8,038.14	7,272.71	6,463.12

ANNEXURE – 19
RESTATED SUMMARY STATEMENT OF CASH & BANK BALANCES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Cash & Bank Equivalents				
Cash on hand	50.93	33.43	8.16	6.84
Balances with Bank	-	-	-	-
In Current Accounts	109.48	-	-	-
In OD/CC Accounts	28.48	-	-	-
Other Bank Balances				
Fixed Deposits having Maturity less than 3 months	-	-	-	-
Fixed Deposits having Maturity more than 3 months (Pledged against Bank Guarantee)	476.28	85.63	115.69	110.05
Total	665.17	119.06	123.85	116.90

Notes:

1. These fixed deposits are pledged as bank guarantees taken from banks for Torrent Power (Electricity Company) and DGFT.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 20
RESTATED SUMMARY STATEMENT OF SHORT-TERM LOANS & ADVANCES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Unsecured but Considered Good	-	-	-	-
Advances to Employees	105.45	114.87	88.56	96.99
Advance to Suppliers	505.34	94.55	63.67	173.56
Balances with Revenue Authorities	619.09	609.53	487.16	783.20
Loans and Advance to Others	16.30	42.82	40.35	32.56
Prepaid Expense	25.75	13.80	19.07	18.52
TOTAL	1,271.93	875.57	698.81	1,104.82

Note:

1. There are no loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
2. There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment, therefore, no disclosure is given thereof.
3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 21
RESTATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Security Deposits - Rent	14.23	10.49	9.39	9.39
TOTAL	14.23	10.49	9.39	9.39

NOTE:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 22
RESTATED STATEMENT OF REVENUE FROM OPERATIONS AS RESTATED

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
(i) Operating Revenue from operations				
Supply of Goods: -				
Domestic Supply	14,319.60	11,259.46	12,726.67	12,599.96
Export Supply	220.15	343.58	286.14	177.80
Supply of Services: -				
Sales of Services	8,644.53	12,340.19	11,849.33	12,339.49
Sub Total (i)	23,184.28	23,943.23	24,862.14	25,117.25
(ii) Other Operating Revenue				
Export Duty drawback	20.85	20.77	12.38	31.98
Sub Total (ii)	20.85	20.77	12.38	31.98
Total Revenue From Operations (i+ii)	23,205.13	23,964.00	24,874.51	25,149.23

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Details Sale of Product and Services				
Fabric Processed on own account	12,628.04	3,023.08	1,155.99	1,603.07
Textile processing chemicals	446.69	585.55	319.41	118.69
Sized Yarn	455.32	2,264.64	3,061.11	533.65
Grey fabric	1,009.69	5,729.78	8,476.29	10,522.35
Total (A)	14,539.75	11,603.04	13,012.80	12,777.76
Details Sale of Service				
Fabric Processing charges	8,644.53	12,207.74	11,849.33	12,339.49
Weaving Job Work	-	132.44	-	-
Total (B)	8,644.53	12,340.19	11,849.33	12,339.49
Grand Total (C=A+B)	23,184.28	23,943.23	24,862.14	25,117.25
Geographical Disaggregation				
Details of Sale Goods				
Sales in India	14,319.60	11,259.46	12,726.67	12,599.96
Sales Outside India	220.15	343.58	286.14	177.80
Total (a)	14,539.75	11,603.04	13,012.80	12,777.76
Details of Sale Service				
Sales in India	8,644.53	12,340.19	11,849.33	12,339.49
Sales Outside India	-	-	-	-
Total (b)	8,644.53	12,340.19	11,849.33	12,339.49
Grand Total (c=a+b)	23,184.28	23,943.23	24,862.14	25,117.25

Notes:

1. Value of Revenue from Operations, does not include Goods & Service Tax and other taxes.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE - 23
RESTATED SUMMARY STATEMENT OF OTHER INCOME

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Interest on FD	18.93	4.88	11.04	5.60
Interest on Income Tax Refund	-	5.47	13.98	-
Profit on Sale of Fixed Assets	33.34	21.92	9.00	10.20
Rent Income	0.29	4.49	5.20	5.42
Insurance Claim	-	-	-	22.82
Gain on Foreign Exchange Fluctuation	-	-	0.16	-
Total	52.56	36.77	39.37	44.04

Note:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The Foreign exchange fluctuation gain represents net gain arising on settlement of foreign currency payables in respect of import of stores and spare items. Such stores and spare items are treated as consumable items and charged to the Statement of Profit and Loss under the Other expense head. Further, the related net foreign exchange fluctuation gain has been disclosed under Annexure No 34.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 24
RESTATED STATEMENT OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Opening stock of Raw material	1,206.06	419.83	519.68	542.85
Opening stock of Chemical	505.16	507.34	445.80	480.30
Add: Purchases	16,159.16	14,780.77	14,467.79	14,886.58
	17,870.38	15,707.94	15,433.27	15,909.72
Less: Closing stock				
Closing stock of Chemical	671.89	505.16	507.34	445.80
Closing stock of Raw Material	1,374.93	138.27	419.83	519.68
Cost of Material Consumed	15,823.56	15,064.51	14,506.11	14,944.25
Total	15,823.56	15,064.51	14,506.11	14,944.25

Notes:

1. Details of Principal Items of Raw Materials Purchased:

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Purchase of Raw Material - Grey	8,925.92	4,994.33	845.19	2,231.45
Purchase of Raw Material - Yarn	3,870.51	5,440.30	9,646.44	8,642.51
Purchases of Raw Material -Chemical	3,362.73	4,346.14	3,976.16	4,012.61
Total Purchases	16,159.16	14,780.77	14,467.79	14,886.58

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 25

RESTATED SUMMARY STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Opening Inventory				
Work in Progress	1,245.23	143.95	241.51	170.98
Finished Goods	1,781.36	263.02	461.18	222.29
Sub Total (A)	3,026.59	406.97	702.69	393.27
Closing Inventory				
Work in Progress	1,411.73	-	143.95	241.51
Finished Goods	2,012.16	1,103.52	263.02	461.18
Sub Total (B)	3,423.89	1,103.52	406.97	702.69
Changes in Inventories on Finished Goods, Work-in-progress (C=A-B)	-397.30	-696.55	295.72	-309.41

Note:

1. The Inventory has been physically verified on periodic basis by the management.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 26
RESTATED SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Director's Remuneration	59.20	79.20	66.80	66.00
Salaries and Bonus	779.83	918.61	834.01	709.05
Contribution To Employee Welfare Fund	3.01	6.99	7.83	5.44
Gratuity Expenses	10.74	10.61	8.20	7.69
Total	852.77	1,015.40	916.84	788.18

Notes:

1. Refer Note - 3 of Annexure - 9 for details and disclosure related to Gratuity and other retirement benefits, if any.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE - 27
RESTATED SUMMARY OF FINANCE COST

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Interest on Loan	254.99	475.55	528.21	429.68
Interest on Vehicle Loan	20.00	28.56	30.90	20.37
Other Processing Charges	29.24	13.31	49.89	52.99
Total	304.23	517.41	609.00	503.05

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 28
RESTATED SUMMARY STATEMENT OF DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Depreciation on Property, Plant & Equipment's	613.67	536.19	575.86	609.10
Amortization of Intangible Assets	-	-	-	-
Total	613.67	536.19	575.86	609.10

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 29
RESTATED SUMMARY STATEMENT OF OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Manufacturing Expenses				
Factory Expenses	41.45	55.94	44.63	46.77
Job Work Charges	235.92	30.61	499.20	446.58
Labour Charges	1,173.66	1,896.45	1,951.45	1,814.14
Operational Repairs & Maintenance	42.27	30.91	42.31	51.47
Consumption of Stores, Spares & Packing Material	2,933.45	4,474.64	4,792.87	5,615.57
Environmental Expenses	79.76	88.24	82.29	78.22
Total (A)	4,506.51	6,576.79	7,412.76	8,052.75
General & Administrative Expenses				
Auditor Remuneration*	5.57	6.45	6.11	5.95
Bank Charges	0.95	1.50	2.17	3.35
Conveyance & travelling	32.73	61.38	79.47	82.29
Donation	0.21	0.49	7.52	-
General Office Expenses	17.56	43.41	26.83	18.96
Late payment charges (Suppliers)	1.21	6.91	8.59	2.68
Insurance	21.88	28.50	29.86	27.70
Legal & Professional Charges	58.71	38.32	19.72	10.84
Rent, Rates & Taxes	18.40	13.69	31.59	2.27
Repairs & Maintenance	10.91	28.68	23.74	20.75
Stationary & Printing	13.55	16.96	19.10	16.21
Telephone & Communication	2.52	3.72	5.84	10.87
Freight & Forwarding	19.84	23.53	27.58	40.69
TDS Penalty	0.08	0.69	3.34	1.15
Commission	87.53	75.67	61.02	69.11
Bad debts written off	15.32	-	-	-
Total(B)	306.98	349.91	352.48	312.82
Total (C=A+B)	4,813.48	6,926.69	7,765.24	8,365.57

ANNEXURE -29(A)

1. Payment to Auditor's (Including Accrued expenses)

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2025	For the year ended March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
For Statutory Audit	3.57	5.75	5.41	5.25
For Tax Audit	-	0.35	0.35	0.35
For Others	2.00	0.35	0.35	0.35
Total	5.57	6.45	6.11	5.95

ANNEXURE – 30
RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS

In accordance with the requirements of Accounting Standard - 18, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported as under:

A. List of Related Parties as per AS-18

Particulars	Name of Related Parties	Nature of Relationship
Directors and Key Managerial Personnel (KMP)	Rajendraprasad Ramkumar Agarwal	Chairman and Managing Director (w.e.f. 01.12.2025)
	Ajay Ramkumar Agarwal	Whole Time Director (w.e.f. 01.12.25)
	Kumar RajendraPrasad Agarwal	Non -Executive Director (w.e.f. 01.12.25)
	Khushal Mithlesh Goyle	Whole Time Director (w.e.f. 01.12.25)
	Shahaji Annasaheb Patil	Company Secretary and Compliance Officer(w.e.f. 01.12.25)
	Govind Hansaji Prajapati	Chief Financial Officer (from 01.12.25 to 30.05.26)
	Tejendrasinh Dilipsinh Chavada	Chief Financial Officer (w.e.f. 01.06.26)
Relative of Director	Anjudevi A Agarwal	Relative of Director
	Ashadevi R Agarwal	Relative of Director
	Tanya Ajay Agarwal	Relative of Director
	Pragati Kumar Agarwal	Relative of Director
	Karishma Agarwal	Relative of Director
	Karan Traders (Karan M Goyal)	Relative of Director
	Avon Trading (Mithelesh Goyal HUF)	Relative of Director
	Swati K Goyle	Relative of Director
	Karan M Goyle	Relative of Director
	Meena M. Goyle	Relative of Director
	Mithilesh S. Goyle	Relative of Director
	Nilam K. Goyle	Relative of Director
Enterprises in which KMP/Relative of KMP can exercise significant influence	Aarjay Enterprise	Enterprise controlled by KMP
	Aarjay Devlopers	Enterprise controlled by KMP
	Kumar Spintex Pvt. Ltd.	Common Director
	Venus Denim	Enterprise controlled by KMP
	Bonanza Textile Pvt. Ltd	Common Director
	Pinaz Texfab Private Limited	Common Director
	Jash Trading	Enterprise controlled by KMP
	Vishal Spintex	Enterprise controlled by KMP
	Vedant Denim	Enterprise controlled by KMP
	Rajendraprasad R Agarwal HUF	HUF of Director
	Kumar Agarwal HUF	HUF of Director
	Ajay Agarwal HUF	HUF of Director

(₹ in Lakhs)

Particulars	As at Year/Period ended			
	31.12.2025	31.03.2025	31.03.2024	31.03.2023
(i) Transactions with Director /Promoters and KMP				
(a) Remuneration				
Ajay Ramkumar Agarwal	18.00	24.00	12.00	12.00
Rajendraprasad Ramkumar Agarwal	18.00	24.00	24.00	24.00
Kumar RajendraPrasad Agarwal	18.00	24.00	24.00	24.00
Khushal Mithlesh Goyle	5.20	7.20	6.80	6.00
(b) Salary to Relative/KMP				
Karishma Agarwal	9.00	14.00	10.25	9.00
Pragati Kumar Agarwal	6.75	9.00	9.00	9.00
Swati K Goyle	1.00	5.98	5.38	4.18
Dhaval Ajay Agarwal	18.00	19.50	12.00	-
Karan M Goyle	1.49	5.98	-	-
Meena M. Goyle	-	2.98	2.98	2.98
Mithilesh S. Goyle	-	2.98	2.98	-
Nilam K. Goyle	1.00	5.98	5.38	4.18
Govind Hansaji Prajapati	0.86	-	-	-
Shahaji Annasaheb Patil	0.29	-	-	-
(c) Rent Income				
Aarjay Enterprise	-	4.20	4.20	2.10
Bonanza Textile Pvt. Ltd	-	-	-	1.80
Vedant Denim	-	-	-	1.02
(d) Interest Expenses				
Ajay Ramkumar Agarwal	13.08	15.56	7.34	32.96
Rajendraprasad Ramkumar Agarwal	14.73	49.80	161.69	143.01
Karishma Agarwal	6.14	9.09	10.02	10.78
(e) Loan Taken from Directors & relative of directors				
Ajay Ramkumar Agarwal	195.00	349.32	272.28	401.76
Rajendraprasad Ramkumar Agarwal	259.68	512.38	350.07	452.00
Kumar R.Agarwal	50.00	-	-	-
Rajendraprasad R Agarwal HUF	-	14.03	12.57	14.68
Aarjay Devlopers	133.46	-	-	-
Anjudevi A Agarwal	-	14.50	8.87	10.75
Ashadevi R Agarwal	104.38	248.64	11.25	22.75
Kumar Agarwal HUF	-	14.01	12.47	11.54
Ajay Agarwal HUF	-	14.01	18.27	15.78
Karishma Agarwal	165.84	-	-	-
(f) Loan Repaid to Directors & Relative of directors				
Ajay Ramkumar Agarwal	360.45	159.14	356.96	631.58
Rajendraprasad Ramkumar Agarwal	573.38	583.51	1,019.99	345.18
Kumar R.Agarwal	-	-	-	5.50
Rajendraprasad R Agarwal HUF	46.77	-	-	0.51
Anjudevi A Agarwal	2.00	3.50	2.54	-
Ashadevi R Agarwal	25.15		1.75	2.47
Kumar Agarwal HUF	54.27	5.00	-	5.00

Ajay Agarwal HUF	78.59	-	-	-
Tanya Ajay Agarwal	6.45	-	-	10.00
Karishma Agarwal	38.67	18.14	18.14	18.14
(g) Provision for Gratuity				
Rajendraprasad Ramkumar Agarwal	20.00	20.00	20.00	20.00
Ajay Ramkumar Agarwal	18.58	18.93	17.70	16.61
Khushal Mithlesh Goyle	4.03	4.95	4.33	3.21
Karishma Agarwal	2.01	2.06	1.19	0.47
Pragati Kumar Agarwal	2.79	2.38	1.46	0.86
Dhaval Ajay Agarwal	2.24	1.33	0.26	-
(ii) Transactions with Enterprises in which KMP/Relatives of KMP can exercise significant influence				
(a) Purchase of Goods/Services/Consumables Items				
Aarjay Enterprise	75.44	1,368.73	592.53	1,010.62
Jash Trading (Khushal Goyal HUF)	7.70	9.00	9.98	11.42
Karan Traders (Karan M Goyal)	27.07	4.80	10.94	11.70
Avon Trading (Mithlesh Goyal HUF)	6.00	9.00	9.00	11.57
Jyoti Traders (Karan M Goyal HUF)	6.00	9.00	9.00	8.87
Venus Denim	2,579.73	1,132.41	-	3.63
Vishal Spintex	-	3.65	80.86	70.24
Pinaz Textfab Private Limited	73.75	-	-	-
(b) Sales of Goods/ Services				
Aarjay Enterprise	1,508.81	7,030.76	7,097.73	6,406.02
Venus Denim	70.96	72.18	48.35	118.65
Bonanza Textile Pvt. Ltd.	-	-	-	24.73

(₹ in Lakhs)

(iii) Balances Outstanding				
Particulars	As at Year/Period ended			
	31.12.2025	31.03.2025	31.03.2024	31.03.2023
Director Remuneration Payable				
Ajay Ramkumar Agarwal	-	-	1.38	1.21
Rajendraprasad Ramkumar Agarwal	-	-	7.94	8.99
Kumar RajendraPradsad Agarwal	1.51	2.55	1.82	0.03
Khushal Mithlesh Goyle	0.50	-	-	-
Remuneration Payable to KMP/Relative				
Karishma Agarwal	0.57	3.08	-	-
Pragati Kumar Agarwal	12.24	6.39	1.21	7.20
Dhaval Ajay Agarwal	-	-	0.90	-
Govind Hansaji Prajapati	0.86	-	-	-
Shahaji Annasaheb Patil	0.28	-	-	-
Salary Advance to KMP/Relative				
Nilam K. Goyle	-	-	-	3.50

Rent Receivable				
Aarjay Enterprise	-	4.96	4.54	2.48
Bonanza Textile Pvt. Ltd	-	0.15	-	0.32
Vedant Denim	-	-	3.19	3.19
Loan Outstanding to Directors & relative of directors				
Ajay Ramkumar Agarwal	129.03	282.71	78.53	156.61
Rajendraprasad Ramkumar Agarwal	84.01	384.45	410.75	935.15
Kumar R. Agarwal	50.00	-	-	-
Rajendraprasad R Agarwal HUF	-	46.77	32.74	20.17
Anjudevi A Agarwal	31.07	33.07	22.07	15.74
Ashadevi R Agarwal	362.63	283.41	34.78	25.28
Aarjay Devlopers	133.46	-	-	-
Kumar Agarwal HUF	-	54.27	45.27	32.80
Ajay Agarwal HUF	-	78.59	64.59	46.34
Tanya Ajay Agarwal	-	6.45	6.45	6.45
Pragati Kumar Agarwal	10.00	10.00	10.00	10.00
Karishma Agarwal	211.00	77.69	86.74	94.86
Minority Interest				
Minority Interest and Current Capital pertaining to Minority Partners	1,457.84	-	-	-
Trade Payables Outstanding Balances				
Jash Trading (Khushal Goyal HUF)	-	2.50	-	-
Karan Traders (Karan M Goyal)	8.18	39.18	-	-
Avon Trading (Mithelesh Goyal HUF)	2.05	1.75	4.50	-
Jyoti Traders (Karan M Goyal HUF)	2.75	0.75	-	-
Venus Denim	127.08	10.32	-	0.13
Pinaz Texfab Private Limited	92.27		-	-
Vishal Spintex	0.53	-	6.48	-
Trade Receivables Outstanding Balances				
Aarjay Enterprise	-	4,021.94	3,862.60	1,762.29
Venus Denim	25.60	31.28	18.54	32.88

Disclosure in respect of Investment in Partnership Firm

(₹ in Lakhs)

Particulars	% of Stake	Amount invested	Share of profit up to December 31, 2025	Total Amount
Aarjay Enterprise	99%	2,890.00	290.95	3,180.95

*During the period, pursuant to the partnership agreement dated August 23, 2025, the Company was admitted as a partner in Aarjay Enterprise, a related party partnership firm, with a 99.00% share in profits and losses. The Company made an investment of ₹2,890.00 lakhs in the partnership firm.

Note:

1. List of Related parties has been identified by the management and relied upon by the Auditor.
2. Sales, Purchases of Goods, Services and other income from related parties is disclosed exclusive of GST amount.

Terms & Conditions:**Sales:**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists. For the financial years under reporting, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Loans from related parties:

The Company had taken loans from related parties for business requirements. These loans are unsecured in nature and is payable on demand as described in Note 7(A).

ANNEXURE – 31
RESTATED SUMMARY STATEMENT OF TAX SHELTER

(Rs. In lakhs)

Particulars	Dec-25 (Consolidated)	Year ended March 31,		
		2025	2024	2023
		(Standalone)	(Standalone)	(Standalone)
Restated Profit before tax (A)	1,247.28	637.11	245.12	292.53
Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
Adjustments:				
Donation	0.21	0.49	7.52	-
Section 37	-	-	-	-
Interest and Penalties	0.08	0.69	3.34	1.15
Late Payment of ESI/PF				
Profit/Loss on Disposal of Assets	-33.34	-21.92	-9.00	-10.20
Depreciation as per Companies act, 2013	613.67	536.19	575.86	609.10
Gratuity	10.74	10.61	8.20	7.69
Total Permanent Differences(B)	591.34	526.06	585.91	607.74
Depreciation as per Income Tax act, 1961	391.81	482.06	450.22	489.56
Total Timing Differences (C)	391.81	482.06	450.22	489.56
Income considers in House property Head (D)	0.29	4.49	5.20	5.42
Income considers in Capital Gain (E)	-	-	-	-
Net Adjustments F = (B-C-D-E)	199.25	39.51	130.50	112.76
Income from Business or Profession	1,446.53	676.61	375.62	405.29
Add: Income from House Property				
Add Income from Capital Gain	-	-	-	-
Gross Total Income	1,446.53	676.61	375.62	405.29
Less: Deduction u/s 80 JJA	-	-	-	-
Taxable Income/(Loss)	1,446.53	676.61	375.62	405.29
Brought Forward Losses	-	-	-	-
Net Taxable Income	1,446.53	676.61	375.62	405.29
Income Tax as returned/computed	364.13	171.56	96.10	103.55

NOTE:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income tax returns/Provisional computation of total income of respective years as stated above.
2. The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
3. Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.
4. Tax payable under Special Tax regime U/s 115BAA option, thus not MAT entitlement available to Company.

ANNEXURE – 32

RESTATED STATEMENT OF OTHER FINANCIAL INFORMATION AND OTHER ACCOUNTING RATIOS

A. MANDATORY RATIOS

(Rs. In lakhs except percentage or otherwise stated)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
EBITDA	2,112.62	1,653.95	1,390.61	1,360.64
Net Profit/(Loss) as Restated - attributable to equity shareholders	905.71	476.32	180.45	218.44
Net Worth	4,041.58	3,135.86	2,659.55	2,479.09
Return on Net worth (%)	22.41%	15.19%	6.79%	8.81%
Equity Share at the end of Year/Period (In Nos.) (Face Value Rs. 10/100)*	1,25,77,250	17,96,750	17,96,750	17,96,750
Bonus Issue	-	1,07,80,500	1,07,80,500	1,07,80,500
Weighted Average Number of Equity shares**	1,25,77,250	1,25,77,250	1,25,77,250	1,25,77,250
Basic and Diluted Earnings per Equity Share (Based on the Adjusted Net Worth and Weighted Average number of Shares)	7.20	3.79	1.43	1.74
Net Asset Value/Book Value per Equity share (Based on the Weighted Average number of Shares)	32.13	24.93	21.15	19.71

* The Equity Shares of our Company having face value of ₹100 each were sub-divided into Equity Shares having face value of ₹10 each pursuant to shareholders' approval dated June 3, 2025. Accordingly, the number of Equity Shares has been adjusted for the purpose of computation of earnings per share and other per share ratios, wherever applicable, for all the periods presented, to make the same comparable. The sub-division did not result in any change in the aggregate paid-up share capital of our Company.

** Bonus issue of 1,07,80,500 Equity Shares of face value of ₹10/- each in the ratio of 6:1, i.e., six (6) Bonus Equity Shares for every one (1) Equity Share held by the shareholders, allotted on June 26, 2025. The same has been considered for calculating the weighted average number of Equity Shares.

Note:

- 1) The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 31st Dec 2025.
 - (a) Basic earnings per share (Rs.) :- Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.
 - (b) Diluted earnings per share (Rs.) :- Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS.
 - (c) Return on net worth (%) :- Net profit after tax (as restated) / Net worth at the end of the period or year.
 - (d) Net assets value per share :- Net Worth at the end of the period or year / Weighted average number of equity shares outstanding at the end of the period or year.
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3)) Net worth for ratios is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 4) The figures disclosed above are based on the restated summary statements of the Company.
- 5) EBITDA has been calculated as Profit before tax + Depreciation + Finance Costs - Other Income.

B. RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS

Sr · N o.	Ratios	Formula Heads	For the period ended December 31, 2025	For the Year ended 31.03.2025	For the Year ended 31.03.2024	For the Year ended 31.03.2023
			(Consolidated)	(Standalone)	(Standalone)	(Standalone)
1	Current Ratio (in times)	Current Assets	16,903.46	11,287.96	10,027.93	9,915.55
		Current Liabilities	13,381.29	8,334.77	7,661.06	7,672.63
		Current Assets/ Current Liabilities	1.26	1.35	1.31	1.29
2	Debt Equity Ratio (in times)	Total Debt	10,126.54	6,478.96	6,520.13	5,652.83
		Equity	4,041.58	3,135.86	2,659.55	2,479.09
		Total Debt/ Total Equity	2.51	2.07	2.45	2.28
3	Debt Service Coverage Ratio (in times)	EBITDA	2,112.62	1,653.95	1,390.61	1,360.64
		Finance Cost	304.23	517.41	609.00	503.05
		Current Payment of Principal Payment	282.76	212.40	365.33	619.06
		EBITDA/ (Interest Expense + Current payment of Principal amount)	3.60	2.27	1.43	1.21
4	Return on Equity Ratio (in %)	Profit after tax	905.71	476.32	180.45	218.44
		Average Equity	3,588.72	2,897.71	2,569.32	2,595.39
		Profit after tax/ Average Equity	25.24%	16.44%	7.02%	8.42%
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold	15,426.26	14,367.96	14,801.82	14,634.83
		Average Inventory	4,254.04	2,083.94	2,072.25	2,158.58
		Cost of Goods Sold / Average Inventory	3.63	6.89	7.14	6.78
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations	23,205.13	23,964.00	24,874.51	25,149.23
		Average Debtors	8,363.45	7,655.42	6,867.91	6,285.79
		Sales /Average Trade Receivables	2.77	3.13	3.62	4.00

7	Trade Payables Turnover Ratio (in times)	Purchases	16,159.16	14,780.77	14,467.79	14,886.58
		Average Creditors	5,777.71	3,520.90	3,466.61	4,422.07
		Purchases/Average Trade Payables	2.80	4.20	4.17	3.37
8	Net Capital Turnover Ratio (in times)	Revenue from operations	23,205.13	23,964.00	24,874.51	25,149.23
		Average working capital i.e. Total current assets less Total current liabilities	3,237.68	2,660.03	2,304.89	1,989.46
		Revenue from Operations/Average Working Capital	7.17	9.01	10.79	12.64
9	Net Profit Ratio (in %)	Profit for the year	905.71	476.32	180.45	218.44
		Revenue from operations	23,205.13	23,964.00	24,874.51	25,149.23
		Profit for the year/Revenue from operations	3.90%	1.99%	0.73%	0.87%
10	Return on Capital Employed (in %)	Earning before interest and taxes	1,498.95	1,117.75	814.75	751.54
		Capital Employed = Total Equity plus total borrowing plus deferred tax liabilities	14,168.12	9,614.82	9,179.68	8,131.92
		Profit before tax and Interest/ Equity and borrowings	10.58%	11.63%	8.88%	9.24%

C. REASON FOR CHANGE IN THE RATIO

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2025	Year ended 31.03.2024	Change in Ratio	Reason for Change in the Ratio above 25%
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.35	1.31	-3.35%	-
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	2.07	2.45	18.66%	-
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	2.27	1.43	-37.02%	Due to increase in profit and increase in debt obligation

4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	16.44%	7.02%	-57.27%	Ratio decreased due to decrease in revenue and gross profit margin
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	6.89	7.14	3.60%	-
6	Trade Receivables Turnover Ratio (in times)	Sales /Average Trade Receivables	3.13	3.62	15.70%	-
7	Trade Payables Turnover Ratio (in times)	Purchases/Average Trade Payables	4.20	4.17	-0.58%	-
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	9.01	10.79	19.79%	-
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	1.99%	0.73%	-63.50%	Ratio decreased due to decrease in revenue and profit.
10	Return on Capital Employed (in %)	Profit before tax and Interest/ Equity and borrowings	11.63%	8.88%	-23.65%	-

Sr. No .	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Change in Ratio	Reason for Change in the Ratio above 25%
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.31	1.29	-1.27%	-
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	2.45	2.28	-7%	-
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	1.43	1.21	-15.04%	-
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	7.02%	8.42%	-19.84%	-
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	7.14	6.78	-5.08%	-
6	Trade Receivables Turnover Ratio (in times)	Sales /Average Trade Receivables	3.62	4.00	10.47%	-
7	Trade Payables Turnover Ratio (in times)	Purchases/Average Trade Payables	4.17	3.37	-19.34%	-
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	10.79	12.64	17.13%	-
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	0.73%	0.87%	19.73%	-
10	Return on Capital Employed (in %)	Profit before tax and Interest/ Equity and borrowings	8.88%	9.24%	4.13%	-

ANNEXURE – 33
RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Contingent Liabilities				
(a) Claims against the company not acknowledged as debt;	-	-	-	-
Income Tax	7.02	6.50	6.50	6.50
(b) Bank Guarantees issued:				
Against Torrent (Electricity board) - Kumar Cotton	152.00	152.00	152.00	152.00
Against DGFT - Kumar Cotton	10.55	10.55	10.55	10.55
Against UGVCL (Electricity board) - Aarjay	167.37			
(c) Other money for which the company is contingently liable	-	-	-	-
Commitments				
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-	-	-
(c) Other commitments (Refer Note 3)	-	-	-	-
Total	336.94	169.05	169.05	169.05

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

3. Corporate guarantee given on behalf of related concern

The Company, jointly with Venus Denim, Aarjay Developers and certain promoter/directors in their personal capacity, has extended corporate/personal guarantee to ICICI Bank Limited against credit facilities of ₹2,500.00 lakhs (Term Loan ₹2,000.00 lakhs and Cash Credit ₹500.00 lakhs) sanctioned to Aarjay Enterprise, an associate concern, vide Credit Arrangement Letter dated November 2, 2021. No outflow is expected as the facility is being regularly serviced by the borrower.

ANNEXURE -34

RESTATED SUMMARY STATEMENT OF EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
	(Consolidated)	(Standalone)	(Standalone)	(Standalone)
Spare Parts & Components (CIF)	-	-	-	-
IN INR (in lakhs)			10.78	
IN USD (in lakhs)			0.12	

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

ANNEXURE – 35
RESTATED STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY [CSR] EXPENSES

(₹ in Lakhs)

Particulars	As at December 31, 2025	As at March 31,		
		2025	2024	2023
a). Amount Required to be spent during the year	-	NA	NA	NA
b). Amount of expenditure incurred,	-	NA	NA	NA
c). Shortfall at the end of the year,	-	NA	NA	NA
d). Total of previous years shortfall	-	NA	NA	NA
e). Reasons for shortfall	NA	NA	NA	NA
f). Nature of CSR Activities	NA	NA	NA	NA

Note:

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company for the financial years / reporting periods prior to the financial year 2025-26, as the Company did not meet the prescribed thresholds under the Act, namely net worth of ₹500 crore or more, turnover of ₹1,000 crore or more, or net profit of ₹5 crore or more, based on the relevant immediately preceding financial year.

Based on the audited financial statements of the Company for the financial year ended March 31, 2025, the provisions of Section 135 of the Companies Act, 2013 became applicable to the Company from the financial year 2025-26. Accordingly, the Company is required to spend the prescribed amount towards Corporate Social Responsibility, being 2% of the average net profits of the three immediately preceding financial years, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

Subsequent to December 31, 2025 and during the financial year 2025-26, the Company incurred CSR expenditure amounting to ₹8.50 lakhs in accordance with the requirements of Section 135 of the Companies Act, 2013."

ANNEXURE – 36
RESTATED STATEMENT OF EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements.

Events Required Adjustment in Financial Statements: Nil

RESTATED SUMMARY STATEMENT OF OTHER STATUTORY/REGULATORY/OTHER INFORMATION

A. STATUTORY / REGULATORY INFORMATION

- i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988.
- ii. The Company has not traded or invested in Crypto currency or Virtual Currency during the restatement period.
- iii. The Company has not advanced or loaned or invested 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:
 - a. 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
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iv. 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:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- v. The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- vi. provisions related to number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.
- vii. The Company has not revalued its Property, Plant and Equipment and ROU Assets during the year, hence, regulatory information disclosure is not applicable for the Company.
- viii. The Company has not revalued its Intangible Assets during the year, hence, regulatory information disclosure is not applicable for the Company.
- ix. Additional Regulatory Information pursuant to amendment in Schedule III of the Companies Act, 2013 dated 24.03.2021 has been given to the extent applicable to the Company.
- x. Company does not have any relationship/ transaction with Struck-off Companies and has not entered into any transactions with struck off companies in the current and previous reporting period.
- xi. The Company is not declared as a wilful defaulter by any bank or financial institution or other lender during the any reporting period.
- xii. There are no pending registration or modification or satisfaction of Charge at the end of reporting periods, which required to filed with Registrar of Companies.
- xiii. The Company has not entered into any Scheme of Arrangements, and which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- xiv. "The Code on Social Security, 2020 relating to employee benefits during employment and post-employment benefits has been brought into force with effect from November 21, 2025. Further, the Social Security (Central) Rules, 2026 have been notified by the Central Government.

The Company has engaged certain workers through independent third-party contractors. Based on the terms of engagement and confirmation provided by such contractors, such workers are employees of the respective contractors and are not directly

engaged by the Company as fixed-term employees. The deployment, tenure and statutory compliances in respect of such contract labour are managed by the respective contractors.

The Company is in the process of evaluating the impact of the Code on Social Security, 2020 and the related rules on its employee benefit obligations and statutory compliances, including in respect of its contract labour arrangements. The impact, if any, will be accounted for in the period in which the same is determined and becomes applicable to the Company."

xv. Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or charges pending satisfaction which are yet to be registered with the ROC beyond the Statutory period.

xvi. Currency Fluctuation Risk

The Company does not use derivative financial instruments such as forward exchange contracts or options to hedge its risks associated with foreign currency fluctuations or for trading/speculation purpose.

B. OTHER DISCLOSURES

i. Impairment of Assets:

In accordance with the provisions of the Accounting Standard on Impairment of Assets, AS –28, the management has made assessment of assets in use in respect of each cash-generating unit and considering the business prospects related thereto, no provision is considered necessary on account of impairment of assets.

C. OTHER INFORMATION

- i. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure and to comply with the requirements of Accounting Standards.
- ii. Balance of trade payables, trade receivables and loans and advances are subject to confirmation/ reconciliation and resultant adjustment(s) thereof.
- iii. No dividend was declared and paid during the restated period
- iv. Company does not have any intangible assets under development for the Financial Year 2024-25, 2023-24 & 2022-23.
- v. There are no direct personal expenses debited to the profit and loss account.

ANNEXURE – 38
RESTATED SUMMARY STATEMENT OF CAPITALIZATION AS AT 31ST DECEMBER, 2025

(₹ in Lakhs)

Particulars	As at December 31,2025	
	Pre Issue	Post Issue*
Borrowings		
Short term debt (A)	4,398.07	-
Long Term Debt (B)	5,728.48	-
Total debts (C)	10,126.54	-
Shareholders' funds		
Equity share capital	1,257.73	*
Reserve and surplus - as restated	2,783.85	*
Total shareholders' funds	4,041.58	*
Long term debt / shareholders' funds	1.42	*
Total debt / shareholders' funds	2.51	*

* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Note:

1. Short term Debts represent which are expected to be paid/payable within 12 months and Excludes instalments of term loans repayable in within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company on Consolidated as at and for the period ended December 31, 2025 and Standalone for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 and their respective Audit reports thereon (Audited Financial Statements) are available at <https://kumarcotton.13utopiabizboost.com/>

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) Red Herring Prospectus or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Neither our Company, nor BRLM, 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.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:

Particulars	For the Period ended December 31,	For the Year ended March 31,		
	2025	2025	2024	2023
	Consolidated	Standalone	Standalone	Standalone
Net Profit/(Loss) as Restated - attributable to equity shareholders (Rs. In Lakhs)	905.71	476.32	180.45	218.44
Basic and Diluted Earnings per Equity Share (Based on the Adjusted Net Worth and Weighted Average number of Shares)	7.20	3.79	1.43	1.74
Return on Net worth (%)	22.41%	15.19%	6.79%	8.81%
Net asset value per share (Based on weighted average number of shares - After considering Bonus)	32.13	24.93	21.15	19.71
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) (Rs. In lakhs)	2,112.62	1,653.95	1,390.61	1,360.64

STATEMENT OF FINANCIAL INDEBTEDNESS

To,
The Board of Directors
Kumar Cotton Mills Ltd.
(Formerly Known as Kumar Cotton Mills Private Limited)
160/A, New Cloth Market, O/s Raipur Gate,
Ahmedabad, Gujarat, India – 380002

And

Seren Capital Private Limited
601 to 605, Raylon Arcade, Kondivita,
J.B. Nagar, Mumbai-400059

(Seren Capital Private Limited referred to as the “Book Running Lead Manager” or the “BRLM”)

Re: Proposed initial public offering of equity shares of face value of ₹10 each (“Equity Shares” and such initial public offer, an “IPO” or “Issue”) of Kumar Cotton Mills Ltd. (formerly Known as Kumar Cotton Mills Private Limited).

Dear Sirs,

We, **M/s. BHUPENDRA J SHAH & ASSOCIATES**. Chartered Accountants are statutory auditors have received a request from the Company to issue a certificate on the Financial Indebtedness of the Company based on restated financial information prepared by the management of the Company.

Based on the independent examination of Books of Accounts, Restated Financial Statements and other documents of **Kumar Cotton Mills Ltd.** and as per the further explanations and information provided by the management of the company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on may are mentioned in the Annexure A.

This certificate may be relied on by the BRLM and their affiliates in relation to the Issue.

We undertake to inform the Lead Manager promptly, in writing, of any changes intimated to us by the management of the Company in writing, to the above information until the Equity Shares commence trading on the relevant stock exchanges, pursuant to the Offer. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the stock exchanges, pursuant to the Offer.

STATEMENT OF CONSOLIDATED FINANCIAL INDEBTEDNESS AS ON MAY 31ST, 2026

Particulars	Amount Outstanding as on May 31, 2026 (Consolidated)
Long Term Borrowings	
(a) Term Loans (Secured)	
From Banks	3,523.25
Less: Current Maturities of Long-Term Debt	898.17
Total (a)	2,625.08
(b) Unsecured Loans	
From Related Parties	1,437.65
From Others	1,259.70
Total (b)	2,697.35
Total Long-term Borrowings	5,322.43
(c) Short Term Borrowings	
Loan Repayable on Demand	
Cash Credit/Overdraft from Bank (Secured)	4,081.00
Current Maturities of Long-Term Debt	898.17
Total Short-term borrowings (c)	4,979.16
Grand Total (a+b+c)	10,301.59

Annexure A

Long term Borrowings - Principal Terms of Secured & Unsecured Loans and Assets Charged as Security
Secured Loans: -

(Rs in Lakhs, unless otherwise stated)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Date of Sanction	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Amount Outstanding as on 31.05.2026
1	BMW FINANCIAL SERVICES PRIVATE LIMITED	Vehicle Loan	41.90	26-Sep-22	9.25%	Note 1	First Instalment of Rs. 79719/- and 59 Equal Instalments of Rs. 87,485/-	13.12
2	HDFC BANK LTD.	Vehicle Loan	72.00	27-Sep-22	7.90%	Note 1	60 Equal Instalments/EMI of Rs. 1,45,646/-	23.35
3	HDFC BANK LTD.	Vehicle Loan	84.23	05-Feb-22	6.85%	Note 1	42 Equal Instalments/EMI of Rs. 1,66,190/-	14.54
4	HDFC BANK LTD.	Vehicle Loan	71.76	29-Nov-22	8.20%	Note 1	60 Equal Instalments/EMI of Rs. 1,46,191/-	25.97
5	ICICI BANK LIMITED	Vehicle Loan	99.90	08-Sep-22	8.25%	Note 1	59 Equal Instalments/EMI of Rs. 2,03,434/- & last Installment/EMI of 2,03,426/-	30.72
6	ICICI Bank Ltd.	Vehicle Loan	40.00	02-Jun-23	8.95%	Note 1	60 Equal Instalments/EMI of Rs. 82,835/-	18.14
7	HDFC BANK LTD.	Vehicle Loan	119.55	13-Sep-24	8.95%	Note 1	60 Equal Instalments/EMI of Rs. 2,47,876/-	85.45
8	HDFC BANK LTD.	Vehicle Loan	120.00	29-Oct-25	7.90%	Note 1	First Instalment of Rs.258543/- and 59 Equal Instalments of Rs. 2,42,743.00/-	110.01
9	State Bank of India	Term Loan	775.00	26-Jul-24	10.15%	Note 2	60 Equal Installments Rs. 12,91,667/-	488.02
10	SIDBI	Term Loan	460.89	11-Jul-24	8.20%	Note 3	Total 60 months including 6 months moratorium and 54 Equal Instalments of Rs. 8,53,500/-	341.40
11	SIDBI	Term Loan	599.00	22-Dec-25	8.25%	Note 4	Total 84 Months including 12 months moratorium and 72 Equal Instalments of Rs. 8,35,100/-	598.07
12	SIDBI	Term Loan	599.00	24-Dec-25	8.40%	Note 5	Total 84 Months including 12 months moratorium and 72	500.09

							Equal Instalments of Rs. 8,99,000/-	
13	ICICI Bank Ltd	Term Loan	2,000.00	02-Nov-21	7.75%	Note 6	Total of 78 monthly Installments of Rs. 25,64,102.53/-	974.36
14	ICICI Bank Ltd	Term Loan	600.00	27-Sep-24	9.65%	Note 6	Total of 60 Monthly Instalments of Rs. 16,66,666.66/-	300.00
	TOTAL							3,523.25
	Less: Current Maturities to Long Term Borrowings							898.17
	Total							2,625.08

Primary & Collateral Security

Note :1 By way of hypothecation of respective motor vehicles purchased.

Note :2 Primary Security -

- (i) 1st pari pasu charge (with Kotak Mahindra Bank) By way of hypothecation on entire stock of inventories, receivables bills and other chargeable current assets of the company both present and future.
- (ii) 1st and exclusive charge over through hypothecation of assets, i.e. building and plant and machineries created out of bank finance.

Collateral Security -

- (i) 1st and exclusive charge by way of mortgage of commercial plot bearing survey number: 108/1, 109/7, 109/8, 109/9/2, 109/9/4, situated at T P No 61 Narol, Ahmedabad, 382405, (Semi Urban), Admeasuring total area: 24812 Sq mtr

Third Party Guarantee -

Personal Guarantee of: -

1. Mr. Rajendraprasad Agarwal
2. Mr. Ajay Ramkumar Agarwal
3. Mr. Khushal Goyle
4. Mr. Kumar Rajendraprasad Agarwal
5. Ms. Ashadevi Agarwal
6. Ms. Karishma Agarwal

Note :3 Primary Security -

First charge by way of hypothecation in favor of SIDBI on the plant and machinery, equipment, spares, tools, accessories and all other assets including movable assets acquired to be acquired under the present project.

Collateral Security -

The borrower shall deposit with SIDBI the duly discharged and lien marked term deposit receipts [TDRs] issued by SIDBI for deposit receipts [TDRs] issued by SIDBI for an amount of Rs.139 Lakh. The FDR should be taken in auto-renewal mode and shall continue till the tenure of the loan. No premature withdrawal is permitted. The interest

accrued on the FDRs shall not be payable periodically and the principal amount together with interest accrued thereon shall be payable on complete repayment of the loan and all other monies payable under this agreement.

Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities at its costs and expenses as may be necessary or required for the said purpose. Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities at its costs and expenses as may be necessary or required for the said purpose.

Guarantee (S) -

The Borrower shall procure and furnish irrevocable, unconditional joint and several personal guarantees from Shri Ajay Ramkumar Agrawal, Shri Kumar Rajendraprasad Agarwal, in favor of SIDBI for the due repayment of the dues outstanding under the loan and the payment of all interest and other monies payable by the Borrower in the form and manner prescribed by SIDBI and to be delivered to SIDBI before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantors. The guarantee shall be joint and several and the guarantors shall be liable to SIDBI as if he/she/it is/are principal debtors to SIDBI.

Note:4

Primary Security -

First charge by way of hypothecation in favour of SIDBI on the plant and machinery, equipment, spares, tools, accessories and all other assets including movable assets acquired / to be acquired under the present project.

Collateral Security -

1.) First charge by way of mortgage in favour of SIDBI of all the immovable properties comprised in Land bearing Survey No. 1 121(Old Survey No.25/A) admeasuring 5746 sq. mtrs. situated, lying and being at Village-Miroli Taluka-Dascroi District-Ahmedabad Registration Sub-District Ahmedabad-11(Aslali) owned by partnership firm i.e., Aarjay Enterprise.

Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities, at its costs and expenses, as may be necessary or required for the said purpose.

Guarantee (S) -

The Borrower shall procure and furnish irrevocable, unconditional, and joint & several personal guarantee of Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, Rajendraprasad Ramkumar Agarwal, in favour of SIDBI for the due repayment of the dues outstanding under the loan and the payment of all interest and other monies payable by the Borrower in the form and manner prescribed by SIDBI and to be delivered to SIDBI before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantors. The guarantee shall be joint and several and the guarantors shall be liable to SIDBI as if he/she/it is/are principal debtors to SIDBI.

Note:5

Primary Security -

First charge by way of hypothecation in favour of SIDBI on the plant and machinery, equipment, spares, tools, accessories and all other assets including movable assets acquired / to be acquired under the present project.

Collateral Security -

1.) First charge by way of mortgage in favour of SIDBI of all the immovable properties comprised in Land bearing Survey No. 1 121(Old Survey No.25/A) admeasuring 5746 sq. mtrs. situated, lying and being at Village-Miroli Taluka-Dascroi District-Ahmedabad Registration Sub-District Ahmedabad-11(Aslali) owned by partnership firm i.e., Aarjay Enterprise

2.) Extension of Lien on Fixed Deposit Receipt(s), in the name of Aarjay Enterprise, made with SIDBI having face value of not less than Rs. 139 lakh , issued by SIDBI , availed by the Borrower from SIDBI.

3.) Extension of the first charge by way of hypothecation in favour of SIDBI of all the Borrower's movables, including the movables, plant, machinery, machinery spares, tools & accessories, office equipments, computers, furnitures and fixtures, acquired to be acquired under the earlier project, scheme, already charged to SIDBI for the term loan under 4E-Financing Scheme.

Borrower shall make out a good and marketable title to its properties/above properties to the satisfaction of SIDBI and comply with all such formalities, at its costs and expenses, as may be necessary or required for the said purpose.

Guarantee (S) -

The Borrower shall procure and furnish irrevocable, unconditional, and joint & several personal guarantee of Ajay Ramkumar Agrawal, Kumar Rajendraprasad Agarwal, and corporate guarantee from Kumar Cotton Mills Ltd, in favour of SIDBI for the due repayment of the dues outstanding under the loan and the payment of all interest and other monies payable by the Borrower in the form and manner prescribed by SIDBI and to be delivered to SIDBI before any part of the Loan is advanced. The Borrower shall not pay any guarantee commission to the said Guarantors. The guarantee shall be joint and several and the guarantors shall be liable to SIDBI as if he/she/it is/are principal debtors to SIDBI.

Note :6 The Term loan and credit facilities availed by Aarjay Enterprise from ICICI Bank Limited, comprising Cash Credit, Rupee Term Loan and Working Capital Term Loan, are secured by way of exclusive charge over specified movable and immovable assets, together with corporate guarantee and personal guarantees / contractual comforts, as per the terms of the sanction arrangement with the lender.

The facilities are secured by way of exclusive charge over the movable fixed assets and current assets of Aarjay Enterprise. Further, the facilities are also secured by exclusive charge over immovable properties situated at:

- (i) Bungalow No. 101 to 103, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Ajay Agarwal and Ms. Anju Agarwal;
- (ii) Bungalow No. 104 to 106, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Rajendraprasad Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal;
- (iii) properties situated at Survey Nos. 680, 681 and 683, Paldi Kankaj, Nr Dholka Road, Opp Swaminarayan Temple, Ahmedabad, Gujarat; and
- (iv) F.P. No. 78, Block No. 160, T.P.S. No. 421/B, Kamod, Vatva, Ahmedabad, Gujarat, provided by Aarjay Developers.

The aforesaid facilities are further supported by corporate guarantee of Kumar Cotton Mills Ltd, Aarjay Developers and personal guarantees of Mr. Rajendraprasad Ramkumar Agarwal, Ms. Anju Agarwal, Mr. Ajay R. Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal, in favor of ICICI Bank Limited.

Unsecured Loans
FROM DIRECTORS, RELATIVE OF DIRECTORS & OTHERS
(Rs in Lakhs, unless otherwise stated)

Sr. No.	Name of Lender	Purpose	Re-Payment Schedule	Amount Outstanding as on 31.05.2026
A	Directors			
1	Ajaykumar R. Agarwal	Business Purpose	Payable on demand	168.46
2	Rajendraprasad Ramkumar Agarwal	Business Purpose	Payable on demand	281.56
3	Kumar R. Agarwal	Business Purpose	Payable on demand	50.00
	TOTAL (A)			500.02
B	From Related party			
1	Karishma Agarwal	Business Purpose	Payable on demand	202.08
2	Anjudevi A.Agarwal	Business Purpose	Payable on demand	16.07
3	Ashadevi R.Agarwal	Business Purpose	Payable on demand	80.09
4	Pragati Kumar Agarwal	Business Purpose	Payable on demand	10.00
5	Aarjay Devlopers*	Business Purpose	Payable on demand	629.38
	TOTAL (B)			937.63
C.	From Others			
1	Bansal Cotspin Pvt.Ltd.	Business Purpose	Payable on demand	505.00
2	Panem Industries Pvt.Ltd.	Business Purpose	Payable on demand	74.01
3	Gain Well Mercantiles Pvt Ltd	Business Purpose	Payable on demand	90.00
4	Miraya Infinity Private Limited	Business Purpose	Payable on demand	65.00
5	Akash Mahendra Tulsyan*	Business Purpose	Payable on demand	27.03
6	Keshav Fabrics*	Business Purpose	Payable on demand	18.00
7	Krishna Textiles*	Business Purpose	Payable on demand	50.00
8	Mercury Traders*	Business Purpose	Payable on demand	46.48
9	Monil Trading Co.*	Business Purpose	Payable on demand	51.35
10	Prashant Nemani HUF*	Business Purpose	Payable on demand	40.00
11	Sanjeev Kumarramkumar Agrawal*	Business Purpose	Payable on demand	100.00
12	Shahid Enterprise*	Business Purpose	Payable on demand	37.84
13	Shri Bhagwati Fabrics*	Business Purpose	Payable on demand	90.00
14	Umeshkumar Ratanprakash Gupta HUF*	Business Purpose	Payable on demand	65.00
	TOTAL (C)			1,259.70
	TOTAL (A+B+C)			2,697.35

* The marked balances pertain to unsecured loans appearing in the books of Aarjay Enterprise. These balances have been considered in the consolidated financial information of the Company as at May 31, 2026 and, accordingly, are disclosed only for the period ended May 31, 2026. The said balances are not reflected in the standalone financial information of the Company for the preceding financial years.

Short Term Borrowings - Principal Terms of Secured Loans and Assets Charged as Security

Secured Loans

Short-Term Borrowings

(Rs in Lakhs, unless otherwise stated)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Date of Sanction	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	As at May 31, 2026
1	STATE BANK OF INDIA	Working capital	(Original 1500.00) Revised 2500.00	(Original: 26-Jul-2024) Revised 30-Oct-2025	(Original-10.15%) Revised - 9.15%	Note 1	Repayable on Demand	2,427.99
2	ICICI Bank	Working capital	1,000.00	27-Sep-24	9.65%	Note 2	Repayable on Demand	1,653.00
	TOTAL							4,081.00
	Add: Current Maturity of long-term borrowings							898.17
	TOTAL							4,979.16

Primary & Collateral Security

Note :1 Primary Security -

- (i) 1st pari pasu charge by way of hypothecation on entire stock of inventories, receivables bills and other chargeable current assets of the company both present and future.
- (ii) 1st and exclusive charge over through hypothecation of assets, i.e. building and plant and machineries created out of bank finance.

Collateral Security -

- (i) 1st and exclusive charge by way of mortgage of commercial plot bearing survey number: 108/1, 109/7, 109/8, 109/9/2, 109/9/4, situated at T P No 61 Narol, Ahmedabad, 382405, (Semi Urban), Admeasuring total area: 24812 Sq mtr

Third Party Guarantee -

Personal Guarantee of: -

1. Mr. Rajendraprasad Agarwal
2. Mr. Ajay Ramkumar Agarwal
3. Mr. Khushal Goyle
4. Mr. Kumar Rajendraprasad Agarwal
5. Ms. Ashadevi Agarwal
6. Ms. Karishma Agarwal

Note-2 The Term loan and credit facilities availed by Aarjay Enterprise from ICICI Bank Limited, comprising Cash Credit, Rupee Term Loan and Working Capital Term Loan, are secured by way of exclusive charge over specified movable and immovable assets, together with corporate guarantee and personal guarantees / contractual

comforts, as per the terms of the sanction arrangement with the lender.

The facilities are secured by way of exclusive charge over the movable fixed assets and current assets of Aarjay Enterprise. Further, the facilities are also secured by exclusive charge over immovable properties situated at:

- (i) Bungalow No. 101 to 103, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Ajay Agarwal and Ms. Anju Agarwal;
- (ii) Bungalow No. 104 to 106, Vraj Garden, near Nandanvan Bungalows, near Shanti Business School, Ahmedabad, Gujarat, provided by Mr. Rajendraprasad Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal;
- (iii) properties situated at Survey Nos. 680, 681 and 683, Paldi Kankaj, Nr Dholka Road, Opp Swaminarayan Temple, Ahmedabad, Gujarat; and
- (iv) F.P. No. 78, Block No. 160, T.P.S. No. 421/B, Kamod, Vatva, Ahmedabad, Gujarat, provided by Aarjay Developers.

The aforesaid facilities are further supported by corporate guarantee of Kumar Cotton Mills Ltd, Aarjay Developers and personal guarantees of Mr. Rajendraprasad Ramkumar Agarwal, Ms. Anju Agarwal, Mr. Ajay R. Agarwal, Ms. Ashadevi Agarwal and Mr. Kumar Agarwal, in favour of ICICI Bank Limited.

Yours faithfully,

For M/s. Bhupendra J Shah & Associates
Chartered Accountants
Firm Registration No.: 121812W

CA Ankit Ashokkumar Gupta
Partner
Membership No.: 130278
UDIN: 26130278XQNMBL7982
Date: 26th June, 2026
Place: Ahmedabad

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Financial Statements attached in the chapter titled "Financial Information of the Company" beginning on page 178. You should also read the section titled "Risk Factors" on page 18 and the section titled "Forward Looking Statements" on page 17 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us and, unless otherwise stated or the context requires otherwise, is based on our Restated Financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated June 26, 2026 which is included in this Draft Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Industry Overview

The textile and apparel industry comprises activities across fibre, yarn, fabric, processing, apparel, home textiles and technical textiles. Textile processing includes dyeing, printing, bleaching, sizing and finishing of fabrics, which are undertaken to convert grey fabric into processed fabric for use by garment manufacturers, traders, wholesalers and other textile participants.

Globally, the apparel market was valued at approximately USD 1.9 trillion in CY2025 and is expected to grow at a CAGR of 4.1% from CY2026 to CY2034. Global textile and apparel trade is expected to grow at a CAGR of around 4% to reach approximately USD 1.2 trillion by CY2030.

In India, the textile sector contributes approximately 2% to GDP and about 11% to manufacturing GVA. The Indian textile market was valued at approximately USD 152.40 billion in CY2025 and is projected to reach approximately USD 213.75 billion by CY2034, growing at a CAGR of 3.83% during CY2026 to CY2034.

The sector is supported by domestic consumption, exports, availability of cotton and man-made fibres, textile clusters and government initiatives such as PM MITRA Parks, PLI Scheme and SAMARTH. Demand for processed fabrics is linked to apparel, made-ups, home textiles and other downstream textile segments.

Business Overview

Incorporated in 1990, Our Company is engaged in fabric processing activities, including bleaching, dyeing, printing, sizing and finishing of woven and knitted fabrics. We undertake operations through job work processing and own-account processing models, catering primarily to garment manufacturers, textile manufacturers, textile processors, traders and wholesalers.

Our Company operates through two business models: job work processing and own purchase and processing. Under the job work model, customers provide fabric to our Company and we undertake processing activities as per their requirements. Under the own purchase and processing model, our Company procures fabric, processes it at its manufacturing facility and sells the processed fabric to customers.

Our products include processed fabrics used in suiting, shirting, women's apparel, hosiery, nightwear and other garment applications, along with sized yarn and textile-processing chemicals.

Our Company had also undertaken weaving operations since 2005. Pursuant to an operational realignment, our Company discontinued weaving operations at its own facility after December 2024. In August 2025, our Company acquired 99% ownership interest in M/s. Aarjay Enterprise, which is engaged in weaving activities.

Our fabric processing activities are carried out at our manufacturing facility situated at Narol, Ahmedabad, Gujarat, which is equipped with machinery for processing, inspection, packaging and dispatch. We also maintain in-house testing and quality-control facilities for relevant fabric parameters based on product and customer requirements.

Key Performance Indicators

Our key performance indicators for the last three financial years and stub period are as follows:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Apr'25-Dec'25*	FY 2024-25	FY 2023-24	FY 2022-23
	Consolidated	Standalone	Standalone	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 revenue % ⁽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(net).

⁽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.

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
ROE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.

Repetitive customers (%)	Percentage (%) of Revenue from Repeat Customers = $(\text{Revenue from customers invoiced in both the current period and the immediately preceding financial year} \div \text{Revenue from Operations}) \times 100$

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Financial Statements

The Restated Statement of Assets and Liabilities (Consolidated) as at December 31, 2025 and Restated Statement of Assets and Liabilities (standalone) as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statements of Profit and Loss (Consolidated) for the nine months period ended December 31, 2025, the Restated Statements of Profit and Loss (standalone) for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Cash Flow Statement (Consolidated) for the nine months period ended December 31, 2025, the Restated Cash Flow Statement (standalone) for the period ended March 31, 2025, March 31, 2024 and March 31, 2023, the Summary Statement of Material Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (**collectively, the “Restated Financial Information”**), as approved by the Board of Directors of the company.

(a) These Restated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of the current and non-current classification of assets and liabilities.

(b) The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

(a) Basis of Preparation of Consolidated Restated Financial Information for the Period ended December 31, 2025

a. The consolidated restated financial information has been prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”), the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder, and other accounting principles generally accepted in India.

b. The consolidated restated financial information has been prepared on an accrual basis under the historical cost convention, except where otherwise stated.

c. The accounting policies adopted in the preparation of the consolidated restated financial information are consistent with those followed in the preparation of the financial statements of the Company, unless otherwise stated.

d. The consolidated financial information includes the financial information of Kumar Cotton Mills Ltd and Aarjay Enterprise, a partnership firm engaged in weaving activities. Pursuant to the Third Supplemental Deed of Partnership dated August 23, 2025, our Company was admitted as a partner in Aarjay Enterprise and holds 99.00% share in its profits, losses and capital contribution. Accordingly, Aarjay Enterprise has been considered as a Controlled Partnership Entity of our Company from August 23, 2025.

b. Consolidation Period

The financial information of Aarjay Enterprise has been consolidated from August 23, 2025, being the date from which our Company obtained 99.00% interest in the profits, losses and capital contribution of the firm. Accordingly, the assets and liabilities of Aarjay Enterprise as at December 31, 2025 and its income and expenses for the period from August 23, 2025 to December 31, 2025 have been considered in the consolidated financial information.

c. Consolidation Method

The financial information of Aarjay Enterprise has been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses with those of our Company. All intra-group balances, transactions, income, expenses and cash flows between our Company and Aarjay Enterprise have been eliminated in full upon consolidation.

d. Investment / Capital Contribution in Aarjay Enterprise

The investment / capital contribution made by our Company in Aarjay Enterprise has been eliminated against our Company's share in the capital / net assets of Aarjay Enterprise as at the date of consolidation. The difference between the cost of investment / capital contribution and our Company's share in the capital / net assets of Aarjay Enterprise has been recognized as goodwill or capital reserve, as applicable, in the consolidated financial information.

e. Goodwill / Capital Reserve on Consolidation

Goodwill arising on consolidation represents the excess of the cost of investment / capital contribution made by our Company over its share in the capital / net assets of Aarjay Enterprise as at the date of consolidation. Capital reserve, if any, represents the excess of our Company's share in the capital / net assets of Aarjay Enterprise over the cost of investment / capital contribution. Goodwill / capital reserve has been presented separately in the consolidated financial information, as applicable.

f. Minority Interest / Non-controlling Interest

The share of the remaining partners in the capital / net assets and profits or losses of Aarjay Enterprise has been identified and presented separately as minority interest / non-controlling interest in the consolidated financial information. The share of profit or loss attributable to minority interest / non-controlling interest has been disclosed separately from the profit or loss attributable to the owners of our Company.

g. Uniform Accounting Policies

The financial information of Aarjay Enterprise has been prepared using accounting policies consistent with those adopted by our Company, to the extent applicable. Where necessary, adjustments have been made to align the accounting policies of Aarjay Enterprise with those of our Company for the purpose of preparation of the consolidated financial information.

Use of Estimates

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses including of warranty claims and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods. Significant estimates used by the management in the preparation of these financial statements include provision for employee benefits, estimates of the economic useful life of plant and equipment, provision for expenses, etc.

Accounting Convention

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

1. 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. Revenue from sale of goods, including processed fabric, grey fabric, colour chemicals and yarn, is recognized when significant risks and rewards of ownership are transferred to the buyer, the price is determinable and collection is reasonably certain. Revenue is recorded at basic invoice value and is net of Goods and Services Tax, trade discounts, rebates and returns, wherever applicable.

Revenue from fabric processing charges and other job work/services is recognized on accrual basis when the related processing/service is performed and the right to receive consideration is established in accordance with the terms agreed with customers.

Export incentives, including duty drawback or similar benefits, are recognized when the right to receive the incentive is established and realization is reasonably certain, or on receipt basis where such basis is followed consistently. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Insurance claims, subsidy and other claims are recognized when there is reasonable certainty of realization. Profit or loss on sale of property, plant and equipment is recognized upon disposal of the relevant asset.

2. Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

i. Property, Plant & Equipment

a) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, duties, taxes other than recoverable taxes, directly attributable expenditure required to bring the asset to the condition and location necessary for its intended use, and borrowing costs directly attributable to acquisition or construction of qualifying assets.

b) Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance expenditure are charged to the Statement of Profit and Loss as incurred.

c) The cost and related accumulated depreciated are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;

d) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.

e) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

The Company estimates the useful life for property, plant and equipment and intangible assets as under:

Description of assets	Useful Life
Buildings	30 Years
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Vehicles	10 Years
Office equipment	5 Years
Computers	3 Years

f) Gains or losses arising from retirement or disposal of property, plant and equipment are determined 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.

ii. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

Goodwill recognised on consolidation of M/s. Aarjay Enterprise represents the excess of purchase consideration paid by our Company for acquisition of 99% partnership interest over its share in the net assets of M/s. Aarjay Enterprise as at the date of acquisition, i.e., August 23, 2025. Such goodwill has arisen on consolidation and has been disclosed separately under “Goodwill”. No amortisation has been charged on such goodwill, as goodwill arising on consolidation is governed by AS 21 and is outside the scope of AS 26.

Goodwill arising on consolidation is disclosed separately in the consolidated restated financial information and is reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

iii. Capital Work in progress

Capital work-in-progress represents expenditure incurred on assets under construction, installation or development, including land acquired for projects under development, along with directly attributable costs and borrowing costs, wherever applicable. Such expenditure is transferred to the appropriate category of property, plant and equipment when the relevant asset is ready for its intended use. Capital work-in-progress, including land forming part of projects under development, is not depreciated.

3. Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher than the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4. Inventories

Raw material, Work in Progress and finished goods

Inventories comprise raw materials, chemicals, consumables, work-in-progress and finished goods, as applicable. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, chemicals and consumables is determined on First-in First-out (FIFO) basis and includes cost of purchase and other costs incurred in bringing inventories to their present location and condition.

Finished goods and work-in-progress are valued at the lower of cost, calculated on full absorption basis, and net realizable value. Cost of finished goods and work-in-progress includes cost of materials, conversion costs and appropriate manufacturing overheads incurred in bringing the inventories to their present location and condition. Work-in-progress is valued based on the stage of completion as estimated by the management. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

5. Foreign Exchange Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

(iii) Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting Company monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

6. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of non-cash transactions, deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from operating, investing and financing activities are segregated in the Restated Statement of Cash Flow.

Consolidated Cash Flow Statement

a. The consolidated cash flow statement includes the cash flows of the Company and M/s. Aarjay Enterprise from the date on which M/s. Aarjay Enterprise became a Controlled Partnership Entity of the Company, i.e. August 23, 2025.

b. Cash flows of M/s. Aarjay Enterprise have been considered only for the period from August 23, 2025 to December 31, 2025. Accordingly, movements in assets and liabilities of M/s. Aarjay Enterprise have been considered from the date of consolidation and not from the beginning of the financial year.

c. Intra-group cash flows, balances and transactions between the Company and M/s. Aarjay Enterprise, including capital contribution / investment and corresponding capital account balances, have been eliminated while preparing the consolidated cash flow statement.

d. non-cash consolidation adjustments, including elimination of investment against net assets / capital of M/s. Aarjay Enterprise and recognition of goodwill / capital reserve on consolidation, have been excluded from the consolidated cash flow statement.

e. Cash and cash equivalents of M/s. Aarjay Enterprise as on the date of consolidation have been considered as cash and cash equivalents brought into consolidation and have not been treated as operating, investing or financing cash flows of the period.

7. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

8. Income Tax

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred Tax is calculated at the rates and laws that have been enacted or substantively enacted as at the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

9. Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

BASIC AND DILUTED EARNINGS PER SHARE

Particulars		For the period ended Dec'25	FY 2024-2025	FY 2023-2024	FY 2022-2023
		Consolidated	Standalone	Standalone	Standalone
Profit after Tax	Rs. (In Lakhs)	905.71	476.32	180.45	218.44
Weighted average number of Equity shares (after bonus)	Nos.	1,25,77,250	1,25,77,250	1,25,77,250	1,25,77,250
Basic earnings per share	Rupees	7.20	3.79	1.43	1.74
Diluted Earnings per Share	Rupees	7.20	3.79	1.43	1.74

10. Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A contingent liability is disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or where a present obligation exists but it is not probable that an outflow of resources will be required or a reliable estimate cannot be made.

11. Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

12. Investments

Investments that are readily realizable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as non-current investments. Investments are initially recognized at cost, including purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at the lower of cost and fair value. Non-current investments are carried at cost, less provision for diminution in value, other than temporary, if any. Investment in partnership firm is classified as current or non-current based on the intended period of holding/realization and the relevant terms of the arrangement. Share of profit or loss from partnership firm is recognized when the right to receive such share is established and the amount is ascertainable.

13. Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant or subsidy will be received. Grants related to depreciable capital assets are presented by deducting the grant from the carrying value of the relevant asset and are recognized in the Statement of Profit and Loss over the life of the asset by way of reduced depreciation charge. Grants or subsidies related to revenue expenditure are recognized as income or deducted from the related expense over the periods necessary to match them with the costs they are intended to compensate. Export incentives are recognized in accordance with the revenue recognition policy stated above.

14. Contingencies and events occurring after the Balance Sheet date

Events that occur between balance sheet date and date on which these are approved, might suggest the requirement for an adjustment(s) to the assets and the liabilities as at balance sheet date or might need disclosure. Adjustments are required to assets and liabilities for events which occur after balance sheet date which offer added information substantially affecting the determination of the amounts which relates to the conditions that existed at balance sheet date.

15. Related Party Transactions

Related parties are identified in accordance with Accounting Standard 18, “Related Party Disclosures”, based on representations made by management and information available with the Company. All transactions with related parties are in the ordinary course of business and on arms' length basis.

16. Segment Reporting

Business Segment

The Company is primarily engaged in the manufacturing and sale of cotton fabrics and in dyeing, printing and processing (service) of grey cotton and man-made fabrics. The Company's operations are principally related to textile products and are carried out within a similar risk and return profile. Considering the nature of the Company's business activities, organizational structure and internal financial reporting framework, the Company has identified only one reportable business segment. Accordingly, separate segment reporting disclosures under Accounting Standard 17, “Segment Reporting”, are not applicable to the Company.

Geographical Segment

For the purpose of geographical segment reporting, our Company carries out its business operations primarily from India. While our Company has domestic sales as well as export sales, including exports to Nepal, considering the nature of operations, risks and returns, and the internal financial reporting framework, no separate geographical segment has been identified as a reportable segment in accordance with Accounting Standard 17, “Segment Reporting”.

17. Employee Benefits

Employee benefits are accounted for in accordance with Accounting Standard 15, “Employee Benefits”.

(i) Short term Employee Benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

(ii) Post-Employment Benefit

Defined Contribution Plans

The Company's contributions to provident fund, employee state insurance and other statutory welfare funds are considered as defined contribution plans. The Company's obligation under such schemes is limited to the amount of contribution required to be made under the respective statutes. Accordingly, such contributions are recognized as an expense in the Statement of Profit and Loss in the period in which the related employee services are rendered.

Defined Benefit Plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, based on the respective employee's salary and tenure of employment with the Company.

Liability in respect of the gratuity plan is determined by actuarial valuation carried out by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, as applicable, in accordance with Accounting Standard 15, “Employee Benefits”.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they arise. The Company's gratuity plan is unfunded.

18. Extraordinary items, Exceptional items, Prior period items & changes in accounting policies

a) Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

b) On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

c) There were no changes in accounting policies requiring adjustments in the Restated Financial Statements, except for the accounting of retirement benefits in accordance with AS-15 (Revised) – 'Employee Benefits' and deferred tax in accordance with AS-22 – 'Accounting for Taxes on Income'. During the restatement, the Company has accounted for retirement benefits based on an actuarial valuation certificate and recognized deferred tax as per the requirements of AS-22.

CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS

There were no changes in the accounting policies of the Company during the period/year covered in the Restated Financial Information, except for adjustments made to comply with the applicable Accounting Standards and for consistency of presentation.

In the Restated Financial Information, the Company has recognized provision for gratuity in accordance with Accounting Standard 15, "Employee Benefits", on the basis of actuarial valuation. The impact of such provision has been considered in the respective period/year to which it relates.

The Company has not recognized any provision for earned leave in the Restated Financial Information, as the Company does not have an earned leave policy.

The deferred tax impact arising on restatement adjustments, including the impact relating to gratuity provision, has been recognized in accordance with Accounting Standard 22, "Accounting for Taxes on Income".

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 comprises revenue from supply of goods, supply of services and other operating revenue. Revenue from supply of goods includes domestic and export supply of goods, comprising sale of fabric processed on own account, textile processing chemicals/colour chemicals, sized yarn and grey fabric. Revenue from supply of services includes fabric processing charges and weaving job work. Other operating revenue includes export duty drawback.

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the buyer and Revenue from fabric processing charges and other job work/services is recognized on accrual basis when the related processing/service is performed and the right to receive consideration is established in accordance with the terms agreed with customers.

Other income comprises interest income on fixed deposits, interest on income tax refunds, profit on sale of fixed assets, rent income, insurance claims and foreign exchange gain.

Total Expenses

Total expenses comprise cost of material consumed, changes in inventories of finished goods and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed:

Cost of material consumed comprises consumption of raw materials and chemicals used in operations. It includes purchases of grey fabric, yarn and chemicals, adjusted for opening and closing stock of raw materials and chemicals.

Change in inventories:

Changes in inventories represent the movement in opening and closing inventories of work-in-progress and finished goods during the relevant period/year.

Employee benefits expense:

Employee benefit expenses comprise directors' remuneration, salaries and bonus, contribution to employee welfare fund and gratuity expenses.

Finance Cost:

Finance costs comprise interest on loans, interest on vehicle loans and other processing charges.

Depreciation and Amortization Expenses:

Depreciation includes depreciation on Property, Plant & Equipment's.

Other Expenses:

Other expenses comprise manufacturing expenses and general and administrative expenses.

Manufacturing expenses comprise factory expenses, job work charges, labour charges, operational repairs and maintenance, consumption of stores, spares and packing material and environmental expenses. Consumption of stores, spares and packing material includes packing material, screen designing, power and fuel, stores and spares, adjusted for opening and closing stock.

General and administrative expenses comprise auditor remuneration, bank charges, conveyance and travelling expenses, donation, general office expenses, late payment charges to suppliers, insurance, legal and professional charges, rent, rates and taxes, repairs and maintenance, stationery and printing, telephone and communication expenses, freight and forwarding expenses, TDS penalty, commission and bad debts written off.

Our Results of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended 31st December 2025 and financial years ended on March 31, 2025, 2024 and 2023.

(Rs in Lakhs except %)

Particulars	For the period ended		For the year ended					
	December 31, 2025		March 31, 2025		March 31, 2024		March 31, 2023	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
	Consolidated		Standalone		Standalone		Standalone	
Revenue from operations	23,205.13	99.77%	23,964.00	99.85%	24,874.51	99.84%	25,149.23	99.83%
Other Income	52.56	0.23%	36.77	0.15%	39.37	0.16%	44.04	0.17%
Total Income	23,257.70	100.00%	24,000.77	100.00%	24,913.89	100.00%	25,193.27	100.00%
Cost of Material Consumed	15,823.56	68.04%	15,064.51	62.77%	14,506.11	58.22%	14,944.25	59.32%
Changes in inventories of finished goods and work in progress	-397.30	-1.71%	-696.55	-2.90%	295.72	1.19%	-309.41	-1.23%

Employee Benefits Expense	852.77	3.67%	1,015.40	4.23%	916.84	3.68%	788.18	3.13%
Finance Costs	304.23	1.31%	517.41	2.16%	609.00	2.44%	503.05	2.00%
Depreciation and Amortization Expense	613.67	2.64%	536.19	2.23%	575.86	2.31%	609.10	2.42%
Other Expenses	4,813.48	20.70%	6,926.69	28.86%	7,765.24	31.17%	8,365.57	33.21%
Total Expenses	22,010.42	94.64%	23,363.66	97.35%	24,668.76	99.02%	24,900.73	98.84%
Profit/(Loss) before exceptional and extraordinary items & tax	1,247.28	5.36%	637.11	2.65%	245.12	0.98%	292.53	1.16%
Exceptional Items & Extraordinary Items	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Profit/(Loss) before tax	1,247.28	5.36%	637.11	2.65%	245.12	0.98%	292.53	1.16%
Tax Expenses								
Current Tax	364.13	1.57%	171.56	0.71%	96.10	0.39%	103.55	0.41%
Deferred Tax	-25.50	-0.11%	-10.77	-0.04%	-31.42	-0.13%	-29.45	-0.12%
Total Tax Expense	338.63	1.46%	160.79	0.67%	64.67	0.26%	74.09	0.29%
Profit/ (Loss) for the period	908.65	3.91%	476.32	1.98%	180.45	0.72%	218.44	0.87%
profit attributable to Minority Interest	(2.94)	(0.01%)	-	0.00%	-	0.00%	-	0.00%
Profit attributable to the shareholders of the company	905.71	3.89%	476.32	1.98%	180.45	0.72%	218.44	0.87%

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED 31st DECEMBER 2025:

Total Income:

On a consolidated basis, total income for the period ended December 31, 2025 was ₹23,257.70 lakhs. Total income comprises revenue from operations and other income, after giving effect to consolidation of the financial information of our Company and M/s. Aarjay Enterprise and elimination of intra-group transactions.

Revenue from Operations:

During the period ended December 31, 2025, on a consolidated basis, our Company recorded revenue from operations of ₹23,205.13 lakhs. Revenue from operations comprised operating revenue of ₹23,184.28 lakhs and other operating revenue of ₹20.85 lakhs.

Operating revenue comprised revenue from supply of goods of ₹14,539.75 lakhs and revenue from supply of services of ₹8,644.53 lakhs. Revenue from supply of goods comprised domestic supply of ₹14,319.60 lakhs and export supply of ₹220.15 lakhs. Revenue from supply of services comprised sale of services of ₹8,644.53 lakhs. Other operating revenue comprised export duty drawback of ₹20.85 lakhs.

Other Income:

During the period ended December 31, 2025, on a consolidated basis, other income was ₹52.56 lakhs. Other income comprised interest on fixed deposits of ₹18.93 lakhs, profit on sale of fixed assets of ₹33.34 lakhs and rent income of ₹0.29 lakhs. The aforesaid amount is after giving effect to consolidation of M/s. Aarjay Enterprise and elimination of intra-group income.

Total Expenses:

On a consolidated basis, total expenses comprise cost of materials consumed, changes in inventories of finished goods and work-in-progress, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses. During the period ended December 31, 2025, total expenses were ₹22,010.42 lakhs. These expenses include the expenses of our Company and M/s. Aarjay Enterprise, after giving effect to consolidation and elimination of intra-group transactions.

Cost of Material Consumed:

During the period ended December 31, 2025, on a consolidated basis, cost of materials consumed stood at ₹15,823.56 lakhs. Cost of materials consumed comprised consumption of raw materials and chemicals, including purchases of grey fabric, yarn and chemicals, adjusted for opening and closing stock of raw materials and chemicals. The amount also includes material consumption relating to the consolidated operations of M/s. Aarjay Enterprise.

Change in inventories:

During the period ended December 31, 2025, on a consolidated basis, changes in inventories of finished goods and work-in-progress stood at ₹ (397.30) lakhs. The negative amount represents an increase in inventories of finished goods and work-in-progress during the period, after considering the inventories of our Company and M/s. Aarjay Enterprise on a consolidated basis.

Employee benefits expenses:

During the period ended December 31, 2025, on a consolidated basis, employee benefit expenses stood at ₹852.77 lakhs. Employee benefit expenses comprised directors' remuneration, salaries and bonus, contribution to employee welfare funds and gratuity expenses. The aforesaid amount includes employee-related expenses of our Company and M/s. Aarjay Enterprise on a consolidated basis.

Finance Cost:

During the period ended December 31, 2025, on a consolidated basis, finance cost stood at ₹304.23 lakhs. Finance costs comprised interest on loans, interest on vehicle loans and other processing charges. The aforesaid amount is after considering finance cost of our Company and M/s. Aarjay Enterprise on a consolidated basis.

Depreciation and Amortization Expenses:

During the period ended December 31, 2025, on a consolidated basis, depreciation and amortization expenses stood at ₹613.67 lakhs. Depreciation and amortization expenses comprised depreciation on property, plant and equipment.

Amortization of intangible assets was nil during the period. The aforesaid amount includes depreciation on assets of our Company and M/s. Aarjay Enterprise, as considered in the Restated Consolidated Financial Statements.

Other Expenses:

During the period ended December 31, 2025, on a consolidated basis, other expenses stood at ₹4,813.48 lakhs. Other expenses comprised manufacturing expenses, general and administrative expenses and selling and distribution expenses. Manufacturing expenses stood at ₹4,506.51 lakhs, while general and administrative expenses together with selling and distribution expenses stood at ₹306.98 lakhs. The aforesaid amount is after giving effect to consolidation of expenses of M/s. Aarjay Enterprise and elimination of intra-group transactions.

Restated Profit before tax:

On a consolidated basis, our Company reported restated profit before tax of ₹1,247.28 lakhs for the period ended December 31, 2025. The said amount is after giving effect to consolidation of M/s. Aarjay Enterprise and elimination of intra-group transactions.

Restated profit after tax:

On a consolidated basis, our Company reported restated profit after tax before adjustment for minority interest of ₹908.65 lakhs for the period ended December 31, 2025. After reducing the share of profit attributable to minority interest of ₹2.94 lakhs, restated profit attributable to the shareholders of our Company stood at ₹905.71 lakhs for the period ended December 31, 2025.

FINANCIAL YEAR ENDED 31st MARCH 2025 COMPARED TO FINANCIAL YEAR ENDED 31st MARCH 2024

Total Income:

The restated total income for FY 2024-25 stood at Rs. 24,000.77 lakhs as compared to Rs. 24,913.89 lakhs in FY 2023-24, reflecting a decrease of 3.80%. The decrease was due to decrease in revenue from operations and other income.

Revenue from Operations

In FY 2024-25, revenue from operations stood at Rs. 23,964.00 lakhs as compared to Rs. 24,874.51 lakhs in FY 2023-24, reflecting a decrease of 3.66%.

Revenue from operations comprised operating revenue and other operating revenue. Operating revenue stood at Rs. 23,943.23 lakhs in FY 2024-25 as compared to Rs. 24,862.14 lakhs in FY 2023-24. Other operating revenue, comprising export duty drawback, stood at Rs. 20.77 lakhs in FY 2024-25 as compared to Rs. 12.38 lakhs in FY 2023-24.

Revenue from supply of goods stood at Rs. 11,603.04 lakhs in FY 2024-25 as compared to Rs. 13,012.80 lakhs in FY 2023-24. Revenue from supply of goods comprised domestic supply of Rs. 11,259.46 lakhs and export supply of Rs. 343.58 lakhs in FY 2024-25, as compared to domestic supply of Rs. 12,726.67 lakhs and export supply of Rs. 286.14 lakhs in FY 2023-24.

Revenue from supply of services stood at Rs. 12,340.19 lakhs in FY 2024-25 as compared to Rs. 11,849.33 lakhs in FY 2023-24. Revenue from supply of services in FY 2024-25 comprised fabric processing charges of Rs. 12,207.74 lakhs and weaving job work of Rs. 132.44 lakhs.

The decrease in revenue from operations was mainly due to decrease in revenue from supply of goods, including decrease in grey sales from Rs. 8,476.29 lakhs in FY 2023-24 to Rs. 5,729.78 lakhs in FY 2024-25 and yarn size from Rs. 3,061.11 lakhs in FY 2023-24 to Rs. 2,264.64 lakhs in FY 2024-25. This was partly offset by increase in Fabric Processed on own account from Rs. 1,155.99 lakhs in FY 2023-24 to Rs. 3,023.08 lakhs in FY 2024-25 and increase in revenue from supply of services.

Other Income:

Other income for FY 2024-25 stood at Rs. 36.77 lakhs as compared to Rs. 39.37 lakhs in FY 2023-24, reflecting a decrease of 6.62%.

Other income in FY 2024-25 comprised interest on fixed deposits of Rs. 4.88 lakhs, interest on income tax refund of Rs. 5.47 lakhs, profit on sale of fixed assets of Rs. 21.92 lakhs and rent income of Rs. 4.49 lakhs. Other income in FY 2023-24 comprised interest on fixed deposits of Rs. 11.04 lakhs, interest on income tax refund of Rs. 13.98 lakhs, profit

on sale of fixed assets of Rs. 9.00 lakhs, rent income of Rs. 5.20 lakhs and gain on foreign exchange fluctuation of Rs. 0.16 lakhs.

Total Expenses:

Total expenses for FY 2024–25 were ₹23,363.66 lakhs as compared to ₹24,668.76 lakhs in FY 2023–24, representing a decrease of 5.29%. The decrease was primarily on account of a decrease in other expenses, finance costs, depreciation and amortization expenses and changes in inventories of finished goods and work-in-progress. This decrease was partially offset by an increase in cost of materials consumed and employee benefit expenses.

Cost of Material Consumed:

The cost of materials consumed increased to ₹15,064.51 lakhs in FY 2024–25 from ₹14,506.11 lakhs in FY 2023–24, representing an increase of 3.85%. The increase was primarily attributable to higher procurement of raw materials and other inputs in line with the expanded scale of operations during the year.

Change in inventories:

Our Company recorded changes in inventories of work-in-progress and finished goods of ₹ (696.55) lakhs during FY 2024–25, as compared to ₹295.72 lakhs during FY 2023–24. The movement was primarily attributable to increase in closing inventory levels during FY 2024–25, in line with the expanded scale of operations and product requirements.

Employee benefits expense:

During FY 2024–25, our Company incurred employee benefits expense of ₹1,015.40 lakhs, as compared to ₹916.84 lakhs in FY 2023–24. The increase was primarily attributable to higher employee-related costs in line with the expanded scale of operations during the year.

Salaries increased from ₹834.01 lakhs in FY 2023–24 to ₹918.61 lakhs in FY 2024–25. Further, directors' remuneration, which was 66.80 in FY 2023–24, amounted to ₹79.20 lakhs in FY 2024–25. Contributions to provident fund and other funds decreased to ₹6.99 lakhs in FY 2024–25 from ₹7.83 lakhs in FY 2023–24, while gratuity expense increased to ₹10.61 lakhs in FY 2024–25 from ₹8.20 lakhs in FY 2023–24.

Finance Cost:

The Company incurred finance costs of ₹517.41 lakhs in FY 2024–25, as compared to ₹609.00 lakhs in FY 2023–24, representing a decrease of 15.04% over the previous year.

The overall decrease in finance costs during FY 2024–25 was primarily attributable to a reduction in interest on loan, which declined from ₹528.21 lakhs in FY 2023–24 to ₹475.55 lakhs in FY 2024–25, decrease in interest on vehicle loan from ₹30.90 lakhs to ₹28.56 lakhs and decrease in other processing charges from 49.89 lakh to 13.31 lakh.

Depreciation and Amortization Expenses:

Depreciation and amortization expenses for FY 2024–25 stood at ₹536.19 lakhs, as compared to ₹575.86 lakhs in FY 2023–24, representing a decrease of 6.89%. The decrease was on account of lower depreciation charged on property, plant and equipment during the year.

Other Expenses

Other expenses stood at ₹6,926.69 lakhs in FY 2024–25 as against ₹7,765.24 lakhs in FY 2023–24, representing a decrease of 10.80%. The decrease was primarily attributable to a decrease in manufacturing expenses, which stood at ₹6,576.79 lakhs in FY 2024–25 as compared to ₹7,412.76 lakhs in FY 2023–24, mainly due to lower job work charges, labour charges and consumption of stores, spares and packing materials. General and administrative expenses stood at ₹349.91 lakhs in FY 2024–25 as compared to ₹352.48 lakhs in FY 2023–24.

Restated profit before tax:

Net profit before tax for the financial year 2024–25 increased to Rs. 637.11 Lakhs as compared to Rs. 245.12 Lakhs in the financial year 2023–24. This significant growth was primarily driven by the factors mentioned above.

Restated profit for the year:

As a result of the foregoing factors, our profit after tax increased from Rs. 180.45 Lakhs in the financial year 2023–24 to Rs. 476.32 Lakhs in the financial year 2024–25.

FINANCIAL YEAR ENDED 31st MARCH 2024 COMPARED TO FINANCIAL YEAR ENDED 31st MARCH 2023

Total Income:

The total income for FY 2023-24 stood at Rs.24,913.89 Lakhs, compared to Rs. 25,193.27 Lakhs in FY 2022-23, reflecting a decrease of 1.11%. This decrease was primarily driven by decrease in revenue from operations.

Revenue from Operations:

Revenue from operations for Financial Year 2023-24 stood at ₹24,874.51 lakhs as compared to ₹25,149.23 lakhs in Financial Year 2022-23, reflecting a decrease of 1.09%.

Revenue from operations comprised operating revenue and other operating revenue. Operating revenue stood at ₹24,862.14 lakhs in FY 2023-24 as compared to ₹25,117.25 lakhs in FY 2022-23. Other operating revenue, comprising export duty drawback, stood at ₹12.38 lakhs in FY 2023-24 as compared to ₹31.98 lakhs in FY 2022-23.

Operating revenue comprised revenue from supply of goods and supply of services. Revenue from supply of goods increased to ₹13,012.80 lakhs in FY 2023-24 from ₹12,777.76 lakhs in FY 2022-23. Revenue from supply of services decreased to ₹11,849.33 lakhs in FY 2023-24 from ₹12,339.49 lakhs in FY 2022-23.

The decrease in revenue from operations was primarily attributable to a decrease in revenue from supply of services, comprising fabric processing charges, and lower other operating revenue. This decrease was partially offset by an increase in revenue from supply of goods. Within supply of goods, revenue from grey fabric decreased to ₹8,476.29 lakhs in FY 2023-24 from ₹10,522.35 lakhs in FY 2022-23 and revenue from fabric processed on own account decreased to ₹1,155.99 lakhs in FY 2023-24 from ₹1,603.07 lakhs in FY 2022-23. This was partially offset by an increase in revenue from sized yarn to ₹3,061.11 lakhs in FY 2023-24 from ₹533.65 lakhs in FY 2022-23 and an increase in revenue from textile processing chemicals to ₹319.41 lakhs in FY 2023-24 from ₹118.69 lakhs in FY 2022-23.

Other Income:

Other income for Financial Year 2023-24 stood at ₹39.37 lakhs as compared to ₹44.04 lakhs in Financial Year 2022-23, reflecting a decrease of 10.60%.

Other income in Financial Year 2023-24 comprised interest on fixed deposits of ₹11.04 lakhs, interest on income tax refund of ₹13.98 lakhs, profit on sale of fixed assets of ₹9.00 lakhs, rent income of ₹5.20 lakhs and gain on foreign exchange fluctuation of ₹0.16 lakhs. Other income in Financial Year 2022-23 comprised interest on fixed deposits of ₹5.60 lakhs, profit on sale of fixed assets of ₹10.20 lakhs, rent income of ₹5.42 lakhs and insurance claim of ₹22.82 lakhs. The decrease was due to absence of insurance claim income in Financial Year 2023-24, partly offset by interest on income tax refund and higher interest on fixed deposits.

Total Expenses:

Total expenses for FY 2023-24 were Rs. 24,668.76 Lakhs, compared to Rs. 24,900.73 Lakhs in FY 2022-23, reflecting a decline of 0.93%. This decrease was due to various factors which are described below.

Cost of Material consumed:

The cost of materials consumed Decreased to ₹14,506.11 lakhs in FY 2023-24 from ₹14,944.25 lakhs in FY 2022-23, representing decline of 2.93%. The decrease was primarily attributable to lower consumption of raw materials and chemicals during FY 2023-24, in line with the movement in revenue from operations.

Change in inventories:

Our Company has incurred Rs.295.72 Lakhs as Change in inventories of Work in progress, finished goods during the financial year 2023-24 as compared to Rs. (309.41) Lakhs in the financial year 2022-23. The positive movement in FY 2023-24 was primarily attributable to a decrease in closing inventories of finished goods and work-in-progress as compared to opening inventories during the year.

Employee benefits expense:

Employee benefit expenses increased from ₹788.18 lakhs in FY 2022-23 to ₹916.84 lakhs in FY 2023-24, representing an increase of 16.32%. The increase was primarily on account of higher salary & bonus expenses, which increased from

₹709.05 lakhs in FY 2022–23 to ₹834.01 lakhs in FY 2023–24. Further, gratuity expense increased from ₹7.69 lakhs in FY 2022–23 to ₹8.20 lakhs in FY 2023–24, Contribution to Employee Welfare Fund increased from ₹5.44 lakhs in FY 2022–23 to ₹7.83 lakhs in FY 2023–24 and director remuneration increased from ₹66.00 lakhs in FY 2022–23 to ₹66.80 lakhs in FY 2023–24.

Finance Cost:

Finance costs increased to ₹609.00 lakhs in FY 2023-24 from ₹503.05 lakhs in FY 2022-23, representing an increase of 21.06%. The increase was primarily attributable to an increase in interest on loans, which increased to ₹528.21 lakhs in FY 2023-24 from ₹429.68 lakhs in FY 2022-23, and interest on vehicle loans, which increased to ₹30.90 lakhs in FY 2023-24 from ₹20.37 lakhs in FY 2022-23. The increase was partially offset by a decrease in other processing charges, which decreased to ₹49.89 lakhs in FY 2023-24 from ₹52.99 lakhs in FY 2022-23.

Depreciation and Amortization Expenses:

Depreciation and amortization expenses for the financial year 2023–24 stood at ₹575.86 Lakhs, as against ₹609.10 Lakhs during the financial year 2022– 23, representing a decrease of 5.46%. The decrease was on account of lower depreciation charged on property, plant and equipment during the year.

Other Expenses:

Other expenses stood at ₹7,765.24 lakhs in FY 2023-24 as compared to ₹8,365.57 lakhs in FY 2022-23, representing a decrease of 7.18%. The decrease was primarily attributable to a decrease in manufacturing expenses, which stood at ₹7,412.76 lakhs in FY 2023-24 as compared to ₹8,052.75 lakhs in FY 2022-23. The decrease in manufacturing expenses was mainly on account of lower consumption of stores, spares and packing materials, which decreased to ₹4,792.87 lakhs in FY 2023-24 from ₹5,615.57 lakhs in FY 2022-23. This decrease was partially offset by an increase in labour charges and job work charges.

General and administrative expenses stood at ₹352.48 lakhs in FY 2023-24 as compared to ₹312.82 lakhs in FY 2022-23.

Restated Profit Before Tax

Net profit before tax for the financial year 2023–24 decreased to ₹245.12 Lakhs from ₹292.53 Lakhs in FY 2022–23. This decline was primarily driven by the factors mentioned above.

Restated profit after Tax

As a result of the foregoing factors, our profit after tax decreased from Rs.218.44 Lakhs in the financial year 2022-23 to Rs.180.45 Lakhs in the financial year 2023-24.

Cash Flows and Cash and Cash Equivalents

Particulars	For the Period ended December 31 st ,2025	For the year ended March 31,		
		2025	2024	2023
	Consolidated	Standalone	Standalone	Standalone
Net cash (used)/generated from operating activities	2,209.08	1,567.14	-61.22	181.45
Net cash (used)/generated from investing activities	(465.83)	(983.29)	(195.77)	(343.93)
Net cash (used)/ generated from financing activities	(1,587.78)	(558.59)	258.31	152.77
Net increase / (decrease) in cash and cash equivalents at the end of the year/period	155.46	25.27	1.32	(9.72)
Cash and Cash equivalents at the beginning of the year/period	33.43	8.16	6.84	16.56
Cash and Cash equivalents at the end of the year/period	188.89	33.43	8.16	6.84

Operating Activities

For the Period ended December 31st,2025

On a consolidated basis, net cash generated from operating activities was ₹2,209.08 lakhs for the period ended December 31, 2025. Our restated profit before tax was ₹1,247.28 lakhs, while operating profit before working capital

changes was ₹2,138.96 lakhs. The aforesaid amounts are after giving effect to consolidation of M/s. Aarjay Enterprise and elimination of intra-group transactions and balances, wherever applicable.

Operating profit before working capital changes was arrived at after making adjustments for depreciation and amortization expense of ₹613.67 lakhs, finance costs of ₹304.23 lakhs, gratuity expense of ₹10.74 lakhs and bad debts written off of ₹15.32 lakhs. These adjustments were partially offset by interest income on fixed deposits of ₹18.93 lakhs and profit on sale of fixed assets of ₹33.34 lakhs.

Working capital changes resulted in a net cash inflow of ₹434.25 lakhs during the period ended December 31, 2025. This was primarily attributable to a decrease in trade receivables of ₹3,424.97 lakhs, decrease in other non-current assets of ₹42.57 lakhs and increase in short-term and long-term provisions of ₹164.80 lakhs. This was partially offset by an increase in inventories of ₹1,027.81 lakhs, increase in short-term loans and advances of ₹264.01 lakhs, decrease in trade payables of ₹1,591.92 lakhs and decrease in other current liabilities of ₹314.34 lakhs.

Income taxes paid during the period ended December 31, 2025 amounted to ₹364.13 lakhs.

FY 2024-25

Net cash generated from operating activities was ₹1,567.14 lakhs for Financial Year 2024-25. While our net profit before tax was ₹637.11 lakhs, our operating profit before working capital changes was ₹1,669.04 lakhs.

Operating profit before working capital changes was arrived at after adjustments for depreciation and amortization expenses of ₹536.19 lakhs, finance costs of ₹517.41 lakhs and gratuity expense of ₹10.61 lakhs, partly offset by interest income on fixed deposits of ₹4.88 lakhs, interest on income tax refund of ₹5.47 lakhs and profit on sale of fixed assets of ₹21.92 lakhs.

Working capital adjustments resulted in a net inflow of ₹64.19 lakhs during Financial Year 2024-25. This was primarily due to increase in trade payables of ₹1,471.02 lakhs and increase in short-term and long-term provisions of ₹75.46 lakhs. This was partly offset by increase in trade receivables of ₹765.43 lakhs, increase in inventories of ₹321.53 lakhs, increase in short-term loans and advances of ₹176.76 lakhs, decrease in other current liabilities of ₹86.77 lakhs, increase in other non-current assets of ₹130.70 lakhs and increase in other current assets of ₹1.10 lakhs.

Income taxes paid during Financial Year 2024-25 amounted to ₹166.08 lakhs.

FY 2023-24

Net cash used in operating activities was ₹61.22 lakhs for Financial Year 2023-24. While our net profit before tax was ₹245.12 lakhs, our operating profit before working capital changes was ₹1,404.16 lakhs.

Operating profit before working capital changes was arrived at after adjustments for depreciation and amortization expenses of ₹575.86 lakhs, finance costs of ₹609.00 lakhs and gratuity expense of ₹8.20 lakhs, partly offset by interest income on fixed deposits of ₹11.04 lakhs, interest on income tax refund of ₹13.98 lakhs and profit on sale of fixed assets of ₹9.00 lakhs.

Working capital adjustments resulted in a net outflow of ₹1,383.26 lakhs during Financial Year 2023-24. This was primarily due to decrease in trade payables of ₹1,362.45 lakhs, increase in trade receivables of ₹809.59 lakhs, increase in other non-current assets of ₹17.91 lakhs and decrease in short-term and long-term provisions of ₹7.45 lakhs. This was partly offset by decrease in short-term loans and advances of ₹406.01 lakhs, decrease in inventories of ₹298.15 lakhs and increase in other current liabilities of ₹109.97 lakhs.

Income taxes paid during Financial Year 2023-24 amounted to ₹82.12 lakhs.

FY 2022-23

Net cash generated from operating activities was ₹181.45 lakhs for Financial Year 2022-23. While our net profit before tax was ₹292.53 lakhs, our operating profit before working capital changes was ₹1,396.57 lakhs.

Operating profit before working capital changes was arrived at after adjustments for depreciation and amortization expenses of ₹609.10 lakhs, finance costs of ₹503.05 lakhs and gratuity expense of ₹7.69 lakhs, partly offset by interest income on fixed deposits of ₹5.60 lakhs and profit on sale of fixed assets of ₹10.20 lakhs.

Working capital adjustments resulted in a net outflow of ₹1,129.93 lakhs during Financial Year 2022-23. This was primarily due to decrease in trade payables of ₹548.47 lakhs, increase in trade receivables of ₹354.64 lakhs, increase in short-term loans and advances of ₹246.94 lakhs, increase in inventories of ₹125.49 lakhs and increase in other non-current assets of ₹4.76 lakhs. This was partly offset by increase in other current liabilities of ₹115.97 lakhs, increase in short-term and long-term provisions of ₹24.68 lakhs, decrease in other current assets of ₹8.91 lakhs and decrease in long-term loans and advances of ₹0.80 lakhs.

Income taxes paid during Financial Year 2022-23 amounted to ₹85.18 lakhs.

Investing Activities**For the Period ended December 31st, 2025**

On a consolidated basis, net cash used in investing activities was ₹465.83 lakhs for the period ended December 31, 2025. The aforesaid amount is after giving effect to consolidation of M/s. Aarjay Enterprise and elimination of intra-group transactions.

Net cash used in investing activities primarily comprised payment for purchase of fixed assets of ₹609.82 lakhs. This was partially offset by proceeds from sale of property, plant and equipment of ₹80.30 lakhs, interest income on fixed deposits of ₹18.93 lakhs and decrease in investments in fixed deposits having maturity of more than three months of ₹44.76 lakhs.

FY 2024-25

Net cash used in investing activities was ₹983.29 lakhs for Financial Year 2024-25. This comprised payment for purchase of fixed assets of ₹1,085.18 lakhs, which was partly offset by proceeds from sale of property, plant and equipment of ₹66.94 lakhs, interest income on fixed deposits of ₹4.88 lakhs and decrease in investments, being fixed deposits with maturity of more than three months, of ₹30.07 lakhs.

FY 2023-24

Net cash used in investing activities was ₹195.77 lakhs for Financial Year 2023-24. This comprised payment for purchase of fixed assets of ₹241.39 lakhs and increase in investments, being fixed deposits with maturity of more than three months, of ₹5.64 lakhs, which was partly offset by proceeds from sale of property, plant and equipment of ₹40.22 lakhs and interest income on fixed deposits of ₹11.04 lakhs.

FY 2022-23

Net cash used in investing activities was ₹343.93 lakhs for Financial Year 2022-23. This comprised payment for purchase of fixed assets of ₹367.15 lakhs and increase in investments, being fixed deposits with maturity of more than three months, of ₹4.23 lakhs, which was partly offset by proceeds from sale of property, plant and equipment of ₹21.85 lakhs and interest income on fixed deposits of ₹5.60 lakhs.

Financing Activity**For the Period ended December 31st,2025**

On a consolidated basis, net cash used in financing activities was ₹1,587.78 lakhs for the period ended December 31, 2025. The aforesaid amount is after giving effect to consolidation of M/s. Aarjay Enterprise and elimination of intra-group transactions.

Net cash used in financing activities primarily comprised decrease in long-term borrowings of ₹556.05 lakhs, decrease in short-term borrowings of ₹475.00 lakhs, decrease in capital contributed by minority partners of ₹252.50 lakhs and finance costs paid of ₹304.23 lakhs.

FY 2024-25

Net cash used in financing activities was ₹558.59 lakhs for Financial Year 2024-25. This comprised decrease in short-term borrowings of ₹786.47 lakhs and finance costs paid of ₹517.41 lakhs, partly offset by increase in long-term borrowings of ₹745.29 lakhs.

FY 2023-24

Net cash generated from financing activities was ₹258.31 lakhs for Financial Year 2023-24. This comprised increase in short-term borrowings of ₹1,247.39 lakhs, partly offset by decrease in long-term borrowings of ₹380.09 lakhs and finance costs paid of ₹609.00 lakhs.

FY 2022-23

Net cash generated from financing activities was ₹152.77 lakhs for Financial Year 2022-23. This comprised increase in short-term borrowings of ₹598.10 lakhs and increase in long-term borrowings of ₹57.71 lakhs, partly offset by finance costs paid of ₹503.05 lakhs.

Details of change in the Revenue, EBITDA and PAT year on year are as below:

<i>(in Lakhs except percentage)</i>			
Particulars	FY 2024-25	FY 2023-24	FY 2022-23
	Standalone	Standalone	Standalone
Revenue from Operation	23,964.00	24,874.51	25,149.23
% Rise in Revenue from operation year on year	(3.66%)	(1.09%)	-
EBITDA	1,653.95	1,390.61	1,360.64
EBITDA Margin	6.90%	5.59%	5.41%
% Rise in EBITDA year on year	18.94%	2.20%	-
PAT	476.32	180.45	218.44
PAT margin to revenue	1.99%	0.73%	0.87%

Rationale for increase/ decrease in Revenue, EBITDA and PAT from F.Y 2022-23 to F.Y 2023-24 to F.Y 2024-25:

Revenue from operations decreased from ₹25,149.23 lakhs in Financial Year 2022-23 to ₹24,874.51 lakhs in Financial Year 2023-24, representing a decrease of 1.09%. Further, revenue from operations decreased by 3.66% from ₹24,874.51 lakhs in Financial Year 2023-24 to ₹23,964.00 lakhs in Financial Year 2024-25. The decrease in revenue from operations during FY 2023-24 was primarily attributable to a decrease in revenue from supply of services and lower other operating revenue, partially offset by an increase in revenue from supply of goods. The decrease in FY 2024-25 was primarily attributable to a decrease in revenue from supply of goods, particularly grey fabric and sized yarn, partially offset by an increase in revenue from supply of services and revenue from fabric processed on own account.

EBITDA increased from ₹1,360.64 lakhs in Financial Year 2022-23 to ₹1,390.61 lakhs in Financial Year 2023-24, representing an increase of 2.20%. EBITDA margin also improved from 5.41% in Financial Year 2022-23 to 5.59% in Financial Year 2023-24. The increase in EBITDA was primarily attributable to a decrease in cost of materials consumed and other expenses, notwithstanding the decrease in revenue from operations and increase in finance costs and employee benefit expenses during the year.

EBITDA further increased from ₹1,390.61 lakhs in Financial Year 2023-24 to ₹1,653.95 lakhs in Financial Year 2024-25, representing an increase of 18.94%. EBITDA margin improved from 5.59% in Financial Year 2023-24 to 6.90% in Financial Year 2024-25. The increase in EBITDA and EBITDA margin was primarily attributable to a decrease in other expenses and favorable movement in changes in inventories of finished goods and work-in-progress, partially offset by an increase in cost of materials consumed and employee benefit expenses.

PAT decreased from ₹218.44 lakhs in Financial Year 2022-23 to ₹180.45 lakhs in Financial Year 2023-24. PAT margin also decreased from 0.87% in Financial Year 2022-23 to 0.73% in Financial Year 2023-24. The decrease in PAT was primarily attributable to an increase in finance costs and tax expense, notwithstanding a marginal improvement in EBITDA during the year.

PAT increased from ₹180.45 lakhs in Financial Year 2023-24 to ₹476.32 lakhs in Financial Year 2024-25. PAT margin improved from 0.73% in Financial Year 2023-24 to 1.99% in Financial Year 2024-25. The increase was primarily attributable to improvement in EBITDA, reduction in finance costs and reduction in depreciation and amortization expense during the year. Accordingly, although revenue from operations decreased in FY 2024-25, improvement in operating profitability and reduction in certain expenses contributed to higher profitability at the PAT level.

Year-on-Year Analysis of Cost of Material Consumed in relation to Revenue from Operations:

(in Lakhs)

Particulars	FY 2024-25	FY 2023-24	FY 2022-23
	Standalone	Standalone	Standalone
Cost of Material consumed (a)	15,064.51	14,506.11	14,944.25
Changes in Inventories (b)	(696.55)	295.72	(309.41)
Total Cost (a+b)	14,367.96	14,801.83	14,634.84
Revenue from Operations	23,964.00	24,874.51	25,149.23
Cost as a % of Revenue from Operations	59.96%	59.51%	58.19%

Rationale for changes in Cost of Goods as a percentage of Revenue from Operations from FY 2022-23 to FY 2023-24 and FY 2024-25:

The total cost of goods, comprising cost of materials consumed and changes in inventories, increased as a percentage of revenue from operations from 58.19% in Financial Year 2022-23 to 59.51% in Financial Year 2023-24. The increase was primarily due to the movement in inventories during the year. While cost of materials consumed decreased from ₹14,944.25 lakhs in Financial Year 2022-23 to ₹14,506.11 lakhs in Financial Year 2023-24, the changes in inventories increased from ₹ (309.41) lakhs in Financial Year 2022-23 to ₹295.72 lakhs in Financial Year 2023-24, resulting in higher cost recognition during Financial Year 2023-24. Further, revenue from operations decreased marginally from ₹25,149.23 lakhs to ₹24,874.51 lakhs, which also contributed to the increase in cost as a percentage of revenue from operations.

The total cost of goods further increased marginally as a percentage of revenue from operations from 59.51% in Financial Year 2023-24 to 59.96% in Financial Year 2024-25. Although the total cost of goods decreased from ₹14,801.83 lakhs in Financial Year 2023-24 to ₹14,367.96 lakhs in Financial Year 2024-25, revenue from operations decreased at a relatively higher rate from ₹24,874.51 lakhs to ₹23,964.00 lakhs, resulting in a marginal increase in the cost ratio. During Financial Year 2024-25, cost of materials consumed increased to ₹15,064.51 lakhs, primarily on account of changes in the mix of operations, including material consumption for processed fabric and other textile processing activities. However, the impact of higher material consumption was partly offset by favorable movement in inventories of ₹ (696.55) lakhs during the year.

Accordingly, the movement in cost of goods as a percentage of revenue from operations during the respective years was primarily attributable to changes in material consumption, inventory movement, product and job-work mix, procurement requirements and the level of textile processing operations undertaken by the Company.

Balance sheet Line Items

1. Long Term Borrowings:

Long-term borrowings, net of current maturities, stood at ₹4,829.87 lakhs as at December 31, 2025 on a consolidated basis. Long-term borrowings increased to ₹2,745.86 lakhs as at March 31, 2025 from ₹2,000.56 lakhs as at March 31, 2024, primarily due to an increase in secured loans from banks and unsecured loans from related parties. Long-term borrowings decreased to ₹2,000.56 lakhs as at March 31, 2024 from ₹2,380.65 lakhs as at March 31, 2023, primarily due to reduction in secured loans from banks and unsecured loans from related parties.

2. Short Term Borrowings:

Short-term borrowings stood at ₹5,296.67 lakhs as at December 31, 2025 on a consolidated basis. Short-term borrowings decreased to ₹3,733.10 lakhs as at March 31, 2025 from ₹4,519.57 lakhs as at March 31, 2024, primarily due to decrease in loans repayable on demand from banks, partly offset by increase in current maturities of long-term borrowings. Short-term borrowings increased to ₹4,519.57 lakhs as at March 31, 2024 from ₹3,272.18 lakhs as at March 31, 2023, primarily due to increase in loans repayable on demand from banks.

3. Trade Receivables

Trade receivables stood at ₹8,688.76 lakhs as at December 31, 2025 on a consolidated basis. Trade receivables increased to ₹8,038.14 lakhs as at March 31, 2025 from ₹7,272.71 lakhs as at March 31, 2024. Further, trade receivables increased to ₹7,272.71 lakhs as at March 31, 2024 from ₹6,463.12 lakhs as at March 31, 2023. The movement in trade receivables was primarily attributable to the timing of customer collections; credit period extended to customers and receivable balances outstanding as at the respective year-end dates.

4. Trade Payables

Trade payables stood at ₹7,299.00 lakhs as at December 31, 2025 on a consolidated basis. Trade payables increased to ₹4,256.41 lakhs as at March 31, 2025 from ₹2,785.39 lakhs as at March 31, 2024. The increase was primarily attributable to higher supplier balances outstanding as at year end, due to the timing of procurement and payments to vendors.

Trade payables decreased to ₹2,785.39 lakhs as at March 31, 2024 from ₹4,147.83 lakhs as at March 31, 2023. The decrease was primarily attributable to settlement of supplier balances and timing of payments to vendors during the year.

5. Inventories

Inventories stood at ₹6,263.38 lakhs as at December 31, 2025 on a consolidated basis. Inventories increased to ₹2,244.71 lakhs as at March 31, 2025 from ₹1,923.18 lakhs as at March 31, 2024. The increase was primarily attributable to an increase in finished goods, which increased to ₹1,103.52 lakhs as at March 31, 2025 from ₹263.02 lakhs as at March 31, 2024. This was partly offset by decrease in raw materials, work-in-progress and consumables stock during the year.

Inventories decreased to ₹1,923.18 lakhs as at March 31, 2024 from ₹2,221.32 lakhs as at March 31, 2023. The decrease was primarily attributable to decrease in raw materials, work-in-progress and finished goods, partly offset by increase in chemical stock and consumables stock.

6. Short term Loans and Advances

Short-term loans and advances stood at ₹1,271.93 lakhs as at December 31, 2025 on a consolidated basis. Short-term loans and advances increased to ₹875.57 lakhs as at March 31, 2025 from ₹698.81 lakhs as at March 31, 2024. The increase was primarily attributable to increase in balances with revenue authorities from ₹487.16 lakhs to ₹609.53 lakhs, advances to employees from ₹88.56 lakhs to ₹114.87 lakhs and advances to suppliers from ₹63.67 lakhs to ₹94.55 lakhs. Short-term loans and advances decreased to ₹698.81 lakhs as at March 31, 2024 from ₹1,104.82 lakhs as at March 31, 2023. The decrease was primarily attributable to reduction in balances with revenue authorities from ₹783.20 lakhs to ₹487.16 lakhs and advances to suppliers from ₹173.56 lakhs to ₹63.67 lakhs.

Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions:

During the period ended December 31, 2025, pursuant to the partnership agreement dated August 23, 2025, our Company was admitted as a partner in M/s. Aarjay Enterprise with 99.00% share in profits, losses and capital contribution. Accordingly, the Restated Financial Information for the period ended December 31, 2025 has been prepared on a consolidated basis by consolidating the financial information of M/s. Aarjay Enterprise from August 23, 2025. Other than the aforesaid and as disclosed in this Draft Red Herring Prospectus, there have not been any unusual or infrequent events or transactions which have materially impacted our income or expenditure.

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

Other than as described in the section titled “Risk Factors” beginning on page 18 of this Draft Red Herring Prospectus, to our knowledge, there are no known significant economic changes that have materially affected or are expected to materially affect the income of our Company from continuing operations.

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

Other than as described in the section titled “Risk Factors” beginning on page 18 of this Draft Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income of our Company from continuing operations.

4. Future changes in the relationship between costs and revenues:

Other than as described in the sections titled “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 18, 123 and 273 respectively, of this Draft Red Herring Prospectus, to our knowledge, there are no known future changes in the relationship between costs and revenues which are expected to have a material adverse impact on our operations, financial condition or results of operations.

5. Segment Reporting:

Our Company is primarily engaged in textile-related activities, including manufacturing and sale of fabrics and dyeing, printing and processing of grey cotton and man-made fabrics. The operations of our Company are principally related to textile products and textile processing activities and, accordingly, are considered as a single reportable business segment as per the Restated Financial Information.

Further, in accordance with the significant accounting policies forming part of the Restated Financial Information, geographical information has been presented based on the location of customers. Our Company derives revenue from sales within India and export sales, including exports to Nepal. Such geographical disclosures are presented for disclosure purposes and do not constitute separate reportable business segments. Accordingly, there are no separate reportable segments other than the textile business segment as disclosed in the Restated Financial Information.

6. Status of any publicly announced new products or business segment:

Except as disclosed in the sections titled “Our Business” and “Objects of the Issue” beginning on pages 129 and 84 respectively, of this Draft Red Herring Prospectus, our Company has not publicly announced any new product, service or business segment during the period ended December 31, 2025 and the last three financial years i.e., FY 2024-25, FY 2023-24 and FY 2022-23.

7. Seasonality of business:

Our business is not materially subject to seasonality. However, our revenue may vary from period to period depending on customer requirements, order timing, production schedules, working days, fabric processing requirements and general demand conditions in the textile industry. For further information, see the sections titled “Industry Overview” and “Our Business” beginning on pages 109 and 123 respectively, of this Draft Red Herring Prospectus.

8. Dependence on single or few customers:

Our business is dependent on certain customers and there can be no assurance that such customers will continue to place orders with us in the future. For details, please refer to the risk factor titled “*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*” beginning on page 19 of this Draft Red Herring Prospectus.

9. Competitive conditions:

We operate in the textile processing and fabric manufacturing industry, which is competitive and fragmented. We face competition from other textile processing units, fabric manufacturers, job-work processors and integrated textile players. Competitive conditions are described under the section titled “Our Business – Competition” beginning on page 138 of this Draft Red Herring Prospectus.

10. Details of material developments after the date of last balance sheet i.e., December 31, 2025:

1. We have passed a Board resolution in the meeting of Board of Director dated May 04, 2026 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
2. We have passed a special resolution in the meeting of shareholders dated May 27, 2026 authorizing the Board of Directors to raise funds by making an Initial Public Offering.

CAPITALISATION STATEMENT

(All amounts in INR Lacs, unless otherwise stated)

Particulars	As at December 31, 2025	
	Pre Issue	Post Issue*
Borrowings		
Short term debt (A)	4,398.07	-
Long Term Debt (B)	5,728.48	-
Total debts (C)	10,126.54	-
Shareholders' funds		
Equity share capital	1,257.73	*
Reserve and surplus - as restated	2,783.85	*
Total shareholders' funds	4,041.58	*
Long term debt / shareholder's funds	1.42	*
Total debt / shareholder's funds	2.51	*

* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and Excludes instalments of term loans repayable in within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.2025.

SECTION VI-LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) pending criminal litigation involving our Company, Directors, Promoter, Group Companies, Key Managerial Persons (KMPs) or Senior Managerial Persons (SMPs); (ii) actions by statutory or regulatory authorities involving our Company, Directors, Promoter, Group Companies, Key Managerial Persons (KMPs) or Senior Managerial Persons (SMPs); (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Civil Litigation (as defined below); involving our Company, its Directors, Promoters & Group Companies.

As per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, other pending litigations shall also be classified as material based on the lower of the threshold criteria mentioned below –

(i) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the issue document; or

(ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

(a) two percent of turnover, as per the latest annual restated financial statements of the issuer; or

(b) two percent of net worth, as per the latest annual restated financial statements 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 consolidated financial statements of the issuer.

Our Board, in its meeting held on December 01, 2025, determined that outstanding legal proceedings involving the Company, its Directors, Promoters, Group Companies will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% percent of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputation of the Company.

Accordingly, other pending litigations involving the Company, Directors, Promoters and Group Companies, which meet the abovementioned thresholds (Criteria (i) in our case), have been considered while determining material litigations.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.

A. LITIGATION INVOLVING OUR COMPANY

a) Criminal Proceedings against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

b) Criminal Proceedings filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

c) Actions by Statutory/Regulatory Authorities against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory / regulatory authorities initiated against the Company.

d) Tax Proceedings;

(I) Direct Tax:

i. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs.5,42,044.19/- is determined to be paid from Previous years till 2025-26 against Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and interest on payment and deduction default u/s 201 and late filing fees u/s 234E and Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

ii. A.Y. 2025-26:

Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) have been issued with an intimation bearing no. ITBA/AST/S/143(2)/2026-27/1090103648(1) dated June 20, 2026 for the A.Y. 2025-26, intimating the assessee of its selection for the purpose of scrutiny assessment in accordance with the provisions of the Income-tax Act, 1961 and have subsequently been issued with a notice u/s. 143(2) of the Act requiring the assessee to submit certain documents including financial statements, bank statements audit reports and like for the period and the assessment is pending.

iii. A.Y. 2017-18

Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no ITBA/AST/F/17/2019-20/1021868391(1) dated December 07, 2019 issued u/s. 143(3) read with sections 147 of the Income Tax Act, 1961, for the A.Y. 2017-18 raising a demand dispute towards tax and Rs. 1,98,397/- in addition to direction for calculation of interest u/s. towards interest calculated under the provisions of Section 234A, 234B, 234C & 203D.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide Appeal no. (Appeal No: CIT (A), Ahmedabad- 2/10280/2019-20) dated December 17, 2019 and the same has been dismissed. Accordingly the amount is outstanding to be paid.

iv. A.Y. 2014-15:

Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) have been issued with an intimation bearing no. ITBA/AST/S/61/2025-26/1087933894(1) dated March 26, 2026 for the A.Y. 2014-15, intimating the assessee of its selection for the purpose of faceless assessment/re-assessment in accordance with the procedure laid down in section 144B of the Income Tax Act, 1961 and have subsequently been issued with a notice u/s. 142(1) of the Act requiring the assessee to submit certain documents including financial statements, bank statements audit reports and like for the period and the assessment is pending.

v. A.Y. 2013-14

Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no ITBA/AST/F/17/2019-20/1021859201(1) dated December 07, 2019 issued u/s. 143(3) read with sections 147 of the Income Tax Act, 1961, for the A.Y. 2013-14 raising a demand of and Rs. 3,85,520/- in addition to direction for calculation of interest under the provisions of Section 234A, 234B, 234C & 203D.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide Appeal no. (Appeal No: CIT (A), Ahmedabad- 2/10259/2019-20) dated December 17, 2019 and the same is pending

vi. A.Y. 2012-13

Kumar Cotton Mills Private Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no ITBA/AST/F/17/2019-20/1021851381(1) dated December 07, 2019 issued u/s. 143(3) read with sections 147 of the Income Tax Act, 1961, for the A.Y. 2012-13 raising a demand of Rs. 66,040/- in addition to direction for calculation of interest under the provisions of Section 234A, 234B, 234C & 203D.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide Appeal no. (Appeal No: CIT (A), Ahmedabad- 2/10256/2019-20) dated December 17, 2019 21 and the same is pending.

(II) Indirect Tax: NIL

e) Other Pending material litigation against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against the Company.

f) Other Pending material litigation filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by the Company.

B. LITIGATION INVOLVING THE DIRECTORS AND PROMOTERS OF OUR COMPANY

a) Criminal Proceedings against the Directors and Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding Criminal proceedings initiated against Directors and Promoters of the Company.

b) Criminal Proceedings by the Directors and Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding Criminal proceedings initiated by the Directors and Promoters of the Company.

c) Actions by Statutory/ Regulatory Authorities against the Directors and Promoters of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding statutory / regulatory actions initiated by the Directors and Promoters of the Company.

d) Tax Proceedings:

(i) Direct Tax:

1. Mr. Rajendra Prasad Ramkumar Agarwal (Promoter Cum Director):

a. A.Y. 2018-19

Mr. Rajendraprasad Ramkumar Agarwal (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/143(3)/2021-22/1032314379(1) dated April 09, 2021 issued u/s. 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961, where returned income of Rs. 55,82,110/- is accepted by the department. However, while computing the tax liability in the computation sheet forming part of the order, a demand of Rs. 72,054/- was raised vide Demand Identification No. 2021201837000219582T. (Rs. 0.00/- towards tax and Rs. 72,054/- towards interest calculated under the provisions of Section 234A, 234B & 234C.

However as per details available on the website of the Income Tax Department, an amount of Rs. 72,050/- in addition to an interest of Rs. 45,360/- is pending to be paid by the assessee.

b. A.Y. 2017-18

Mr. Rajendra Prasad Ramkumar Agarwal (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/143(3)/2019-20/1021161397(1) dated November 27, 2019 issued u/s. 143(3) of the Income Tax Act, 1961, where returned income of Rs. 40, 66,730/- is accepted by the department. However, while computing the tax liability in the computation sheet forming part of the order, a demand of Rs. 16,171/- was raised vide Demand Identification No. 2019201737065885995T. (Rs. 0.00/- towards tax and Rs. 16,171/- towards interest calculated under the provisions of Section 234A, 234B & 234C.

However as per details available on the website of the Income Tax Department, an amount of Rs. 16,170/- in addition to an interest of Rs. 12,719/- is pending to be paid by the assessee.

2. Ajay Ramkumar Agrawal (Promoter Cum Director):

c. A.Y. 2018-19

Mr. Ajay Ramkumar Agrawal (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/143(3)/2020-21/1031405820(1) dated March 11, 2021 issued u/s. 143(3) read with sections 143(3A) & 143(3B) of the Income Tax Act, 1961, making an addition of Rs. 90,33,994/- to the returned income of Rs. 13,92,600/- for the A.Y. 2018-19 on account of disallowance of interest expenses incurred to earn exempt income u/s 14A, thus raising a demand notice vide identification no. 2020201837026520494T for an amount of Rs. 54,11,772/- (Rs. 32,98,157/- towards tax and Rs. 14,84,145/- towards interest calculated under the provisions of Section 234A, 234B & 234C & Rs. 6,29,470/- towards refund amount already issued.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide acknowledgement no. 303334030240321 dated March 24, 2021 and the same is pending vide **Appeal Reference Number: NFAC/2017-18/10021369**.

A separate penalty proceedings were initiated against the assessee vide show cause notice bearing no. ITBA/PNL/S/270A/2020 21/1031405951(1) dated March 11, 2021 issued u/s. 274 read with section 270A of Income-tax Act, 1961 and the same is pending.

However as per details available on the website of the Income Tax Department, an amount of Rs. 28,89,700/- in addition to an interest of Rs. 13,76,865 /- is pending to be paid by the assessee.

(ii) Indirect Tax: NIL

e) Other Pending material litigation against the Directors and Promoters of the Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated against the Directors and Promoters of the Company.

f) Other Pending material litigation by the Directors and Promoters of the Company:

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by the Directors and Promoters of the Company.

C. LITIGATIONS INVOLVING THE SUBSIDIARY/ GROUP COMPANY/ CONTROLLED PARTNERSHIP ENTITY OF THE COMPANIES.

**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%.*

(a) Criminal Proceedings against Our Subsidiary/ Group Company/ Controlled Partnership Entity

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against Our Subsidiary/ Group Company.

(b) Criminal Proceedings filed by Our Subsidiary/ Group Company/ Controlled Partnership Entity

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by Our Subsidiary/ Group Company.

(c) Actions by Statutory/ Regulatory Authorities against our subsidiary/ Group Companies/ Controlled Partnership Entity

As on the date of this Draft Red Herring Prospectus, there are no outstanding statutory / regulatory actions initiated by the Directors and Promoters of the Company.

(d) Tax Proceedings:

(I) Direct Tax:

1. Aarjay Enterprise (Controlled Partnership Entity) (Partnership Firm wherein our company is partner for 99% stake):

a. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs. 51,818.80/- is determined to be paid from Previous years till 2025-26 against Aarjay Enterprise (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and interest on payment and deduction default u/s 201 and late filing fees u/s 234E and Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

1. Bonanza Textiles Private Limited (Group Company):-

a. Pending Liability in TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs.7,30,585/- is determined to be paid from Previous years till 2025-26 against Bonanza Textiles Private Limited (hereinafter referred to as the “Assessee”) as default on account of short payment and short deduction of TDS and interest on payment and deduction default u/s 201 and late filing fees u/s 234E and Interest u/s 220 and 221 of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

b. A.Y. 2014-15

Bonanza Textiles Private Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/147/2021-22/1042163816(1) dated March 30, 2022 issued u/s. 147 of the Income Tax Act, 1961, making an addition of Rs. 81,20,975/- to the returned income of Rs. 51,48,500/- for the A.Y. 2014-15 on account of unexplained money taken as accommodation entries u/s 68 r.w.s 115BBE of the Act, thus raising a demand notice vide identification no. 2021201437005200284C for an amount of Rs. 53,20,469/- (Rs. 25,84,977/- towards tax and Rs. 27,35,492/- towards interest calculated under the provisions of Section 234A, 234B & 234C.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide acknowledgement no. 579471890040422 dated April 04, 2022 and the same is pending vide Appeal Reference Number: NFAC/2013-14/10144312.

A separate penalty proceedings were initiated against the assessee vide show cause notice bearing no. ITBA/PNL/S/271(1)(c)/2021 22/1042168790(1) dated March 30, 2022 issued u/s. 271(1)(c) and the same is pending.

However as per details available on the website of the Income Tax Department, an amount of Rs. 53,20,470/- in addition to an interest of Rs. 27,66,608/- is pending to be paid by the assessee.

c. A.Y. 2013-14

Bonanza Textiles Private Limited (hereinafter referred to as the “Assessee”) had been issued with an order bearing no. ITBA/AST/S/147/2021-22/1042149718(1) dated March 30, 2022 issued u/s. 147 of the Income Tax Act, 1961, making an addition of Rs. 46,72,335/- to the returned income of Rs. 34,51,150/- for the A.Y. 2013-14 on account of bogus sales of Rs. 1,86,89,337/- on which the profit is considered @ 25% i.e. 46,72,335/-, thus raising a demand notice vide identification no. 2021201337005199672C for an amount of Rs. 30,02,950/- (Rs. 13,94,611/- towards tax and Rs. 16,08,339/- towards interest calculated under the provisions of Section 234A, 234B & 234C.

Aggrieved by the aforementioned order, the assessee herein filed an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income –Tax (Appeals) vide acknowledgement no. 579420290040422 dated April 04, 2022 and the same is pending vide **Appeal Reference Number: NFAC/2012-13/10144301**.

A separate penalty proceedings were initiated against the assessee vide show cause notice bearing no. ITBA/PNL/S/271(1)(c)/2021 22/1042149892(1) dated March 30, 2022 issued u/s. 271(1)(c) and the same is pending.

However as per details available on the website of the Income Tax Department, an amount of Rs. 21,78,010/- in addition to an interest of Rs. 4,83,638/- is pending to be paid by the assessee.

(II) Indirect Tax: NIL

(e) Other Pending material litigation against Our Subsidiary/ Group Company/ Controlled Partnership Entity

As on the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by Our Subsidiary/ Group Company

(f) Other Pending material litigation by Our Subsidiary/ Group Company/ Controlled Partnership Entity

Bonanza Textile Private Limited (group company)

Bonanza Textile Private Limited Represented by Vinay Balvantray Agarwal, Director (hereinafter referred to as “the Plaintiff”) Vs. Krishna Instyle-N (hereinafter referred to as “the Defendant“)

(Summary Suit No. 1725 Of 2021 filed under Order 37 of Civil Procedure Code, 1908 pending before the Small Cause Court of Ahmedabad, Gujarat)

Plaintiff claims to have supplied goods to the defendant herein during the months of April, May and June 2019 on account of which an amount of Rs. 9,25,057/- (Rs. 7,75,057/- towards outstanding due and Rs. 1,50,000/- towards interest @18% p.a.) is due to be recovered from the defendant. Having allegedly failed to recover the aforementioned dues even after several follow-ups and reminders, the plaintiff herein have filed the instant application for the recovery of the aforementioned amount of Rs. 9,25,057/- along with an interest @ 18% p.a. from the date of the suit till realization recoverable from the property and persons. The matter is due with the concerned authority..

D. LITIGATIONS INVOLVING THE KEY MANAGERIAL PERSONNEL (“KMP”) AND SENIOR MANAGEMENT PERSONNEL (“SMP”) WHO ARE NOT DIRECTORS / PROMOTERS.

(a) Criminal Proceedings Involving Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”)

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings involving KMP or SMP of the Company.

(b) Criminal proceedings filed by the Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”)

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”).

(c) Actions by Statutory/ Regulatory Authorities against Our Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”)

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory / regulatory authorities initiated against Our Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”).

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company’s trade payables as per the last Consolidated Restated financial statements as material dues for the Company. The trade payables for the period ended on December 31, 2025 were ₹ 364.95 Lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds 5% of ₹7,299.00 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on June 26, 2026. As on December 31, 2025, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company’s Trade Payables. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2025, by our Company are set out below:

Type of Creditors	Number of Creditors	Total amount outstanding (₹ in Lakhs)
Dues to Material Creditors	2	2,029.14
Dues to Micro, Small and Medium Enterprises	-	-
Dues to Other Creditors	401	5,269.86

**As certified by Bhupendra J Shah & Associates, Chartered Accountants, Statutory Auditor of our Company, vide certificate dated 26th June 2026.*

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 273 there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as disclosed under 'Applications Made by Our Company but Pending Approval' and 'Material Licenses / Approvals for which the Company is Yet to Apply', our Company has obtained material approvals required for its present business.

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

Approvals In Relation to Our Company's incorporation

1. Certificate of incorporation dated March 30, 1990, from Registrar of Companies, Gujarat under Companies Act 1956 as "Kumar Cotton Mills Private Limited".
2. Fresh Certificate of Incorporation dated August 06, 2025, from the Central Processing Centre, consequent to the conversion of the Company "Kumar Cotton Mills Private Limited" to "Kumar Cotton Mills Ltd.".

Approvals in relation to the Issue

Corporate Approvals

1. Our Board, pursuant to resolutions passed at its meeting held on May 04, 2026 authorized the Issue, subject to the approval by the Board of our Company under section 62(1)(c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated May 27, 2026 Section 62(1)(c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated June 30, 2026, [●] and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively with BSE SME.

Approvals from Stock Exchange

1. Our Company has received in- principle listing approval from the BSE SME dated [●] for listing of Equity Shares issued pursuant to the issue.

Agreements with NSDL and CDSL:

1. The Company has entered into a tripartite agreement dated December 10, 2025 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case Bigshare services private Limited, for the dematerialization of its shares.

2. The Company has entered into an agreement dated October 17, 2025 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
3. The International Securities Identification Number (ISIN) of our Company is: INE2L7B01016

APPROVALS/ LICENSES/ PERMISSIONS IN RELATION TO OUR BUSINESS

A. (i) Tax Related Approvals of our Company:

S. No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAACK6212H	Income Tax Department	August 22, 2025	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	AHMK00068F	Income Tax Department	November 28, 2025	Valid till Cancelled
3.	GST Registration Certificate (Gujarat)	24AAACK6212H1ZY	Goods and Services Tax Department Gujarat	November 19, 2025	Valid till Cancelled
4.	Professions Tax Registration Certificate (P.T.R.C.)*	PRC011421398	Amdavad Municipal Corporation	--	Valid till Cancelled
5.	Professions Tax Enrollment Certificate (P.T.E.C.)	PEC010142009807	Amdavad Municipal Corporation	February 04, 2026	Valid till Cancelled

**Issued in the name of Kumar Coton Mills Private Limited*

(ii) Tax Related Approvals of Aariav Enterprise:

S. No	Description	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	ABOFA3528J	Income Tax Department	March 16, 2019	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	AHMA20666C	Income Tax Department	October 28, 2019	Valid till Cancelled
3.	GST Registration Certificate (Gujarat)	24ABOFA3528J1ZC	Goods and Services Tax Department Gujarat	November 18, 2025	Valid till Cancelled
4.	Professions Tax Registration Certificate (P.T.R.C.)/ Professions Tax Enrollment Certificate (P.T.E.C.)	PEP-06010080132	Paldi- Kankaj Gram Panchaya	March 31, 2023	Valid till Cancelled

B. (i) Business Related Approvals of our Company:

S. No.	Description	Registration/ License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	UDYAM-GJ-01-0068403	Ministry of Micro Small & Medium Enterprises	May 24, 2021	Valid till Cancelled
2.	Import Export Code (IEC)	0802003443	Ministry of Commerce and Industry	November 05, 2025	Valid till Cancelled

S. No.	Description	Registration/ License Number	Issuing Authority	Date of issue	Date of Expiry
3.	No Objection Certificate (NOC) For Ground Water Abstraction (Gujarat)*	NOC/ IND/GJ/2025/205/R-1/1	Government of India, Ministry of Jai Shakti, Department of Water Resources, River Development & Ganga Rejuvenation Central Ground Water Authority	January 06, 2025	January 05, 2028
4.	Legal Entity Identifier (LEI)	894500QZ3SJB8V PRAV18	India LEI	December 11, 2025	December 11, 2026
Approvals for Manufacturing Unit / Corporate Office - Survey No. 108/1, 109/7, 109/8 and 109/9 Opp. Narol Village, B/H Narol Court, Narol, Ahmedabad, Daskroi, Gujarat- 382405, India.					
5.	Consolidated Consent and Authorization (CC & A) Certificate under section -25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution) Act-1981 and Authorization under rule 6(2) of the Hazardous & other wastes (Management and Transboundary Movement) Rules 2016, framed under the EP Act-1986.	Original Consent Order No. 838. :-Latest amended Certificate No. : AWH 149640 (Outward No. 879160)	Gujarat Pollution Control Board (GPCB)	Original certificate dated November 17, 2003 Last amended on November 08, 2025	June 30, 2028
6.		Consent to establish No. (for expansion): 87797 Latest amendment No. 142096 Outward no. 862125	Gujarat Pollution Control Board (GPCB)	Original certificate dated November 17, 2017 Last amended on May 07, 2025	March 04, 2032
7.	License to Work a Factory	29858	Joint Director Industrial Safety and Health, Ahmedabad Region	Originally issued on April 22, 1996 Last Renewed on February 10, 2026	December 31, 2026
8.	Provisional Order Under Section 14 Of The Boilers Act, 2025	Certificate No.: CA132026-20270000542 Registration No. of Boiler: GT14294	Director of Boilers Gujarat state Ahmedabad	August 29, 2025	August 28, 2026
Approvals for Registered Office Situated at 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat- 380002, India.					

S. No.	Description	Registration/ License Number	Issuing Authority	Date of issue	Date of Expiry
9.	Gujarat Shops and Establishment Act, 2019	PEC010142009807	Amdavad Municipal Corporation	February 09, 2026	Valid till Canceled
Approvals for Solar Unit (Captive Consumption)- Survey No . 16, 21, 22, 23, Rehmanpura, Kheralu Industrial Area, Kheralu, Mahesana, Gujarat- 384325, India.					
10.	Certificate of Commissioning Under Gujarat Energy Development Agency (GEDA)	GEDA/FR/GMS/25-26/11/6847/4896/1727	Sr. Project Executive I/c Gujarat Energy Development Agency	December 04, 2025	Valid till Canceled
Approvals for Proposed Land Block no. 336, (Old Block No. 59, Moje Mirol, Taluka: Dascroi, Dist. Ahmedabad-, Vill. Mirol, Ahmedabad-Vatva, India.					
11.	Consent to establish under Water Act, 1974, Air Act, 1981 and Environment (Protection) Act – 1986, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 from pollution Control Board	Provisional Consent Order (CTE-fresh) GPCB ID: 123494	Gujarat Pollution Control Board	March 25, 2026	March 22, 2033

**Issued in the name of Kumar Cotton Mills Private Limited*

(ii) Business Related Approvals of Aarjay Enterprise:

S. No.	Description	Registration/ License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	UDYAM-GJ-01-0058860	Ministry of Micro Small & Medium Enterprises	March 23, 2021	Valid till Canceled
2.	Import Export Code (IEC)	ABOFA3528J	Ministry of Commerce and Industry Directorate General of Foreign Trade, Ahmedabad	June 14, 2023	Valid till Canceled
3.	Legal Entity Identifier (LEI)	LEI Number:- 335800EGQ167FAL7ZH49	India LEI	November 29, 2021	March 01, 2027
Approval for Manufacturing Unit-I at Plot No- 680, 681, 683, Opp Jaganath Industrial Park, Paldi, Kankaj, Dascroi, Bareja, Ahmedabad, Gujarat, 382425, India.					
4.	Consolidated Consent and Authorization (CC & A)	Provisional Consent Order Number:- WH-	Gujarat Pollution Control Board (GPCB)	November 08, 2022	September 30, 2032

S. No.	Description	Registration/ License Number	Issuing Authority	Date of issue	Date of Expiry
	Certificate under section -25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution) Act-1981 and Authorization under rule 6(2) of the Hazardous & other wastes (Management and Transboundary Movement) Rules 2016, framed under the EP Act-1986.	58785			
Approval for Solar Unit (Captive Consumption) at Survey No. 17, 18, 19, 20, 275, Rehmanpura, Mehsana, Kheralu, Mahesana, Gujarat, 384325, India.					
5.	Certificate of Commissioning Under Gujarat Energy Development Agency (GEDA)	GEDA/FR/GMS/25-26/11/6848/4897/1728	Sr. Project Executive I/c Gujarat Energy Development Agency	November 11, 2025	Valid till Cancelled

C. (i) Registrations related to Labour Laws of our Company

S. No.	Description	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	GJVAT0027393000	Employees' Provident Fund Organization	July 22, 1998	Valid till Cancelled
2.	Registration under the Employees State Insurance Corporation (ESIC)	37000178910000107	Employees State Insurance Corporation	January 18, 1993	Valid till Cancelled

(ii) Registrations related to Labour Laws of Aarjay Enterprise:

S. No.	Description	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	GJAHD3160718000	Employees' Provident Fund Organization	December 23, 2023	Valid till Cancelled

No. of Employees as on December 31, 2025:

Total no. of employees in the Company as on December 31, 2025	261
Total no. of employees eligible to be registered under ESIC as on December 31, 2025	15
Total no. of employees registered under ESIC as on December 31, 2025	15

No. of Employees as on March 31, 2026:

Total no. of employees in the Company as on March 31, 2026	266
Total no. of employees eligible to be registered under ESIC as on March 31, 2026	15
Total no. of employees registered under ESIC as on March 31, 2026	15

Details of contribution made in last 3 Financial years ended March 2025 and stub period till 31st December 2025 and for the Financial year 2026:

Particulars	(₹ in Lakhs)				
	FY 2025-26	Apr'25 - Dec'25	FY 2024-25	FY 2023-24	FY 2022-23
	Consolidated	Consolidated	Standalone	Standalone	Standalone
Employer's Share of contribution	0.95	0.75	1.03	1.07	0.99
Employee's Share of Contribution	0.22	0.17	0.24	0.25	0.23
Total Contribution	1.17	0.92	1.27	1.31	1.22

Details of PF Registration and Contributions of our Company:

No. of Employees as on December 31, 2025:

Total no. of employees in the Company as on December 31, 2025	261
Total no. of employees eligible to be registered under PF as on December 31, 2025	28
Total no. of employees registered under PF as on December 31, 2025	28

Note: The no. of employees does not include the directors.

No. of Employees as on March 31, 2026:

Total no. of employees in the Company as on March 31, 2026	266
Total no. of employees eligible to be registered under PF as on March 31, 2026	25
Total no. of employees registered under PF as on March 31, 2026	25

Note: The no. of employees does not include the directors.

Details of contribution made in last 3 Financial years ended March 2025 and stub period till 31st December 2025 and for the Financial year 2026:

Particulars	(₹ in Lakhs)				
	FY 2025-26	Apr'25 - Dec'25	FY 2024-25	FY 2023-24	FY 2022-23
	Consolidated	Consolidated	Standalone	Standalone	Standalone
Employer's Share of Contribution	4.25	3.26	5.38	5.87	4.27
Employee's Share of Contribution	3.89	2.98	4.99	5.45	3.95
Total Contribution	8.14	6.24	10.36	11.31	8.22

D. QUALITY CERTIFICATIONS:

Sr. No.	Description	Certificate Number	Authority	Date of Issue	Date of Expiry
1.	ISO 9001:2015 (Quality Management System)	26DQPM09	ROHS Certification Private Limited	January 24, 2026	January 23, 2029

E. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR)

S. No	Brand Name/Logo Trademark	Class	Nature of Trademark and registration number	Owner	Date of Application	Authority	Current Status
1.	Device “kumar Group” 	24	7277112	Kumar Cotton Mills Ltd.	October 07, 2025	Trade Marks Registry, Ahmedabad	For malit y Chk Pass

F. (i) APPLICATIONS MADE BY OUR COMPANY BUT PENDING APPROVAL

1. Our Company has made an application dated August 21, 2025 to Amdavad Municipal Corporation for change in details relating to the name and address of our Company in its Profession Tax Registration Certificate (P.T.R.C.), vide application no. 20250821-4000466-300010-0001, which is pending approval.
2. Our Company has made an application dated October 08, 2025, to the Department of Water Resources, River Development and Ganga Rejuvenation, Central Ground Water Authority, for change in name pursuant to conversion of our Company from a private limited company to a public limited company in its No Objection Certificate (NOC) For Ground Water Abstraction (Gujarat), vide application no. 0810250045915, which is pending approval.
3. Our company has made an application dated June 25, 2026 vide ref. Lic. No. 29858 for updation in the address of the factory license relating to our manufacturing unit situated at Narol, Ahmedabad, Gujarat to Deputy Director, Directorate of Industrial Safety and Health (DISH), Factory Act Office, Ahmedabad, which is pending approval.

(ii) APPLICATIONS MADE BY AARJAY ENTERPRISE BUT PENDING APPROVAL

1. Aarjay Enterprise has made an application dated March 12, 2026 to the Directorate of Industrial Safety and Health, Ahmedabad Region, for renewal of license to work a factory in respect of its Manufacturing Unit-I situated at Plot Nos. 680, 681 and 683, Opp. Jagannath Industrial Park, Paldi Kankaj, Dascroi, Bareja, Ahmedabad, Gujarat – 382425, India, vide application ID 100020880206-4015180, which is pending approval.
2. Aarjay Enterprise has made an application dated June 28, 2026 to the Income Tax department for change in details relating to the address of the firm in its Tax Deduction Account Number (TAN) vide application no. 88302940860013, which is pending approval.
3. Aarjay Enterprise has made an application dated June 28, 2026 to Goods and Service Department, Government of India for updation of its address details relating to its Goods and Services Tax (GST) registration certificate vide ARN AA240626142470G, which is pending approval.

G. (i) MATERIAL LICENSES / APPROVALS FOR WHICH OUR COMPANY IS YET TO APPLY

1. Our Company is yet to apply for license under the Contract Labour (Regulation and Abolition) Act, 1970, with

respect to its manufacturing unit situated in Gujarat.

2. Our Company is yet to apply for updation of its address details relating to its Goods and Services Tax (GST) registration certificate with respect to its units situated in Gujarat.
3. Our Company is yet to apply for modification of the employee limit specified in the license to work a factory in respect of its manufacturing unit situated at Narol, Ahmedabad, Gujarat.

(ii) MATERIAL LICENSES / APPROVALS FOR WHICH AARJAY ENTERPRISE IS YET TO APPLY

1. Aarjay Enterprise is yet to apply for the intimation under Gujarat Shops and Establishment Act, 2019 with respect to its office situated at Survey No. 109/9/2, Opp. Narol Village, B/h. Narol Court, Narol, Ahmedabad, Gujarat-382405.
2. Aarjay Enterprise is yet to apply for updation of its address details relating to Consent and authorization from Gujarat pollution control Board, with respect to its unit situated in Gujarat.

OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and others as considered material by our Board. Further, pursuant to a resolution of our Board dated December 01, 2025 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as Group Company if such company fulfils the below mentioned conditions:

a. The companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or

b. If such company fulfils both the below mentioned conditions: -

i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and

ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Consolidated Restated Financial Statements.

Except as stated below, there are no other companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company

1. Bonanza Textiles Private Limited (“BTPL”)
2. Pinaz Texfab Private Limited (“PTPL”)

Details of our Group Company:

1. Bonanza Textiles Private Limited (“BTPL”)

Bonanza Textiles Private Limited (“BTPL”) was incorporated on March 15, 2007 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

Its details are as follows:

CIN	U17122GJ2007PTC050237
PAN	AADCB0955B
Registered Office	181/1/1, Narol T.P. No. 61 Shahwadi New Cloth Marketstation, Ahmedabad, Gujarat, India, 382425

Nature of Business

The main objects of BTPL are to carry on the business of manufacturers, representatives, consignors, consign-ees, exporters, importers, factors, agents, packers, distributors, stockists and suppliers of all classes, kinds, types and description of gray cloth yarn, printed fabrics, readymade garments, yarn, flatyarn, texturised yarn and yarn of any other varieties and of any other fibrous substance fabrics or any kind singeing and such other processing of fibres and yarns of filament and manufacturing, processing and dealing in gray fabrics manufactured therefrom.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of BTPL is ₹ 21,00,000 divided into 2,10,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up share capital is ₹ 11,00,000 divided into 1,10,000 equity shares of ₹10 each.

Financial Information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements of our group companies are available on the website of our company at <https://kumarcotton.com/>

It is clarified that such details available on our Group Companies' websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Companies' website, as mentioned above, would be doing so at their own risk.

Other Confirmations:

- a) None of our Group Companies is listed on any stock exchange nor any of the Group Companies have made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies are in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- c) None of the above-mentioned Group Companies are a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Common pursuits

Bonanza Textiles Private Limited, one of our Group Companies, has objects similar to those of our Company as stated in its Memorandum of Association. However, the said overlap is not expected to have any adverse impact on the operations of our Company, as our Company has entered into a non-compete agreement dated June 25, 2026 with Bonanza Textiles Private Limited.

2. Pinaz Texfab Private Limited ("PTPL")

Pinaz Texfab Private Limited ("PTPL") was incorporated on February 16, 2018 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre

Its details are as follows:

CIN	U17309GJ2018PTC100857
PAN	AAJCP6791R
Registered Office	181/1/6-7, Shahwadi, Narol, Ahmedabad, Gujarat, India, 382405

Nature of Business

The main objects of PTPL are to carry on the business in India or abroad and to act as manufacturer, broker, trader, agent, C & F agent, distributor, representative, stockiest, job worker, commission agent, and do all activities connected to carry out weaving, spinning, processing, producing, blending, sorting, buying, selling, importing, exporting, dealing, marketing, crimping, texturising, twisting, carding, combing, dyeing, printing or supplying all kinds of cotton, blended and synthetic yarn and cloth, all types of natural and synthetic yarns and fabrics made of materials such as cotton, flax, hemp, linen, wool, nylon, viscose, ramie, polyester, silk, artsilk, tureen, jute, staple fibres, cashmilon, filaments, terecotton, denim comofilaments, acrylics, polynosic, polypropylene, polymide, polymethane, cellulose, dropping, spun, rayon, synthetic fibers, worsted, wool, and other fibre materials, and other goods or merchandise whether textile felted, netted or looped or other fibrous substances or any combination thereof.

Capital Structure

As on the date of this Draft Red Herring Prospectus, the authorised share capital of PTPL is ₹ 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up share capital is ₹ 3,76,00,000 divided into 37,60,000 equity shares of ₹10 each.

Financial Information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements of our group companies are available on the website of our company at <https://kumarcotton.com/>

It is clarified that such details available on our Group Companies' websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Companies' website, as mentioned above, would be doing so at their own risk.

Other Confirmations:

- a) None of our Group Companies is listed on any stock exchange nor any of the Group Companies have made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies are in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- c) None of the above-mentioned Group Companies are a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Common pursuits

Pinaz Texfab Private Limited, one of our Group Companies, has objects similar to those of our Company as stated in its Memorandum of Association. However, the said overlap is not expected to have any adverse impact on the operations of our Company, as our Company has entered into a non-compete agreement dated June 25, 2026 with Pinaz Texfab Private Limited.

Nature and extent of interest of our Group Companies

a) Interest in the promotion of our Company

None of our Group Companies has any interest in the promotion of our Company.

b) Interest in the property acquired or proposed to be acquired by the Company

Our Group companies do not have any other interest in any property acquired by our Company in a period of three years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

c) Interest in transactions for acquisition of land, construction of building, or supply of machinery

None of our Group Companies is 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 "*Financial Information –Related Party Transactions*", there are no related business transactions between the Group Companies and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the section "*Financial Information –Related Party Transaction*", our Group Companies have no business interests in our Company.

Litigations

Except as disclosed in the section "*Outstanding Litigations and Material Developments*", beginning on page 298 our

Group Companies does not have any pending litigation which can have a material impact on our Company.

Undertaking / Confirmations by our Group Companies

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e. <https://kumarcotton.com/>

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals:

The Board of Directors, pursuant to a resolution passed at their meeting held on Date May 04, 2026 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at Extra Ordinary General Meeting held on May 27, 2026 authorized the Issue.

In-principle Approval:

Our Company has obtained in-principle approval from the BSE SME (SME Platform) for using its name in the Issue Documents pursuant to an approval letter dated [●], BSE is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

As on date of this Draft Red Herring Prospectus, we confirm that our Company, our Promoters, our Promoter Group, our directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our directors are associated with as promoter or directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition with respect to wilful defaulter or a fraudulent borrower

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

Prohibition by RBI

Neither our Company nor any of our Promoters or Directors has been declared as willful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital does not exceed Rs. 10 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of BSE (BSE SME)”].

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to section titled “**General Information – Underwriting**” beginning on page 63 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to Two Hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within Four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of Four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(3) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate Form A of Schedule V to which the site visit report of the issuer prepared by the lead manager(s) shall also be annexed including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE (BSE SME). For further details of the arrangement of market making please refer to section titled “**General Information- Details of the Market Making Arrangements for this Issue**” beginning on page 64 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
6. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
7. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE (BSE SME).
8. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
9. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
10. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

11. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated December 10, 2025 and National Securities Depository Limited (NSDL) dated October 17, 2025 for establishing connectivity.
12. Our Company has a website i.e. <https://kumarcotton.com/>
13. In cases where there is a complete change of promoter of the Company or there are new promoter(s) of the issuer who have acquired more than fifty per cent of the shareholding of the issuer, the issuer shall file draft offer document only after a period of one year from the date of such final change(s): **Not Applicable**
14. No regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
15. The Promoter(s) or directors shall not be promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:-

- 1) Our Company was incorporated as “Kumar Cotton Mills Private Limited” on March 30, 1990 under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the shareholders at the Extraordinary general meeting held on July 24, 2025 and the name of our Company was changed from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.” vide fresh certificate of incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre. The Corporate identification number of our Company is U17710GJ1990PLC013562.
- 2) The present paid-up capital of our Company is ₹ 12.58 Crores and we are proposing issue of upto 50,72,000 Equity Shares of Face Value of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. The post issue paid up capital of the company will be up to 1,76,49,250 shares of face value of ₹ 10/- aggregating up to ₹ 17.65 Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years for the Nine Months period ended on December 31, 2025, and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 as on the date of filling Draft Red Herring Prospectus.

Based on the Restated Financial Statements, Company’s Net Tangible Assets as per consolidated financials for the period ended December 31, 2025 and standalone financial for the full financial year ended March 31, 2025 was more than Rs. 3 Crores and the working is given below:

(Rs. in lakhs)

Particulars	December 31, 2025	March 31, 2025
	Consolidated	Standalone
Net Worth	4,041.58	3,135.86
Less: Intangible Assets	54.64	0
Net Tangible Assets	3,986.94	3,135.86

- 4) The company confirm that it has made minimum operating profit (earnings before interest, depreciation and tax) of Rs. 1 Crore from operations for 2 out of 3 latest financial years preceding the application date and its net worth as on March 31, 2025 is positive.

(Rs. in Lakhs)

Particulars	December 31, 2025	March 31, 2025	March 31, 2024	March 31, 2023
	Consolidated	Standalone	Standalone	Standalone
Net Worth	4,041.58	3,135.86	2,659.55	2,479.09
Operating Profit (EBITDA)*	2,112.62	1,653.95	1,390.61	1,360.64

* EBITDA represents Earnings Before Interest, Depreciation and Taxes (calculated as Profit Before Tax plus Finance Costs, depreciation excluding Other Income).

- 5) The Leverage ratio (Total Debts to Equity) of the Company which is less than the limit of 3:1. The working is given below:-

(Rs. in lakhs)

Particulars	December 31, 2025
Debt (ST+LT)	10,126.54
Net worth	4,041.58
Leverage Ratio*	2.51

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- 9) None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
- 10) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 11) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 12) The directors of the issuer are not associated with the securities market in any manner and there is no outstanding action against them initiated by the Board in the past five years.
- 13) We confirm that:
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
 - There is no default in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

- iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled ***“Outstanding Litigation and Material Developments”*** beginning on page 298 of this Draft Red Herring Prospectus.
 - iv. There are no criminal cases/investigation/offences filed against the director of the company 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 issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences, except as stated in the section titled ***“Outstanding Litigation and Material Developments”*** beginning on page 298 of this Draft Red Herring Prospectus.
- 14) 100% of Equity Shares held by the Promoters are in dematerialised form.
- 15) Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- 16) There has not been any complete change of promoters of our Company, nor have any new promoter(s) acquired more than 50% of the shareholding of our Company. Accordingly, the provisions of the SEBI ICDR Regulations, which require an issuer to file a draft offer document only after the expiry of one year from the date of such change, are not applicable to our Company. There has been no change in the Promoter(s) of our Company in the preceding one year from date of filing application to BSE for listing on BSE SME
- 17) Our composition of the board is in compliance with the requirements of Companies Act, 2013.
- 18) The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
- 19) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE. The Company has a track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SEREN CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED

JUNE 30, 2026 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Seren Capital Private Limited:

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Patil Automation Limited	69.61	120	23 rd June, 2025	155.00	+86.92% [+0.99%]	+62.58% [+0.92%]	+57.88% [+4.80%]
2.	Mehul Colours Limited	21.66	72	6 th August, 2025	85.00	+9.72% [+0.21%]	+14.58% [+3.62%]	-4.33% [+1.39%]
3.	Karbonsteel Engineering Limited	59.30	159	16 th September, 2025	185.10	+16.67% [+1.32%]	+8.18% [+3.44%]	-10.28% [-8.35%]
4.	Gallard Steel Limited	37.50	150	26 th November, 2025	223.10	35.67% [-0.66%]	+2.73% [-3.95%]	+7.33% [-10.65%]
5.	Msafe Equipments Limited	66.42	123	04 th February, 2026	144.00	-16.87% [-5.84%]	+12.56% [-8.11%]	NA
6.	Recode Studios Limited	44.59	158	12 th May, 2026	213.10	+26.14 [+1.30]	NA	NA
7.	Rajnandini Fashion India Limited	18.21	63	3 rd June, 2026	63.00	NA	NA	NA
8.	Susan Electricals India Limited	70.38	127	18 th June, 2026	186.00	NA	NA	NA

(Source: Price Information from www.nseindia.com and www.bseindia.com, Issue Information from respective Prospectus).

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- calendar 30 th days from listing			No. of IPOs trading at Premium- calendar 30 th days from listing			No. of IPOs trading at discount- calendar 180 th days from listing			No. of IPOs trading at Premium- calendar 180 th days from listing		
			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 %
2025-2026	5 ⁽¹⁾	254.49	NA	NA	NA	1	1	2	NA	NA	1	1	NA	NA
2026-2027	3 ⁽²⁾	133.18	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

⁽¹⁾ The scrip of Patil Automation Limited was listed on 23rd June 2025, Mehul Colours Limited was listed on August 06, 2025, Karbonsteel Engineering Limited was listed on 16th September, 2025, Gallard Steel Limited was listed on November 26, 2025 and Msafe Equipments Limited was listed on February 04, 2026.

⁽²⁾ The scrip of Recode Studios Limited was listed on 12th May, 2026, Rajnandini Fashion India Limited was listed on 3rd June, 2026 and Susan Electricals India Limited was listed on 18th June, 2026

Note:

- Based on date of listing.
- BSE SENSEX and NIFTY 50 have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

Track Record of past issues handled by Seren Capital Private Limited

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at <https://serencapital.in/offer-documents.php>.

Disclaimer from our Company and the Book Running Lead Manager

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Seren Capital Private Limited) and our Company on June 22, 2026 and the Underwriting Agreement dated [●] entered into between the Underwriter and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company 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, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies and our affiliates or associates for which they have received and may in future receive compensation.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, Gujarat, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly and this Draft 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 Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

BSE Limited ("BSE") has vide its letter dated [●], given permission to "Kumar Cotton Mills Ltd." to use its name in the Issue Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- 1) warrant, certify or endorse the correctness or completeness of any of the contents of this issue document; or
- 2) warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- 3) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

- 4) warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this issue document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.
- 5) BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this issue document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- 6) The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create 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 Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC

The Draft Red Herring Prospectus is being filed with BSE Limited, 25th Floor, P J Towers Dalal Street, Mumbai, Maharashtra, India, 400001

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the issue Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contract & documents required to be filed, will be filed with the RoC through the electronic portal at <http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <https://www.mca.gov.in>.

Listing

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three (3) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the Applicants 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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. 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 to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Peer reviewed Statutory Auditor, Independent Chartered Accountant, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Independent Chartered Engineer, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank*, Syndicate Members*, Underwriter* to the Issue and Market Maker* to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, Bhupendra J. Shah & Associates, Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to act as Peer review Statutory Auditor as well as inclusion of their respective reports on Statement of Possible Tax Benefits relating to the special tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus for registration with the RoC.

Experts Opinion

Except for (i) the Installed Capacity and Actual Capacity Utilization Certificate issued by the Independent Chartered Engineer, (ii) the Independent Chartered Accountant certificates issued in connection with this issue, and (iii) the certificates provided in the sections titled “*Financial Statements*” and “*Statement of Possible Tax Benefits*” on pages 178 and 106, respectively, of this Draft Red Herring Prospectus by the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be interpreted as defined under the U.S. Securities Act of 1933.

Fees, Brokerage and Selling Commission payable

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated June 22, 2026 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated June 22, 2026, a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to the section titled “*Capital Structure*” beginning on page 67 of this Draft Red Herring Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Previous capital issue during the last three years by listed Group Companies of our Company

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Red Herring Prospectus.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

Investor Grievances and Redressal System

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there were no investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there were no investors complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Shahaji Annasaheb Patil, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Shahaji Annasaheb Patil

Company Secretary and Compliance Officer

Kumar Cotton Mills Ltd.

Address: 160/A, New Cloth Market, O/s Raipur Gate, Ahmedabad, Gujarat-380002, India.

Tel. No.: +91 9825313598

Email: cs@kumarcotton.com

Website: kumarcotton@yahoo.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Board by a resolution on December 01, 2025, constituted a Stakeholders Relationship Committee. For further details, please refer to section titled **"Our Management"** beginning on page 165 of this Draft Red Herring Prospectus.

Status of Investor Complaints

We confirm that we have not received any investor complaint specific attention are invited during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled **"Statement of Possible Tax Benefits"** beginning on page 106 of this Draft Red Herring Prospectus.

Purchase of Property

Other than as disclosed in Section **"Our Business"** beginning on page 123 of this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

Capitalization of Reserves or Profits

Save and except as stated in **"Capital Structure"** on page 67 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

There has not been any revaluation of assets since incorporation of the Company.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled ***“Our Management”*** beginning on page 157 and chapter ***“Financial Information”*** beginning on page 178 of this Draft Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Exemption from complying with any provisions of securities laws, if any

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

SECTION VII- ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued 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 the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for Individual investors who apply for minimum application size applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 50,72,000 Equity Shares having face value of Rs. 10 each has been authorized by a resolution of the Board of Directors of our Company at their meeting held on May 04, 2026 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on May 27, 2026 in accordance with the provisions of Section 23(1)(c), 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, **‘Main Provisions of Article of Association’**, beginning on page 382 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled

"Dividend Policy" and **"Main Provisions of Article of Association"** beginning on page 177 and 382 respectively of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its 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 on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue

The Issue comprises a Fresh issue by our Company. Expenses for the Issue shall be paid by the company in the manner specified in "Objects of the Issue" on page 84 of Draft Red Herring Prospectus.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

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 the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled **"Main Provisions of the Articles of Association"** beginning on page 382 of this Draft Red Herring Prospectus.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies

Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated between October 17, 2025 NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated December 10, 2025 between CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and all the monies blocked by SCSB s collected shall be unblocked within four (4) working days of closure of Issue forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ahmedabad, Gujarat, India.

The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she 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 the 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 of equity share(s) by the person nominating. A buyer will be

entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 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:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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 90 (ninety) days, the 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 Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Subscription List of Public Issue

Event	Indicative Dates
Bid/ Issue Opening Date	[●] ¹
Bid/ Issue Closing Date	[●] ²
Finalization of Basis of Allotment with the Designated Stock Exchange(T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*(T+2)	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees(T+2)	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange(T+3)	On or about [●]

Note ¹Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations

²Our Company in consultation with the BRLM, 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.

* 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/Issue Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder 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/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation 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, 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 processing fees for applications made by the UPI Bidders 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 02, 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. and SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023, each to the extent applicable and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company 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 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum-Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for individual investors who applies for minimum application size and non-individual Bidders. The time for applying for individual investors who applies for minimum application size on Bid/ Issue Closing Date may be extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until 04:00 p.m. for all categories of bidders.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any 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 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 the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, none of the bidders are allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Allocation to individual investors who applies for minimum application size, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum-Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. 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 shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following -such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

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 not be less than 200 (Two hundred).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled ***“General Information - Underwriting”*** on page 63 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than two lots per application.

Migration to Main Board

As per Regulation 280(2) of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, Where the post-issue paid up capital of the Company listed on a BSE SME is likely to increase beyond twenty-five crore rupees 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 BSE SME 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 exchange to the main board, subject to the undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s)."

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board 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 promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfil following conditions:

Parameter	Migration policy from BSE SME Platform to BSE Main Board
Paid up Capital & Market Capitalization	Paid-up capital of more than 10 Crores and Market Capitalization should be minimum Rs. 25 Crores (Market Capitalization will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
Promoter Holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application
Financial Parameters	- The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange. - The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years.
Track record of the company in terms of listing/regulatory actions, etc	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for at least 3 years.
Regulatory action	- No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. - No Debarment of company, promoters/promoter group, subsidiary company by SEBI. - No Disqualification/Debarment of directors of the company by any regulatory authority. - The applicant company has not received any winding up petition admitted by a NCLT.
Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	- No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. - No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. - The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective

	pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. • The applicant company has no pending investor complaints. • Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.

Notes:

1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Guidelines / Regulations issued by statutory authorities or for any reason in the interest of Investors and market integrity. The Exchange may also reject the application if the company is found not fulfilling internal BSE standards.
6. Companies that have approached for listing on any stock exchange and has been denied listing for any reason whatsoever or has chosen to withdraw its application from the Exchange, they may reapply for listing after a minimum period of 6 months (6 months after date of rejection/ withdrawal). If rejected for a second time, the company would not be eligible to apply again.
7. BSE decision w.r.t admission of securities for listing and trading is final.
8. BSE has the right to change / modify / delete any or all the above norms without giving any prior intimation to the company.
9. The companies are required to submit documents and comply with the extant norms.
10. The company shall use BSE's reference regarding listing only after the Exchange grants its in-principle listing approval to the company

Market Making

The shares offered through this Issue are proposed to be listed on the BSE SME (SME platform of BSE), wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled ***“General Information - Details of the Market Making Arrangements for this Issue”*** on page 64 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in two lots, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

As per the extant Guideline of the Government of India, OCBs cannot participate in this Issue:

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled ***“Capital Structure”*** beginning on page 67 of this Draft Red Herring Prospectus and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled ***“Main Provisions of the Articles of Association”*** beginning on page 382 of this Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten Crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the BSE SME). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the issue**" and "**Issue Procedure**" on page 331 and 346 of this Draft Red Herring Prospectus.

Issue Structure:

Initial Public Issue of up to 50,72,000 Equity Shares of face value of ₹10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto [●] Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 28.74% and [●] %, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Investors	Individual investors who applies for minimum application size
Number of Equity Shares available for allocation	Upto [●] Equity Shares of face value of Rs. 10 each	Not more than [●] Equity Shares of face value of Rs. 10 each	Not less than [●] Equity Shares of face value of Rs. 10 each	Not less than [●] Equity Shares of face value of Rs. 10 each
Percentage of Issue Size available for allocation	[●] of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB 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 QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue. Further (a) one third of the portion available to non - institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; (b) two third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs. Provided that the unsubscribed portion in either the subcategories mentioned above could be allocated to	Not less than 35% of the Net Issue.

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Investors	Individual investors who applies for minimum application size
			applicants in the other subcategory of NIBs	
Basis of Allotment⁽³⁾	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares of face value of Rs. 10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares of face value of Rs. 10 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance	Subject to the availability of shares in noninstitutional investors' category, the allotment of equity shares to each non institutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis, the [●] Equity Shares shall be allotted in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares of face value of Rs. 10 each

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Investors	Individual investors who applies for minimum application size
		Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion		
Mode of Allotment	Compulsorily in dematerialized form.			
Minimum Bid Size	[●] Equity Shares	Application should be for minimum three lots (amount exceeding Rs. 2,00,000) (i.e. [●] Equity Shares of face value of Rs. 10 each.)	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.	Application should be for two lots (bid amount not less than Rs. 2,00,000) (i.e. [●] Equity Shares of face value of Rs. 10 each)
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares of face value of Rs. 10 each not exceeding the size of the Net Issue, subject to applicable limits	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	Application should be for two lots (bid amount not less than Rs. 2,00,000) (i.e. [●] Equity Shares of face value of Rs. 10 each)

Particulars of the Issue ⁽²⁾	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Investors	Individual investors who applies for minimum application size
			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 Net Issue, (excluding the QIB Portion) subject to limits applicable to the Bidder	
Trading Lot	[●] Equity Shares of face value of Rs. 10 each, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares of face value of Rs. 10 each and in multiples thereof	[●] Equity Shares of face value of Rs. 10 each and in multiples thereof	[●] Equity Shares of face value of Rs. 10 each and in multiples thereof
Terms of Payment	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. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾			
Mode of Bid	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)

* Subject to finalization of basis of allotment.

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(1) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

(3) Subject to valid Bids being received at or above the issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** on page 357 and having 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.

If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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. Bidders will be required to confirm and will be deemed to have represented to our Company, 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.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (*one each in English and Hindi*) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

Issue Program

Event	Indicative Dates
Anchor Investor Bid/Issue Opening Date	[●]
Bid/ Issue Opening Date	[●]1
Bid/ Issue Closing Date	[●]2
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	[●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account *(T+2)	[●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	[●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	[●]

Note ¹Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

²*Our Company in consultation with the BRLM, 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 above time table is indicative and does not constitute any obligation on our Company. 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 BSE SME platform is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period(excluding the Bid/ Issue Closing Date).

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from all categories of bidders.
- c) UPI Mandate Acceptance/ Confirmation shall be available upto 5:00 PM on the last day of bidding.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

ISSUE PROCEDURE

All Bidders should read 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 issued by SEBI and the UPI Circulars “the General Information Document” which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Bidders may refer to the General Information Document for information, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (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 Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Individual investors who apply for minimum application size applying through Designated Intermediaries was made effective alongwith the existing process existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of BSE Limited (“BSE SME”) to act as intermediaries for submitting Application Forms are provided on www.bsesme.com. For details on their designated branches for submitting Application Forms, please see the above-mentioned website of Platform of BSE Limited (“BSE SME”).

The BRLM shall be the nodal entity for any Issues arising out of the public issuance process. In terms of Regulation 23(5) and Regulation 52 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 lead managers shall continue to coordinate with intermediaries involved in the said process.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number

of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Red Herring Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the "UPI Circulars" in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, UPI mechanism 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 ASBA) for applications by individual investors who applies for minimum application size through Designated intermediaries with the objective to reduce the time duration from public issue 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 Circular have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a individual investors who applies for minimum application size had the option to submit the Application Form with any of designated intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, decided to continue Phase II of Unified Payments Interface with Application Supported by Blocked Amount until further notice. Under this phase, submission of the ASBA Form by individual investors who apply for minimum application size through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023, and on a mandatory basis for all issues 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 issue closure to listing has been reduced to three Working Days. The Issue 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 the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making applications in public issues shall also provide facilities to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the individual investors who apply for minimum application size into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

PART A

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue

of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which 33.33 percent of the Anchor Investor Portion shall be reserved for domestic Mutual Funds and 6.67 percent for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the 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 Issue Price. Further, not less than 15% of the issue shall be available for allocation on a proportionate basis to Non Institutional Investors (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue shall be available for allocation to individual investors who apply for minimum application size in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except 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 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 spillover from other categories or a combination of categories.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors 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 DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023 and read with subsequent circulars issued in relation thereto.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (www.bseindia.com), at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by Individual investors who apply for minimum application size using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. Individual investors who apply for minimum application size (other than the Individual investors who apply for minimum application size 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 account), provided by certain brokers.
- ii. Individual investors who apply for minimum application size 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 may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[●]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[●]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[●]

*Excluding Electronic Bid cum Application Form

** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Electronic Bid cum Application forms will also be available for download on the website of BSE (www.bseindia.com).

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by Individual investors who apply for minimum application size (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

individual investors who apply for minimum application size submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”) and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

Availability of Draft Red Herring Prospectus and Bid Cum Application Forms

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Who can Bid?

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies.

Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application 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 Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;

- o) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For individual investors who applies for minimum application size

The Application must be for a minimum of two lots so as to ensure that the Application Price payable by the Bidder shall not be less than ₹2,00,000. In case of revision of Applications, the individual investors who applies for minimum application size have to ensure only upward revision and they shall not withdraw or lower their bids.

2. For Other than individual investors who applies for minimum application size (Non-Institutional Applicants and QIBs):

The Application must be more than two lots and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper[●] and Edition of the Regional Newspaper[●], where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Edition of the Regional Newspaper[●], where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, individual investors who applies for minimum application size, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 362 of this Draft Red Herring Prospectus

- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a) Our Company in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in 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 being disclosed the revised price band decided falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Placing bids on Cut-off price shall not be applicable/ available to any of the category of bidding.
- d) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

Participation by Associates / Affiliates of BRLM and the Syndicate Members

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The individual investors who applies for minimum application size has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match

with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 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
3. 33.33% of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.

10. 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.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRI'S:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

In accordance with the FEMA 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 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 members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 379 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission. Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs:

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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 reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

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 Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:

In case of Applications made by Systemically Important Non-Banking Financial Companies, 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 reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

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 this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES:

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY:

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to 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
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves 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 and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS:

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY:

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 reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act") and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, 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 (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/ corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed) and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSB'S:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications 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 cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
- 2) The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, non-individual investors who applies for minimum application size shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, individual investors who applies for minimum application size applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN 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. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●]”
- b. In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a) the applications accepted by them,
 - b) the applications uploaded by them

- c) the applications accepted but not uploaded by them or
 - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
 5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
 6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
 - Name of the Bidder;
 - IPO Name;
 - Bid Cum Application Form Number;
 - Investor Category;
 - PAN (of First Bidder, if more than one Bidder);
 - DP ID of the demat account of the Bidder;
 - Client Identification Number of the demat account of the Bidder;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.

8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non- individual investors who applies for minimum application size and individual investors who applies for minimum application size, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO 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 Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our 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 this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

- a) Individual investors who apply for minimum application size can withdraw their Bids until Bid/ Issue Closing Date. In case a Individual investors who apply for minimum application size wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under-subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the individual investors who applies for minimum application size category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with BRLM,s may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Draft Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS:

Please note that none of the bidders are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the 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;
8. QIBs, Non-Institutional Bidders and the individual investors who applies for minimum application size should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, Individual investors who apply for minimum application size may submit their bid by using UPI mechanism for payment.
9. 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 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;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by Individual investors who apply for minimum application size using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. 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 and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, 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 investors 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 applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, 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, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

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 pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by all categories);

8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount less than ₹2,00,000/- (for Applications by individual investors who applies for minimum application size);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue 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;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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 Applicant;
14. 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;
15. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of individual investors who applies for minimum application size discount);
16. Do not Bid 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);
17. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

GROUND OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for a lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals; and

- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section of the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than individual investors who applies for minimum application size and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No individual investors who applies for minimum application size will be Allotted less than the minimum Bid Lot subject to availability of shares in individual investors who applies for minimum application size Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

Flow of Events from the closure of Bidding period (T DAY) Till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below.

Process for generating list of Allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

BASIS OF ALLOTMENT

a. For individual investors who applies for minimum application size

Bids received from the individual investors who applies for minimum application size at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful individual investors who applies for minimum application size will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to individual investors who applies for minimum application size who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of Rs. 10 each at or above the Issue Price, full Allotment shall be made to the individual investors who applies for minimum application size to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of Rs. 10 each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and individual investors who applies for minimum application size shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of Rs. 10 each at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of face value of Rs. 10 each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each thereafter.

The Allocation to non-institutional investors' category shall be as follows:-

(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs;

(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs:

Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.”

For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each thereafter for [●]% of the QIB Portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of Rs. 10 each and in multiples of [●] Equity Shares of face value of Rs. 10 each thereafter, along with other QIB Bidders.
 - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of Rs. 10 each

ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii. out of which 33.33% of the Anchor Investor Portion, shall be reserved, for domestic Mutual Funds and 6.67% for Life Insurance Companies and Pension Funds (aggregating to 40%) , subject to valid Bids being received from them at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription in Life Insurance Companies and Pension Funds portion the same may be allocated to domestic Mutual Funds. In case of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.; and

- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
 - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) 50% of the Equity Shares Allotted to the 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.

d. In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

e. In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

f. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (SME platform of BSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares of face value of Rs. 10 each the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares of face value of Rs. 10 each; and
 - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares of face value of Rs. 10 each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares of face value of Rs. 10 each subject to a minimum allotment of [●] equity shares of face value of Rs. 10 each.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted

Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of Rs. 10 each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Individual investors who applies for minimum application size ' means an investor who applies for two lots. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director/ Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.

CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com and NSE i.e. www.nseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME (SME platform of BSE) where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Issue Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, individual investors who applies for minimum application size who applied, the Company has a right to reject Applications based on technical grounds.

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-

Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

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.”

Undertakings by Our Company

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter ‘s contribution in full has already been brought in;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue

Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue 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 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated between October 17, 2025, between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated December 10, 2025, between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear ISIN No. INE2L7B01016.

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 Foreign Exchange Management Act, 1999 ("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 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 government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

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 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. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 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 or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management. (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 shall not exceed 24% of paid-up equity capital on fully diluted basis or paidup value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% 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 warrants; 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.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no Issue to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any

member State of the European Economic Area which has implemented the Prospectus Directive except for any such issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company 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 Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The following regulations, as set out in the new Articles of Association, were adopted pursuant to the resolution passed by the Members at the Extra-Ordinary General Meeting held on June 27, 2026, in substitution of, and to the entire exclusion of, the corresponding regulations in the existing Articles of Association of the Company.

Article No.	Description
Interpretation	
I	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context: "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force, and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles, and any previous company law, so far as may be applicable. "Annual General Meeting" shall mean a general meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act. "Articles" means the Articles of Association of the Company as originally framed or altered from time to time. "Auditors" means and includes those persons appointed as such for the time being by the Company in terms of the provisions of the Companies Act, 2013. "Board of Directors" or "Board" means the collective body of the directors of the Company nominated and constituted from time to time, in accordance with applicable law and the provisions of these Articles. "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles. "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended. "Capital" or "Share Capital" shall mean the share capital for the time being raised or authorised to be raised for the purpose of the Company. "Chairman" means the Chairman of the Board of Directors of the Company. "Depositories Act" shall mean the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof. "Depository" shall mean a depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act. "Director" means a director appointed to the Board of a company. "Dividend" includes any interim dividend. "Document" means a document as defined in Section 2(36) of the Companies Act, 2013. "Encumbrance" shall mean any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by a third person; a security interest

	or other encumbrance of any kind securing or conferring any priority of payment in respect of any obligation of any person; any right of pre-emption, right of first offer, refusal or transfer restriction in favour of any person; or any adverse claim as to title, possession or use. "Equity Share Capital" with reference to any company limited by shares, means all share capital which is not preference share capital. "KMP" means Key Managerial Personnel of the Company as provided in the relevant sections of the Act. "Managing Director" means a director who by virtue of an agreement with the Company, or of a resolution passed by the Company in a general meeting or by its Board of Directors, or by virtue of its Memorandum or Articles of Association, is entrusted with substantial powers of management, and includes a director occupying the position of managing director by whatever name called. "Month" means a calendar month. "Office" means the registered office of the Company. "Paid-up Share Capital" or "Share Capital Paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued, and also includes any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called. "Preference Share Capital" with reference to any company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not there is a preferential right to the payment of any fixed premium or premium on any fixed scale specified in the memorandum or articles. "Postal Ballot" means voting by post or through any electronic mode. "Proxy" includes an attorney duly constituted under a power of attorney to vote for a member at a General Meeting of the Company on poll. "Public Holiday" means a public holiday within the meaning of the Negotiable Instruments Act, 1881; provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting. "Registrar" means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional, Joint, Deputy or Assistant Registrar having the duty of registering companies and discharging various functions under this Act. "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. "Seal" means the common seal of the Company, if any. "SEBI" means the Securities and Exchange Board of India. "SEBI Listing Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. "Securities" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956).

	"Share" means a share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied. "Special Resolution" shall have the meaning assigned thereto by Section 114 of the Act. "Sweat Equity Shares" means such equity shares as are issued by a company to its directors or employees at a discount or for consideration other than cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called. "Shareholders" means the persons/corporate bodies holding shares duly registered in their respective names in the register of members of the Company. "The Company" or "this Company" means KUMAR COTTON MILLS LTD. "Transfer" shall mean (a) any direct or indirect transfer or other disposition of any shares, securities (including convertible securities) or voting interests or any interest therein, including by operation of law, court order, judicial process, or foreclosure, levy or attachment; (b) any direct or indirect sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities or voting interests, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership passes from one person to another or to the same person in a different legal capacity, whether or not for value; (c) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities or voting interests or any interest therein; and the word "Transferred" shall be construed accordingly. "Tribunal" means the National Company Law Tribunal constituted under Section 408. "Voting Right" means the right of a member of a Company to vote in any meeting of the Company or by means of postal ballot. "Whole-time Director" includes a director in the whole-time employment of the Company. "Working Day" means all days except national holidays. "Year" means the "Financial Year" as provided under sub-section (41) of Section 2 of the Act. Words importing the masculine gender shall also include the feminine gender. Words importing the singular number include the plural where the context so requires. <i>"In writing"</i> and <i>"written"</i> includes printing, lithography, and any other mode of representing or reproducing words in a visible form. "Video Conferencing or Other Audio-Visual" means audio-visual electronic communication facility which enables all persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting. 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.
Share Capital and Variation of rights	
II 1	(i) The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause 5 of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors 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 and either at a premium or at par and at such time as they may from time to time think fit. (ii) Subject to the section 55 of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit. (iii) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on full payment or part 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 and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. (iv) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws (a) Equity share capital: (i) with voting rights; and / or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) Preference share capital
2	Notwithstanding anything contained in these Articles, the shares subscribed by the subscribers to the Memorandum of Association shall, upon the incorporation of the Company, be issued and deposited directly into the dematerialised account(s) of the respective subscribers. The Company shall take all necessary steps to ensure compliance with applicable laws and regulations for the issuance of such shares in dematerialised form. Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after incorporation (in case of subscribers to the memorandum), or after allotment, or within one month after the application for registration of transfer or transmission, or within such other period as the conditions of issue shall provide: (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in a depository, and/or offer its fresh shares in a dematerialised form pursuant to the Depositories Act, as amended, and the rules framed thereunder. Every certificate shall specify the shares to which it relates and the amount paid-up thereon, and shall be signed by two directors or by a director and the Company Secretary, wherever the Company has appointed a Company Secretary. Provided that in case the Company has a common seal, it shall be affixed in the presence of the persons required to sign the certificate. 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 a certificate to one of several joint holders shall be sufficient delivery to all such holders. A certificate specifying the shares held by any person shall be prima facie evidence of the title of the person to such shares. Where the shares are held in depository form, the record of the Depository shall be the prima facie evidence of the interest of the beneficial owner.
3	If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may

	be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4	Except as required by law no person shall be recognized by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5	The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 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 that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. 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.
6	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. The Company shall issue, when so required, receipts for all Securities deposited with it whether for registration, sub-division, exchange, or for other purposes, and shall not charge any fees for registration of transfers, for sub-division and consolidation of certificates, and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading.
7	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.
8	Subject to the provisions of the Act, the Board shall have the power to issue or reissue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. ISSUANCE OF SHARES Article A The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to: (i) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (ii) employees under any scheme of employees' stock option; or

	(iii) any persons, whether or not those persons include the persons referred to in clauses (i) or (ii) above. Article B Where at any time the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered: (i) to persons who, at the date of the offer, are holders of equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares; (ii) to employees under a scheme of employees' stock option; or (iii) to any persons, if authorised by a Special Resolution, whether or not those persons include the persons referred to in clauses (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of the Act and any other conditions as may be prescribed under law. (iv) A further issue of securities may be made in any manner whatsoever as the Board may determine, including by way of preferential allotment or private placement, subject to and in accordance with the Companies Act and rules made thereunder, with the pricing methodology prescribed to listed entities under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, as amended from time to time, if applicable. Article C The Company may issue bonus shares by way of capitalisation of profits or out of securities premium or otherwise in accordance with the Act, the Rules, and other applicable provisions for the time being in force. Article D The Company may issue shares to employees including its directors, other than independent directors, and such other persons as the Rules may allow, under an Employee Stock Option Scheme, Employee Stock Purchase Scheme, or any other scheme, if authorised by the members in general meeting, subject to the provisions of the Act, the Rules, applicable guidelines made thereunder, and other applicable laws for the time being in force. ISSUANCE OF SECURITIES Subject to compliance with applicable provisions of the Act and rules framed thereunder, the Company shall have power to issue any kind of securities as permitted to be issued under the Act, rules framed thereunder, and other applicable laws for the time being in force. Debentures: Any debentures, debenture-stock, or other securities may be issued at a discount (subject to compliance with the provisions of Section 53 of the Companies Act, 2013), premium, or otherwise, and may be issued on condition that they shall be convertible into shares of any denomination. Commission in Accordance with Rules: Subject to applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription (whether absolutely or conditionally), for any shares or debentures in the Company, in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.
Lien	
9	(i) The Company shall have a first and paramount lien: (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

	(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company. (c) Every fully paid share shall be free from all lien, and in the case of partly paid shares the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares. Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares (iii) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
10	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: 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.
11	(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (iii) 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.
12	(i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. (iii) Fully paid shares shall be free from all lien and in the case of partly paid shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.
Calls on shares	
13	(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no calls shall exceed one- fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

	(iv) A call may be revoked or postponed at the discretion of the board. (v) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.
14	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
17	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these regulations 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.
18	A. Advance on Shares The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits. B. Mutatis Mutandis The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company. C. Nomination Clause (a) Every holder of securities of a Company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. (b) Where the securities of a Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of the death of all the joint holders. (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the securities of a company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the company, the nominee shall, on the death of the holder of securities or, as the case may be, on the death of the joint holders, become entitled to all the rights in the securities, of the holder or, as the case may be, of all the

	joint holders, in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. (d) Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination, to appoint, in the prescribed manner, any person to become entitled to the securities of the Company, in the event of the death of the nominee during his minority.
Transfer of shares	
19	The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be duly executed by or on behalf of both the transferor and transferee.
20	The Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register: (i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (ii) any transfer of shares on which the Company has a lien. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney, or similar other document.
21	(A) The Board may decline to recognise any instrument of transfer unless: (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56; (b) 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 (c) the instrument of transfer is in respect of only one class of shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost, or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit. (B) In accordance with Section 56 of the Act, the Rules, and such other conditions as may be prescribed under law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialised form, the provisions of the Depositories Act shall apply.
22	(a) On giving of previous notice of at least seven days or such lesser period in accordance with section 91 and rules made there under, 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 days at any one time or for more than forty-five days in the aggregate in any year. (b) Subject to the provisions of Section 59 of the Companies Act, 2013, these Articles and any other applicable provisions of the Act for the time being in force, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. (c) The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

	(d) The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
Transmission of shares	
23	(i) 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 recognised by the Company as having any title to his interest in the shares. (ii) Nothing in clause (i) 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.
24	(i) 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: (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. (ii) 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.
25	(i) If the person so becoming entitled shall elect to be registered as holder of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. (ii) If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share. (iii) All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other Securities including debentures of the Company. In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository the provisions of the Depositories Act shall apply.
27	~~In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee~~

	~~on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.~~ Not Applicable to a public limited company.
Forfeiture of shares	
28	If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.
29	The notice aforesaid shall: (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited
30	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect
31	(1) Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares nor any indulgence that may be granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. (2) When any share shall have been so forfeited notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. (3) The forfeiture of a share shall involve extinction at the time of 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. (4) A forfeited share shall be deemed to be the property of the Company and may be sold or re allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold etc. (5) At any time before a sale re-allotment or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.
32	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture remain liable to pay to the company all monies which at the date of forfeiture were presently payable by him to the company in respect of the shares. (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine from the time of forfeiture until payment or realisation. The Board may if it thinks fit but without being under any obligation to do so enforce the payment of the whole or any portion of the monies due without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

	(3) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
33	A duly verified declaration in writing that the declarant is a director the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of The transferee shall thereupon be registered as the holder of the share and The transferee 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 or disposal of the share.
34	(a) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. (b) The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit. (c) The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. (d) The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
Alteration of capital	
35	The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution.
36	Subject to the provisions of the Act the Company may by Ordinary Resolution - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination (c) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division on 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 shares from which the reduced share is derived (d) cancel any shares which, at the date of the passing of the resolution, 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.
37	Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. the holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company

	as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.
38	The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law,- (a) it share capital (b) any capital redemption reserve account; or (c) any share premium account
Capitalisation of profits	
39	The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the companys reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (iii) either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B) A securities premium account and a capital redemption reserve account may for the purposes of this regulation be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
40	Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members.
Buy-back of shares	
41	Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act read with the Rules made thereunder from time to time and as may be prescribed by the SEBI and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.
General meetings	
42	All general meetings other than annual general meeting shall be called extraordinary general meeting. (i) In accordance with the provisions of the Act, the Company shall in each year hold Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. All general meetings other than annual general meeting shall be called an extraordinary general meeting. (ii) No General Meeting shall be held unless at least 21 clear days prior written notice, or shorter written notice in accordance with the Act, of that meeting has been given to each Member as per the provisions of the Act; provided that any General Meeting, may be called after giving shorter notice than the notices

	required above, if consent thereto is accorded, in the case of any other meeting, by Members of the Company majority in number and representing/holding not less than 95% of the paid-up Share Capital which gives the right to vote to such Members. In General Meeting, only such agenda will be considered as is specified in the notice to the Members with respect to such meetings. (iii) Notwithstanding anything contained in this Act or these Articles, a Company- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting. (c) If a resolution is assented to by the requisite majority of the Shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.
43	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
Proceedings at General Meetings	
44	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. Save as otherwise provided herein the quorum for the General Meetings shall be as provided in section 103.
45	The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company.
46	If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting the directors present shall elect one of their members to be Chairperson of the meeting.
47	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting.
Adjournment of meeting	
48	(i) The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same day in the next week at same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

	(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Voting rights	
49	Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
50	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51	(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52	(i) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. (ii) Subject to the provisions of the Act and other provisions of these 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.
53	Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.
54	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the company has exercised any right of lien.
55	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive. 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.
Proxy	
56	The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 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 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
57	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
58	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. Passing Resolutions by Postal Ballot (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot. (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended, and applicable law.
Board of Directors	
59	Unless otherwise determined by the Company in a general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen). The Company shall also comply with the provisions of the Act, and the rules made there under and the provisions of the SEBI Listing Regulations with respect to constitution of the Board. The Directors need not hold any “Qualification Share(s)”. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions: He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His reappointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine. Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole-time directors.
60	(i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting in accordance with the Act.

	(ii) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (iii) The remuneration payable to the directors, including any managing director or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made there under and provisions of the SEBI Listing Regulations. (iv) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel 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.
61	The Board may pay all expenses incurred in getting up and registering the company.
62	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
63	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.
64	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
65	A. Additional Director Appointment (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. (ii) Such person, subject to applicable laws, rules or regulations, shall hold office only up to the date of the next annual general meeting of the Company, but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act. B. Alternate Director Appointment (i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. (ii) If the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original director and not to the alternate director. C. Casual Vacancy (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board, which shall be subsequently approved by members in the immediate next general meeting.

	(ii) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated. D. Independent Directors' Appointment The Company shall have such number of Independent Directors on the Board as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other law as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of law and subject to the requirements prescribed under the SEBI Listing Regulations. Qualification of Independent Director (i) Independent directors shall possess such qualification as required under the Act and under SEBI Listing Regulations, as amended from time to time. (ii) Independent Directors shall be appointed for such period as prescribed under the relevant provisions of the Act, Schedules thereof, and under SEBI Listing Regulations, as amended from time to time. E. Powers of the 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 authorised 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.
Proceedings of the Board	
66	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. (iii) The quorum for a Board meeting shall be as provided in the Act and as provided in SEBI Listing regulations and directors participating through electronic mode in a meeting shall be counted for the purposes of quorum. (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or any other mode as may be permitted by the Act and Rules. (v) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency.
67	(i) Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.
68	The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors

	or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose.
69	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (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 directors present may choose one of their members to be Chairperson of the meeting. (iii) Any Director so appointed to the office of Chairperson shall not be deemed to have vacated the said office of Chairperson, by reason only that he retires or vacates at any Annual General Meeting of the Company and is re-elected at the same meeting.
70	(i) The Board of the Company shall in accordance with act, rules or any other Law and the provisions of the SEBI Listing Regulations, as amended from time to time, form such committees as may be required in the manner specified therein, if the same are applicable to the Company. (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 any other mode as may be permitted by the Act and Rules and the SEBI Listing regulations.
71	A committee may elect a Chairperson of its meetings. 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.
72	(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 majority of votes of the members present, and in case of an equality of votes, the Chairperson of the committee shall have a second or casting vote. (iii) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.
73	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
74	Save as otherwise expressly provided in the Act a resolution in writing signed by all 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.
Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
75	Subject to the provisions of the Act A chief executive officer manager company secretary or 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 or chief financial officer so

	appointed may be removed by means of a resolution of the Board a director may be appointed as chief executive officer manager company secretary or chief financial officer.
76	A provision of the Act or these regulations requiring or authorizing 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. A. APPOINTMENT AND REMUNERATION Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full-time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairperson of the Board as the Managing Director / whole time director or executive director of the Company. B. APPOINTMENT AND RESIGNATION CLAUSE Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between such director and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company. C. RETIREMENT OF DIRECTORS BY ROTATION Not less than two-thirds of the total number of Directors (excluding independent director) of the Company shall be persons whose periods of office shall be liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting. The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act. At the Annual General Meeting in each year, one-third of the Directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office. Subject to the provisions of the Act and these Articles, 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. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed. If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place. If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless - (i) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; (ii) the retiring director has, by a notice in writing addressed to the Company or its Board of directors, expressed his unwillingness to be so re-appointed; (iii) he is not qualified or is disqualified for appointment;

	(iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or (v) section 162 is applicable to the case. D. POWERS OF MANAGING DIRECTOR Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. The Managing Director shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company. E. POWER TO BORROW (i) The Board of Directors may from time to time but with consent of the Company in general meeting as may be required under section 180 of the Companies Act, 2013 read with rules made thereunder, by a resolution passed at a Meeting of the Board raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 180 of the Act and the rules made thereunder. The Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they deem fit by the issue of debt instruments, debentures, or perpetual annuities, debenture stock, promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities in accordance with the acts, rules and regulations as applicable to the Company. (ii) Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits upto which the money may be so borrowed as may be specified in the said resolution. (iii) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
Dividends and Reserve	
77	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.

78	Subject to the provisions of section 123 the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79	The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable 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 thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve
80	Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. 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.
81	(1) 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. (2) 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.
82	(i) Any 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 in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83	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
84	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85	No dividend shall bear interest against the company A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s). Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.

	Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act. [No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act]. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.
Accounts	
86	The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act. (i) The Board shall from time to time 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. (ii) 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 authorized by the Board or by the company in general meeting. Directors are entitled to examine the books, accounts and records of the Company in accordance with the provisions of the Act.
Winding up	
87	Subject to the provisions of Chapter XX of the Act and rules made thereunder: (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
Indemnity	
88	(i) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other 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 including expenses. (ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement 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. (iii) 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.
Others	
89	89. DEMATERIALISATION OF SECURITIES (i) Definitions For the purpose of this Article: (a) ‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository; (b) ‘SEBI’ means the Securities and Exchange Board of India; (c) Depository” shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act. Subject to the provisions of the Act and Rules made thereunder the Company may offer its Members facility to hold securities issued by it in dematerialized form. Notwithstanding anything contained in the Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities, debentures and other marketable securities in accordance with the applicable law and/or regulations promulgated from time to time. Every person subscribing to securities offered by the Company may have the option to receive security certificates or to hold the securities with a Depository. The Beneficial Owner of the securities may at any time opt out of holding the securities with a Depository, in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities. All securities held by a depository shall be dematerialised and be 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. Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner. Save as otherwise provided in (iv) above, the depository as the registered owner of the securities shall not have any rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/ shareholder of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

	Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any other drive. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/shareholder of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of physical papers or any other drive or medium. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding Register and Index of Members and Security holders for the purpose of the Articles. The Company shall cause to be kept a register of members and index of members indicating separately for each class of equity and preference shares held by each member residing in or outside India, register of debentures, and register of any other security holders, either in physical form or in electronic form. The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. 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 a Depository so far as they apply to shares held in physical form, subject to the provisions of the Depositories Act. The Company shall intimate such Depository the details of allotment of shares to enable the Depository to enter in its records the name of such person as the beneficial owner of that share. The provisions of these Articles shall mutatis mutandis apply to securities other than shares, and any reference to member herein shall apply to the holder of the concerned security. The members shall bear all charges of the depository participant. If a member having dematerialised his holdings of shares opts for re-materialisation of his holding of shares or a part thereof, share certificates will be issued to him on a written request received for that purpose through the depository participant. The dematerialised shares can be transferred/transmitted as per the rules of the Depository. The records of members' holdings as maintained by the Depository and depository participants shall be the basis for all purposes of holdings of the members who have opted for dematerialisation. There will be no distinctive numbers for the dematerialised shares. 90. REGISTERS The Company shall keep and maintain at its registered office or at any other place in India as may be permitted by the Act and rules, all statutory registers including, 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.

	Kept and maintained by a company under section 88 and copies of the annual return filed under section 92 may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a General Meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. Provided further that the period for which the registers, returns and records are required to be kept shall be such as may be prescribed under the Act. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and Index of Members/Debenture Holders/Other Security Holders for the purpose of the Act and any amendment or re-enactment thereof. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company, by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. 91. Constructive Notice The Article of Association is a public document and the person performing business or investing in the company is considered to be fully aware of the rules and regulations of the company

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts are available on the website of the company i.e. <https://kumarcotton.com/> and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Issue Agreement dated June 22, 2026 executed between our Company and the Book Running Lead Manager to the Issue.
2. Registrar to the Issue Agreement dated June 22, 2026 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, BRLM and Underwriter.
6. Tripartite Agreement dated December 10, 2025 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated October 17, 2025 among NSDL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] among our Company, the Book Running Lead Manager and Syndicate Member.

MATERIAL DOCUMENTS

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated March 30, 1990 issued by the Registrar of Companies Central Registration Centre.
3. Fresh Certificate of Incorporation dated August 06, 2025 issued by the Registrar of Companies, Central Processing Centre consequent to conversion of the Company into a public limited company and change of name from “Kumar Cotton Mills Private Limited” to “Kumar Cotton Mills Ltd.”
4. Copy of the Board Resolution dated May 04, 2026 authorizing the Issue and other related matters.
5. Copy of Shareholder’s Resolution dated May 27, 2026 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the period December 31st, 2025 and the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.
7. Statutory Auditors Report dated June 22, 2026 on the Restated Financial Information for the Nine months period ended December 31st, 2025 and the financial years ended March 31 2025, March 31, 2024 and March 31, 2023.
8. Copy of the Statement of Possible Tax Benefits dated June 26, 2026 from the Statutory Auditor.
9. Site Visit report prepared by the Book Running Lead Manager dated January 31, 2026.
10. Non-Compete Agreement executed between Bonanza Textiles Private Limited and Kumar Cotton Mills Ltd dated June 25, 2026.
11. Non-Compete Agreement executed between Pinaz Texfab Private Limited and Kumar Cotton Mills Ltd dated June 25, 2026.
12. Certificate on KPI’s issued by Statutory Auditors dated June 26, 2026.
13. Project report dated June 25, 2026, issued by Rajul Garg, Chartered Engineer, Garg and Associates certifying the proposed capacity expansion of the Company.
14. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditor of the Company, Market Maker, Underwriter, Bankers to our Company, Independent Chartered Accountant, Independent Chartered Engineer, Banker to the Issue, Promoter of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
15. Board Resolution dated June 30, 2026 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for the approval of Prospectus.
16. Due Diligence Certificate from Book Running Lead Manager dated June 30, 2026.
17. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Ltd.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Rajendraprasad Ramkumar Agarwal Chairman and Managing Director DIN: 00400787	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ajay Ramkumar Agrawal Whole Time Director DIN: 00400818	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Khushal Mithlesh Goyle Whole-time director DIN: 02068313	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Kumar Rajendraprasad Agarwal Non - Executive Director DIN: 07999068	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Shwetaben Arvindbhai Saparia Independent Director DIN: 10083476	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Ankitkumar Surendrakumar Agrawal Independent Director DIN: 10118085	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Name and Designation	Signature
Shahaji Annasaheb Patil Company Secretary and Compliance Officer	Sd/-

Date: June 30, 2026

Place: Ahmedabad

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, 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 this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Name and Designation	Signature
Tejendrasinh Dilipsinh Chavada Chief Financial Officer	Sd/-

Date: June 30, 2026

Place: Ahmedabad