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RED HERRING PROSPECTUS

Dated: February 26, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

100% Book Built Issue



SHREE KARNI FABCOM LIMITED

Corporate Identification Number: U47820GJ2023PLC140106

REGISTERED OFFICE	TELEPHONE, EMAIL AND FACSIMILE	CONTACT PERSON	WEBSITE
Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India.	Telephone: +91 262 235 0900; E-mail: shreekarni@skflindia.com Facsimile: N.A.	Jyoti Chitlangiya, Company Secretary and Compliance Officer	www.skflindia.com

PROMOTERS OF OUR COMPANY: MANOJ KUMAR KARNANI, RADHE SHYAM DAGA, RAJIV LAKHOTIA AND RAJ KUMAR AGARWAL

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Upto 18,72,000 Equity Shares aggregating Up to ₹ [●] lakhs	Nil	Upto 18,72,000 Equity Shares aggregating Up to ₹ [●] lakhs	This issue is being made in terms of Regulation 229(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 THIS IS A FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Issue Price as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under “Basis for Issue Price” on page 96 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 this Red Herring Prospectus. Specific attention of the investors is invited of the section titled “Risk Factors” beginning on Page No. 29 of this Red Herring Prospectus.

ISSUER’S ABSOLUTE RESPONSIBILITY


Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated February 23, 2024 from NSE for using its name in this offer document for listing our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be NSE.

BOOK RUNNING LEAD MANAGER

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
	Mr. Manav Goenka	Telephone: +91 33 4600 0607 Email ID: smeipo@horizon.net.co

HORIZON MANAGEMENT PRIVATE LIMITED		
REGISTRAR TO THE ISSUE		
NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
 MAS SERVICES LIMITED	Mr. N. C. Pal	Telephone: +91 112 638 7281/83 E-mail: ipo@masserv.com
BID/ ISSUE PERIOD		
ANCHOR PORTION ISSUE OPENS/CLOSES ON: TUESDAY, MARCH 5, 2024*	BID/ISSUE OPENS ON: WEDNESDAY, MARCH 6, 2024	BID/ISSUE CLOSES ON: MONDAY, MARCH 11, 2024**

**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*

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.



SHREE KARNI FABCOM LIMITED

Our Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. For details relating to change in the Registered Office of our Company, please refer to "History and Certain Corporate Matters" on page 144.

Registered Office: Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India. ; **Telephone:** +91 262 235 0900; **E-mail:** shreekarni@skflindia.com; **Facsimile:** N.A.; **Website:** www.skflindia.com; **Contact Person:** Jyoti Chitlangiya, Company Secretary & Compliance Officer; **Corporate Identity Number:** U47820GJ2023PLC140106

PROMOTERS OF OUR COMPANY: MANOJ KUMAR KARNANI, RADHE SHYAM DAGA, RAJIV LAKHOTIA AND RAJ KUMAR AGARWAL		
DETAILS OF THE ISSUE		
<p>INITIAL PUBLIC OFFER OF UPTO 18,72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF SHREE KARNI FABCOM LIMITED (THE "COMPANY" OR "SKFL" OR "ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS ("PUBLIC ISSUE") OUT OF WHICH UPTO 93,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS 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 UPTO 17,78,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.15% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>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 EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), HINDI EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND SURAT EDITION OF GUJARAT GUARDIAN (A GUJARATI REGIONAL LANGUAGE NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF SURAT 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 EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").</p> <p>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 case of force majeure, banking strike or similar circumstances, our Company may, 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 as applicable.</p> <p>This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 (1) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, may 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 one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, 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 5.00% 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, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders 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, see "Issue Procedure" on page 251 of this Red Herring Prospectus.</p> <p>All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 251 of this Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.</p>		
ELIGIBLE INVESTORS		
For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on Page No. 251 of this 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 Rs. 10/- .The issue price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the Issuer 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 this Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on Page No. 29 of this Red Herring Prospectus.		
ISSUER'S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.		
LISTING		
The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated February 23, 2024 from NSE for using its name in this offer document for listing our shares on NSE. For the purpose of this Issue, the Designated Stock Exchange will be NSE.		
BOOK RUNNING LEAD MANAGER		REGISTRAR TO THE ISSUE
		
<p>Horizon Management Private Limited 19 R N Mukherjee Road, Main Building, 2nd Floor, Kolkata- 700 001, West Bengal, India. Telephone: +91 33 4600 0607 Facsimile: +91 33 4600 0607 Email ID: smeipo@horizon.net.co Website: www.horizonmanagement.in Investor Grievance ID: investor.relations@horizon.net.co Contact Person: Manav Goenka SEBI Registration Number: INM000012926</p>		<p>MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase-II New Delhi- 110 020 Telephone: +91 112 638 7281/83 Facsimile: +91 112 638 7384 E-mail: ipo@masserv.com Investor grievance: investor@masserv.com SEBI Registration No.: INR000000049 Contact Person: N. C. Pal</p>
ISSUE PROGRAMME		
ANCHOR PORTION ISSUE OPENS/CLOSES ON: TUESDAY, MARCH 5, 2024*	BID/ISSUE OPENS ON: WEDNESDAY, MARCH 6, 2024	BID/ISSUE CLOSES ON: MONDAY, MARCH 11, 2024**

*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

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

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***PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF
CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)***

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the same 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 Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

GENERAL AND COMPANY RELATED TERMS

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”, or “SKFL”	Shree Karni Fabcom Limited, a company incorporated under the Companies Act, 2013, having its registered office at Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India.
Our Promoters	Manoj Kumar Karnani, Radhe Shyam Daga, Rajiv Lakhotia and Raj Kumar Agarwal
Promoters’ Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”.

COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Associate	M/s Textron Fabtech LLP, is an associate of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “Our Management” on page 148 of this Red Herring Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, Baid Agarwal Singhi & Co. , Chartered Accountants
Bankers to the Company	Axis Bank Limited
Board of Directors / Board/BOD	The Board of Directors of the Company unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U47820GJ2023PLC140106
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Arbind Kumar Lahoty .
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being Jyoti Chitlangiya .
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
ED	Executive Director
Group Companies	Companies with which there have been related party transactions, during the last three financial years, as covered under the applicable accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0S4Y01010
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 148 of this Red Herring Prospectus.
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.

Term	Description
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on November 9, 2023 in accordance with the requirements of the SEBI ICDR Regulations.
MD	The Managing Director of our Company
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 148 of this Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Registered Office	Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat - 394 317, Gujarat, India.
Restated Financial Information/ Restated Financial Statements/	The Restated Financial Information of our Company, which comprises the Restated Consolidated Statement of Assets and Liabilities of our Company as at November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the related Restated Consolidated Statement of Profit & Loss and the Restated Consolidated Cash Flow Statement for the Eight Months /year ended November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Gujarat at Ahmedabad, having its office at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat, India.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 148 of this Red Herring Prospectus.
Subsidiary	M/s IKG Technical Textiles LLP, is the subsidiary of our Company.
WTD	Whole-Time Director of our company

ISSUE RELATED TERMS

Terms	Description
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 an Applicant as proof of registration of the Application
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	Rs. [●]/- per equity share i.e. the price at which Equity Shares were made available for allocation to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which was 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 was considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/ Issue Period	Tuesday, March 5, 2024, being one working day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors was submitted and allocation to the Anchor Investors was completed.

Terms	Description
Anchor Investor Issue Price	Rs. [●]/- per equity share being the final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus.
Anchor Investor Portion	Up to 60% of the QIB Portion consisting of 5,32,800 Equity Shares which were 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.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Bid	A Bid made by ASBA Bidder
Bankers to the Issue	Banker to the Issue, Public Issue Bank, Refund Bank and Sponsor Bank, being Axis Bank Limited
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled “ <i>Basis of allotment</i> ” under chapter titled “ <i>Issue Procedure</i> ” starting from page no. 251 of this Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA 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 this Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Red Herring Prospectus.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of this Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>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.</p>
Bid/Issue Closing Date	<p>Except in relation to Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Monday, March 11, 2024, which shall be published in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located).</p> <p>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. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate</p>

Terms	Description
	Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Wednesday, March 6, 2024, which shall be published in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located).
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	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 Horizon Management Private Limited , SEBI Registered Category I Merchant Banker.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the 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.
Cap Price	The higher end of the Price Band, being [●], subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Cash Escrow and Sponsor Bank Agreement	The agreement dated February 26, 2024, entered amongst our Company, the BRLM, Syndicate Members, the Banker to the Issue and Registrar to the Issue for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
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. Only Retail Individual Bidders are entitled to Bid at the Cut off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
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 bids at the Designated CDP 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.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, and occupation and Bank Account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Intermediaries/ Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Designated CDP Locations	Such locations of the CDPs where bidder 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.nseindia.com

Terms	Description
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
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 website of the Stock Exchange i.e. www.nseindia.com
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”)
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated December 15, 2023, filed with NSE Emerge in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
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.
Escrow Account	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, being [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, 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.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
Fresh Issue / Issue	The Fresh Issue of Upto 18,72,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, Notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
IPO/ Issue/ Issue Size/ Public Issue	Initial Public Offering
Issue Agreement	Agreement dated December 14, 2023 entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Issue.
Issue Closing	Our Issue shall close on Monday, March 11, 2024.
Issue document	Includes the Draft Red Herring Prospectus, this Red Herring Prospectus and

Terms	Description
	Prospectus to be filed with Registrar of Companies.
Issue Opening	Our Issue shall open on Wednesday, March 6, 2024.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share).
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page 82 of this Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/ IPO	The initial public offering of up to 18,72,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE.
Market Maker	The Market Maker to the Issue, in this case being MLB Stock Broking Private Limited.
Market Maker Reservation Portion	The reserved portion of upto 93,600 Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Market Making Agreement	The Market Making Agreement dated February 26, 2024 between our Company, Book Running Lead Manager and Market Maker.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, (other than anchor allocation), 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.
Net Issue	The Issue excluding the Market Maker Reservation Portion of upto 17,78,400 Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Net Proceeds	The proceeds from the Fresh Issue less the Issue related expenses applicable to the Fresh Issue.
Non-Institutional Applicant / Investors	All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹2.00 Lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of upto 2,67,000 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price or through such other method of allocation as may be introduced under applicable law
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
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 ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date.

Terms	Description
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account Agreement	Agreement dated February 26, 2024 entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Public Issue Account	Account opened with the Banker to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Bank	The bank with whom the Public Issue Account has been opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
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 upto 8,88,600 Equity Shares which were made available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation to Anchor Investor were made available 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.
Red Herring Prospectus / RHP	This Red Herring Prospectus dated February 26, 2024 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.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts has been opened in case listing of the Equity Shares does not occur, in this case being Axis Bank Limited.
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.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/ Sub-Syndicate Members) who hold valid membership of either NSE or National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on https://www.nseindia.com/
Registrar / Registrar to the Issue/ RTA	Registrar to the Issue being MAS Services Private Limited.
Registrar Agreement	The registrar agreement dated December 14, 2023 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.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors / (RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹. 2,00,000.
Retail Portions	Portion of the Issue being not less than 35% of the Net Issue consisting of upto 6,22,800 Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
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)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
SME Platform of NSE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of

Terms	Description
	equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, being Axis Bank Limited.
Sub Syndicate Member	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated February 26, 2024 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue
Syndicate Member(s)	Syndicate members as defined under Regulation 2(1) (hhh) of the SEBI ICDR Regulations. The BRLM shall be acting as the Syndicate member for this Issue.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM and the Market Maker have underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated February 26, 2024 entered into between the Underwriter and our Company
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter and Fraudulent Borrower	A wilful defaulter(s) and fraudulent borrower(s) as defined under SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on NSE, working day means all trading days of NSE, excluding Sundays and bank holidays, as per circulars issued by SEBI

CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee

Term	Description
“Consolidated FDI Policy” or “FDI Policy”	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020
“Financial Year” or “Fiscal Year” or “FY”	Period of 12 months ending March 31 of that particular year
“OCBs” 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 beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act 1956	erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
CS	Company Secretary
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report

Term	Description
FPIs	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
Mn / mn	Million
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NR	Non-resident or person(s) resident outside India, as defined under the FE
NRE	Non- residential external
NRE Account	Non- residential external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non- resident ordinary
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate

Term	Description
R&D	Research and Development
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SAT	Securities Appellate Tribunal
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The 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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a state in India
State Government	The Government of a State of India
Stock Exchange	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
TDS	Tax Deducted at Source
Trademarks Act	Trademarks Act, 1999, as amended
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

INDUSTRY RELATED TERMS

Term	Description
ATUFS	Amended Technology Upgradation Funds Scheme
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CHCDS	Comprehensive Handicrafts Cluster Development Scheme
CSO	Central Statistics Office
DGCIS	Directorate General of Commercial Intelligence and Statistics
DGFT	Directorate General of Foreign Trade
EESL	Energy Efficiency Services Limited
ERP	Enterprise resource planning
EU	European Union
Exp.	Expenditure
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GFCF	Gross fixed capital formation
GST	Goods and Services Tax
GVA	Gross Value Added

Term	Description
IBEF	India Brand Equity Foundation
IMF	International Monetary Funds
IWDP	Integrated Wool Development Program
KVIC	National Board of Khadi and Village Industries Commission
MEIS	Merchandise Exports from India Scheme
MFA	Multi-Fiber Arrangement
MMF	Man Made Fiber
Mn.	Million
MoU	Memorandum of Understanding
NCR	National Capital Region
NERTPS	North Eastern Region Textile Promotion Scheme
NHDP	National Handicraft Development Programme
PPP	Public-Private Partnership
RMGs	Readymade Garments
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SAMARTH	scheme for capacity building in Textile Sector
SCBTS	'Scheme for Capacity Building in Textile Sector
SITP	Scheme for Integrated Textile Parks
SSI	Small Scale Industries
TUFS	Technology Upgradation Fund Scheme
UAE	United Arab Emirates
UN	United Nations
US\$	US Dollar
USA	United States of America
WTO	World Trade Organization

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 281, 103, 106, 136, 167, 222 and 251, respectively of this Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on Page No. 167 of this Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Information of our Company, which comprises the Restated Consolidated Statement of Assets and Liabilities of our Company as at November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the related Restated Consolidated Statement of Profit & Loss and the Restated Consolidated Cash Flow Statement for the Eight Months /year ended November 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on Page Nos. 29, 116 and 209 respectively, of this Red Herring Prospectus, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on Page Nos. 29, 106 and 116 respectively, this Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in is Red Herring Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

Exchange rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on (in ₹)			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.35	82.22	75.91	73.53

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on Page No. 96 of this Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” on Page No. 29 of this Red Herring Prospectus.

FORWARD - LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

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

- We cannot assure you that the proposed manufacturing units for dyeing of fabrics and the unit for manufacturing bags will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.
- As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing units. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.
- Our expansion into new product categories and an increase in the number of products offered by us may expose us to new challenges and more risks.
- Our Company has a very limited operating history of dyeing operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.
- We cannot assure that we shall be able to utilize our proposed manufacturing units to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on Page Nos. 29, 116 and 209, respectively, of this 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 gains or losses could materially differ from those that have been estimated.

We cannot assure 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 future performance.

Forward-looking statements reflect current views as on the date of this Red Herring Prospectus 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. Neither our Company, our Directors, the Promoters, the Syndicate 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 the SEBI ICDR Regulations, our Company, the Promoters and the Book Running Lead Manager will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

SECTION II - ISSUE DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoter and Promoter Group*”, “*Financial Information*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on Page Nos. 29, 106, 222, 160, 167, 82, 116, 251 and 281, respectively of this Red Herring Prospectus.

1. Summary of Industry in which the Company is operating

India’s strengths have already been defined in traditional textiles and natural fibres globally. It is the second largest producer of polyester in the world and is now emerging as a key player in technical textiles industry contributing to a market size of \$ 19 Bn. Technical textiles are defined as high performance textile products, materials, and fibres that are used for their functional use rather than for aesthetic purposes. Technical textiles have varied applications in several vital industries including aerospace, packaging, hazard protection, shipping, sports, agriculture, defence, healthcare, construction, etc. The usage of technical textiles has the benefit of large-scale improvements in performance, efficiency, conservation of resources, cost reduction, environmental protection and cost effectiveness. Other terms used for defining Technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hi-tech textiles. Technical textiles is a fast-growing sub-segment that finds its usage in an array of sectors. The end use application of technical textiles is widespread and seen in industries such as agriculture, construction, sports apparel, healthcare etc. India’s leap towards modernisation and its manufacturing competitiveness are some of the key contributors to the growth of this segment.

For further details, please refer to the chapter titled “*Industry Overview*” beginning on Page No. 106 of this Red Herring Prospectus.

2. Summary of Business

We are engaged in the business of manufacturing of Technical Textile for the luggage, medical arch support, chairs, shoes and apparels industry. We specialize in Woven Fabrics, Knitted Fabrics, Coated Fabrics, 100% polyester and recycled polyester fabric. We procure yarn, resin, acrylic and coating chemicals to manufacture specialized technical textile and sell them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries. The fabric manufactured by us also has diverse applications for luggage, roofing, agriculture net, vehicle covers, tents, armed forces fabric, sports-kits, chairs, medical arch support, umbrella and rain coats amongst others. Our manufacturing unit is equipped with automated machines for manufacturing of specialized technical textile with installed capacity of 70,000 meters per day for weaving, 90,000 kilos per month for knitting, 50,000 meters per day for poly acrylic and polyurethane coating, 15,000 meters per day for PVC / 8,000 meters per day for EVA lamination and 40,000 meters per day heat embossing. We market and sell under our brand ‘SKFL’.

For further details, please refer to chapter titled “*Our Business*” beginning on Page No. 116 of this Red Herring Prospectus.

3. Promoters

The Promoters of our Company are Manoj Kumar Karnani, Radhe Shyam Daga, Rajiv Lakhota and Raj Kumar Agarwal. For further details, please refer to the chapter titled “*Our Promoters and Promoter Group*” beginning on Page No. 160 of this Red Herring Prospectus.

4. Details of the Issue

Our Company is proposing the public issue of upto 18,72,000 equity shares of face value of ₹ 10/- each of Shree Karni Fabcom Limited (“**Shree Karni Fabcom Limited**” or the “**Company**” or the “**Issuer**”, and such equity shares the “**Equity Share**”) for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “**Issue Price**”) aggregating up to ₹ [●] lakhs (the “**Issue**”), of which upto 93,600 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs will be reserved for subscription by market maker to the Issue (the “**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. Net issue of upto 17,78,400 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “**Net Issue**”. The Issue and the Net Issue will constitute 26.47% and 25.15%, respectively, of the post issue paid up Equity Share capital of our company. The face value of the Equity Shares is ₹ 10/- each.

The price band will be decided by our company in consultation with the book running lead manager (“**BRLM**”) and will be advertised in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located), each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date

with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the Emerge platform of National Stock Exchange of India Limited (“NSE Emerge”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the issue” beginning on page 240 of this Red Herring Prospectus.

5. Objects of the Issue

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[•]
Less: Issue related expenses	[•]
Net Proceeds of the Issue	[•]

6. Utilization of Net Issue Proceeds

(₹ in lacs)

Sr. No.	Particulars	Estimated amount
1.	Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat	Up to 3,070.48
2.	Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio	Up to 186.82
3.	Funding working capital requirements of our Company	Up to 500.00
4.	General corporate purposes ⁽¹⁾⁽²⁾	[•]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled “Objects of the Issue” beginning on Page No. 82 of this Red Herring Prospectus.

7. Aggregate Pre Issue Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters:

S. No.	Particulars	No. of Equity Shares	As a % of Pre-Issue Capital	No. of Equity Shares	As a % of Post Issue Capital
Promoters					
1.	Manoj Kumar Karnani	12,50,000	24.04	12,50,000	17.68%
2.	Raj Kumar Agarwal	12,50,000	24.04	12,50,000	17.68%
3.	Rajiv Lakhota	12,50,000	24.04	12,50,000	17.68%
4.	Radhe Shyam Daga	12,50,000	24.04	12,50,000	17.68%
Total – A		50,00,000	96.16	50,00,000	70.07%

As on date of this Red Herring Prospectus, the members of the Promoter Group do not hold any shareholding in our Company.

For further details, please refer to the chapter titled “Capital Structure” beginning on Page No. 71 of this Red Herring Prospectus.

8. Summary of Financial Information

Following are the details as per the Restated Financial Information as at and for the eight months period ended November 30, 2023 and as at and for the Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in lacs, except share data)

S. No.	Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	520.00	100.00	100.00	100.00
2.	Net Worth	1,912.17	2,602.24	1,321.61	671.23
3.	Revenue from operations	7,572.22	12,694.65	8,357.36	3,287.42
4.	Profit after Tax	813.83	555.25	514.84	153.48
5.	Earnings per Share	23.80^	11.10^	51.48*	15.35*
6.	Net Asset Value per equity share	36.77	260.22	132.16	67.12
7.	Total borrowings	9,504.27	3,658.72	2,718.09	1,451.30

^ Calculated after given effect of Bonus Shares.

* Calculated based on partners' fixed capital.

For further details, please refer to the section titled “Financial Information” beginning on Page No. 167 of this Red Herring Prospectus.

9. Auditor qualifications which have not been given effect to in the Restated Financial Information

The Restated Financial Information do not contain any qualifications by the Statutory Auditors.

10. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Subsidiary and our Promoter is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	1	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

b) Litigations involving our Directors

i) Cases filed against our Directors:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Directors:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

c) Litigations involving our Promoters

i) Cases filed against our Promoter:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Promoter:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

d) Litigations involving our Subsidiaries

i) Cases filed against our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 222 of this Red Herring Prospectus.

11. Risk Factors

Please refer to the section titled “*Risk Factors*” beginning on Page No. 29 of this Red Herring Prospectus.

12. Summary of Contingent Liabilities

The Company does not have any contingent liability as on the date of the DRHP.

13. Summary of Related Party Transactions

14. As per the Restated Financial Information as at and for the eight months period ended November 30, 2023 and as at and for the Financial Years ended on March 31, 2023, 2022 and 2021, following are the details of the related party transactions of our Company:

Related Parties

a) Key management personnel ('KMP')

- Manoj Kumar Karnani
- Radhey Shyam Daga
- Raj Kumar Agarwal
- Rajiv Lakhota

b) Entities in which KMP can exercise significant influence

Name of the KMP	Entities in which KMP exercise significant influence
1. Manoj Kumar Karnani	a. IGK technical Textiles LLP b. International Trade Link c. Lizo India Automobile LLP d. Nakoda Hair Accessories Private Limited e. DP Global Impex Private Limited f. Maoj Kumar Karnani HUF
2. Radhey Shyam Daga	a. Textron Fabtech LLP b. Radheshyam Daga HUF
3. Raj Kumar Agarwal	a. IGK technical Textiles LLP b. Raj Kumar Agarwal HUF

4. Rajiv Lakhotia	<i>a. IGK technical Textiles LLP</i> <i>b. Textron Fabtech LLP</i> <i>c. Shree Karni Artha LLP</i> <i>d. Rajiv Lakhotia HUF</i>
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	Nov'23	2022-23	2021-22
Remuneration :			
Key management personnel ('KMP')			
Manoj Kumar Karnani	28	7.2	
Radheshyam Daga	28	7.2	10
Rajiv Lakhotia	28	7.2	10
Rajkumar Agarwal	28	7.2	
Arbind Lahoty	0.5	0.0	
TOTAL	112.5	28.80	20
Interest Expenses			
Key management personnel ('KMP')			
Manoj Kumar Karnani	1.31	24.60	0.00
Radheshyam Daga	2.25	68.35	20.64
Rajiv Lakhotia	2.32	71.85	29.03
Rajkumar Agarwal	0.69	11.06	0.00
TOTAL	6.57	175.86	49.68
Interest Expense			
Entities In Which Kmp Can Exercise Significant Influence			
Radheshyam Daga Huf	19.55	12.30	1.09
Rajiv Lakhotia Huf	19.65	10.31	
Manoj Kumar Karnani Huf	23.16	11.88	
Ansh Lakhotia Trust	0.74	0.00	
Sankardas Lakhatia Huf	0.32	0.00	
TOTAL	63.41	34.49	1.09
Purchases			
Entities in which KMP can exercise significant influence			
IGK Technical Textiles	1,670.42	0.00	0.00
International Trade Link	0.00	909.81	0.00
Textron Fab Tech LLP	0.00	56.94	17.25
TOTAL	1,670.42	966.75	17.25
Sales			
Entities in which KMP can exercise significant influence			
Igk Technical Textiles Llp	9.75	0.00	0.00
International Trade Link	0.00	44.02	0.00
Textron Fab Tech LLP	7.08	0.00	5.55
TOTAL	16.83	44.02	5.55
Rental Income			
Textron Fab Tech Llp	4.00	6.00	3.00
Loan Taken			
Entities In Which Kmp Can Exercise Significant Influence			
Textron Fab Tech Llp	95.00	326.25	214.12
Radheshyam Daga Huf	74.55	380.44	1.09
Rajiv Lakhotia Huf	19.57	331.26	0.00
Manoj Kumar Karnani Huf	31.25	372.21	0.00
Ansh Lakhotia Turst	0.74	0.00	0.00
Sankardas Lakhatia Huf	0.32	0.00	0.00
International Trade Link	0.00	0.00	255.00
IGK Technical Textiles LLP	0.00	77.50	200.53
TOTAL	221.43	1,487.65	670.74
Loan Repaid			
Entities In Which Kmp Can Exercise Significant Influence			
Textron Fab Tech Llp	95.00	326.25	214.12

Rajiv Lakhotia Huf	355.24	1.03	0.00
Ansh Lakhotia Turst	0.07	0.00	0.00
Sankardas Lakhatia Huf	0.03	0.00	0.00
Radheshyam Daga Huf	410.98	54.08	0.11
Manoj Kumar Karnani Huf	395.29	0.00	0.00
IGK Technical Textiles LLP	0.00	77.50	200.53
International Trade Link	0.00	0.00	255.00
TOTAL	1,256.61	458.86	669.76

Loan Taken

Key Management Personnel ('Kmp')

Manoj Kumar Karnani	536.49
Radheshyam Daga	771.05
Rajiv Lakhotia	948.56
Rajkumar Agarwal	176.33
TOTAL	2,432.43

Loan Repaid

Key Management Personnel ('Kmp')

Manoj Kumar Karnani	2.07
Radheshyam Daga	10.10
Rajiv Lakhotia	7.65
Rajkumar Agarwal	1.31
TOTAL	21.13

Loans And Advances

Entities In Which Kmp Can Exercise Significant Influence

Manoj Kumar Karnani HUF	39.89
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Loan Repaid

Entities In Which Kmp Can Exercise Significant Influence

Manoj Kumar Karnani HUF	25.00
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Year End

Loans Given

Entities In Which Kmp Can Exercise Significant Influence

Manoj Kumar Karnani	14.89
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Loan Taken

Entities In Which Kmp Can Exercise Significant Influence

Ansh Lakhotia Turst	12.94		
Sankardas Lakhatia Huf	5.64		
Manoj Kumar Karnani Huf	8.17	372.21	
Rajiv Lakhotia Huf	(0.09)	330.23	
Radheshyam daga Huf	0.00	336.44	10.08
TOTAL	26.66	1038.87	10.08

Loan Taken

Key Managerial Personnel

Manoj Kumar Karnani	534.42
Radheshyam Daga	760.95
Rajiv Lakhotia	940.91
Rajkumar Agarwal	175.02
TOTAL	2411.30

Rent Payable

Entities In Which Kmp Can Exercise Significant Influence

Textron Fab Tech LLP	0.54	0.54
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There are no investments by the company other than those stated under Note No. 12 in the financial statements.

d) Guarantee given

Nov 30, ,2023

2022-23

To secure obligation of other related parties

There is Corporate Guarantee given to ICICI bank on behalf of IGK Technical Textiles LLP.

There is Corporate Guarantee given during the year 2022-23 to ICICI bank on behalf of IGK Technical Textiles LLP.

e) Security given

The Property of Shree Karni Fabcom Limited mortgage to ICICI bank on behalf of Loan taken for IGK Technical Textiles LLP.

In the opinion of the Board of Directors and to the best of their knowledge and belief, the valuation on realisation of financial assets and other assets in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

For further details, kindly refer “*Restated Financial Information –Note 36 – Related party transactions*” from the chapter titled “*Restated Financial Information*” on Page No. 167 of this Red Herring Prospectus.

15. Financials Arrangements

There are no financing arrangements whereby the Promoter, members of the Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

16. Weighted Average Price of the Equity Shares acquired by our Promoter in the last one year preceding the date of this Red Herring Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoter in the last one year preceding the date of this Red Herring Prospectus is as follows:

Name of Promoter	No. of shares acquired in last one year from the date of this Red Herring Prospectus	Weighted Average Price (in ₹)
Manoj Kumar Karnani	12,50,000*	2.00
Raj Kumar Agarwal	12,50,000*	2.00
Rajiv Lakhota	12,50,000*	2.00
Radhe Shyam Daga	12,50,000*	2.00

* Shares acquired upon conversion of LLP into the Company and by way of bonus shares issued out of free reserves.

17. Average Cost of Acquisition of Equity Shares for Promoters

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Manoj Kumar Karnani	12,50,000*	2.00
Raj Kumar Agarwal	12,50,000*	2.00
Rajiv Lakhota	12,50,000*	2.00
Radhe Shyam Daga	12,50,000*	2.00

* Shares acquired upon conversion of LLP into the Company and by way of bonus shares issued out of free reserves.

18. Pre-IPO Placement

Our Company has not undertaken and shall not undertake a pre-IPO placement.

19. Issue of equity shares made in last one year for consideration other than cash

Except as stated below, our Company has not issued shares for consideration other than cash during last one year:

Date of allotment	Number of equity shares allotted	Face Value	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which bonus shares issued
July 15, 2023	40,00,000	10	N.A.	Bonus issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023, authorised by our Board, pursuant to a resolution passed at its meeting held on June 12, 2023	Nil	Bonus issued out of Free Reserves and Profit & Loss Account

Date of allotment	Number of equity shares allotted	Face Value	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which bonus shares issued
				and by our shareholders pursuant to a resolution passed at the EGM held on July 8, 2023		

In the Bonus Issue, 40,00,000 equity shares, the allotment was made in the following manner: Manoj Kumar Karnani (10,00,000 Equity Shares), Raj Kumar Agarwal (10,00,000 Equity Share), Rajiv Lakhota (10,00,000 Equity Shares) and Radhe Shyam Daga (10,00,000 Equity Shares).

20. Split or consolidation of Equity Shares in the last one year

There has not been a split or consolidation of Equity Shares in the last one year.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

SECTION III – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 106, 116 and 209 of this Red Herring Prospectus, respectively. The industry-related information disclosed in this section has been obtained from publicly available industry sources. Neither our Company, nor any other person connected with the Issue, including the BRLM, has independently verified the information in the industry report or other publicly available information cited in this section.

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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, in the section titled “Forward-Looking Statements” on page 20 of this Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

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

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Red Herring Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Shree Karni Fabcom Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 1. We cannot assure you that the proposed manufacturing units for dyeing of fabrics and the unit for manufacturing bags will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

In addition to our existing manufacturing unit, we are in the process of setting up two additional manufacturing units for dyeing of fabrics (“**Dyeing Unit**”) which shall be located at Navsari District, Surat, Gujarat and for manufacturing bags (“**Bag Unit**”), which shall be located at Palsana, Surat. We propose to utilise an amount of ₹ 3,070.48 lakhs and ₹ 186.82 lakhs towards funding the capital expenditure of the Dyeing Unit and purchase of plant and machinery for the Bag Unit, respectively. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed units including but not limited to, delays in the construction of our proposed manufacturing units, problems with its facilities or for other reasons, our proposed manufacturing units do not function as efficiently as intended, or utilisation of the proposed units is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the projects.

In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. If our proposed projects are not commissioned at the scheduled time, our Company may face cash crunch. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 82 of this Red Herring Prospectus.

- 2. As on date we have not obtained any of the approvals, clearances and permissions as may be required from the relevant authorities for the proposed manufacturing units. In the event we are unable to obtain such approvals and permits, our business, results of operations, cash flows and financial condition could be adversely affected.***

Our proposed manufacturing units will be located at Navsari and Palsana Districts, Surat, Gujarat. Our Company is yet to receive the approvals, clearances and permissions, which are required to be obtained from the relevant authorities, for setting up and running a manufacturing units in Gujarat. We are in the process of applying for the required approvals for the proposed manufacturing units. The completion and commissioning of the proposed manufacturing units is contingent upon the receipt of such approvals and we cannot assure you that the construction of our proposed manufacturing units, will be completed as scheduled, or will become operational as soon, or operate as efficiently, as planned.

We cannot assure you that we will be able to receive the approvals for the said manufacturing units in a timely manner. If we are not able to receive the required approvals at all or if there is a delay in receiving the same, all other operations, which are to be undertaken for the completion of the manufacturing units might also be delayed. This may cause the actual cost of construction to exceed the budgeted amounts due to a variety of factors such as construction delays, cost escalation of raw material, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. The quotations for plant and machinery and civil works received by us from various suppliers might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled — “*Objects of the Issue*” and “*Government and other Approvals*” on pages 82 and 227, respectively of this Red Herring Prospectus.

- 3. Our expansion into new product categories and an increase in the number of products offered by us may expose us to new challenges and more risks.***

Our Company is engaged in the business of manufacturing of technical textiles used in luggage, medical arch support, chairs, shoes and other products in the apparel industry. We intend to expand our business operations, we are proposing to expand our product portfolio by manufacturing bags. The proposed bag manufacturing unit is proposed to be set up on a plot of land admeasuring 498.98 sq. mtrs. located at Block No. 314, Plot No. 281-282, Rajhans

Texpa, NH-8, Baleshvar, Palsana, Surat – 394 317, Gujarat, India. Furthermore, we intend to utilise a portion of the Net Proceeds towards purchase of plant and machinery proposed to be installed at the said manufacturing unit. For further details, please see the chapter titled “*Objects of the Issue*” on page 82. Our limited experience with these products may expose us to new challenges which may in turn also impact our product mix and revenues in future. Therefore, our past results of operations should not be taken as indicative of our future performance. If we cannot successfully manage our product mix, address new challenges or compete effectively, we may not be able to recover costs of our investments and eventually achieve profitability, and our future results of operations and growth prospects may be materially and adversely affected.

4. *Our Company has a very limited operating history of dyeing operations, which will make it difficult for the investors to evaluate our historical performance or future prospects.*

Our Company since its incorporation has been engaged in the business of manufacturing of specialized technical textile includes weaving, coated, printing and finishing of grey fabric to produce finished knitted and woven fabrics used in luggage, medical arch support, chairs, shoes and apparels industry. As of date of this Red Herring Prospectus, we outsource our dyeing operations to third parties and therefore do have very limited experience of undertaking dyeing operations. Since, we have a limited operating history of dyeing of fabrics, we may not have sufficient experience to address the risks related to undertaking the said operations.

Further, from the proceeds of this Issue, our Company endeavours to integrate our operations by setting up a separate unit for undertaking dyeing of fabrics. For further details, please refer to the chapter titled — “*Objects of the Issue*” on page 82 of this Red Herring Prospectus. The dyeing industry is a separate segment of the textile industry in which we hold very limited experience in relation to such products; therefore, it could be very difficult for us to understand the nuances of undertaking such operations in the early stages. We may face difficulty in understanding the demand and supply patterns, fashion trends, marketing segments for such products which may pose a risk in the smooth operation, and working of our proposed manufacturing unit. In the event that we fail to understand the market operations and the risks related to the same, our business, financial performance and cash flows may be affected.

5. *We cannot assure that we shall be able to utilize our proposed manufacturing units to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.*

A portion of the Net Proceeds is proposed to be utilised towards setting up of manufacturing units for undertaking dyeing operations and for manufacturing bags. We cannot assure that we shall be able to utilize our proposed manufacturing unit to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. There cannot be any assurance that the proposed capacity would be utilized to its full extent.

6. *There can be no assurance that the objects of the Issue will be achieved within the time frame anticipated or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the plan for deployment of the Net Proceeds has not been appraised by any bank or financial institution.*

In addition to our existing manufacturing unit, we are in the process of setting up two additional manufacturing units for dyeing of fabrics (“**Dyeing Unit**”) which shall be located at Navsari District, Surat, Gujarat and for manufacturing bags (“**Bag Unit**”), which shall be located at Palsana, Surat. We propose to utilise an amount of ₹ 3,070.48 lakhs and ₹ 186.82 lakhs towards funding the capital expenditure of the Dyeing Unit and purchase of plant and machinery for the Bag Unit, respectively. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads under the setting up of the proposed manufacturing units, as disclosed in the section titled “*Objects of the Issue*” on page 82. Further, the plans for deployment of the Net Proceeds are in accordance with our management’s estimates and have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and interest or exchange rate fluctuations and consequently its requirements may change.

In the event there is a shortfall in receipt of issue proceeds from this Issue, we may be unable to meet the equity requirement for the proposed manufacturing units which may have a bearing on the commission of our manufacturing units on time. In case of any shortfall of the proceeds raised from this Issue, there can be no assurance that we will be able to raise the funds through other sources to meet our obligations of meeting equity contribution for our proposed units. In case of shortfall in the proceeds of this Issue which are to be utilized for meeting the objects of the Issue, the

shortfall will be met by such means as are available to our Company at such future time and at the discretion of the management, including by way of cash available with us or by any other means permissible under law. We cannot assure that we will be able to arrange for adequate cash or will be able to procure further loans to meet the funding requirements. Any failure to meet the additional funding requirements will have a material adverse effect on the implementation of the proposed units.

We may also be required to adhere to certain restrictive covenants as regards raising of finance for the units from means other than those sanctioned under our present financing documents. Any failure or delay on our part to raise funds from the Issue or any shortfall in the Issue proceeds and subsequent inability of our Company to source alternate means of finance may delay the implementation of our project and could adversely affect our growth plans.

- 7. *Our Company is yet to place orders for 100% of the plant and machinery. Any delay in placing orders or procurement of such plant and machinery, may further delay the schedule of implementation and increase the cost of commissioning the manufacturing units.***

Our Company has received third party quotations for the plant and machinery required to be installed in the proposed manufacturing units, for details please refer to the chapter titled “*Objects of the Issue*” on page 82 of this Red Herring Prospectus. Although, we have identified the type of plant and machinery to be purchased for the proposed manufacturing units, we are yet to place order for 100% of the plant and machinery. Further, the cost of the machineries is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulation and policies, change in management’s view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for the said plant and machinery we cannot assure that we will be able to procure the same in a timely manner and at the same price at which the quotations have been received. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed project and can also compel us to buy such machineries at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

- 8. *We highly depend on our Subsidiary, IGK Technical Textiles LLP for weaving, coating, sizing and embossing of specialized technical textile. Our inability to undertake the said operations in a timely manner, could adversely affect our operations, financial condition and/or profitability.***

We are engaged in the business of manufacturing of Technical Textiles for the luggage, medical arch support, chairs, shoes and apparels industry. Our Company specialised in converting yarn into fabric through knitting of fabrics. We outsource weaving, coating, sizing and embossing of specialized technical textile to our Subsidiary, IGK Technical Textiles LLP. Therefore, we are highly dependent upon our Subsidiary, IGK Technical Textile LLP for undertaking weaving, coating, sizing and embossing on specialized technical textile. We have not entered into formal agreement with our Subsidiary, which binds it to undertake the said operations on a timely basis for our Company. The terms of the operations and the cost of the operations undertaken is mutually decided between our Company and our Subsidiary. In the absence of such agreements, we cannot assure that our Subsidiary would fulfill its obligations or would not commit a breach of the understanding with us. Further, in the event that there are quality lapses in the weaving, coating, sizing and embossing operations undertaken by our Subsidiary, we may face product liability claims which could impact our image and reputation. In view of the lack of formal agreements, we may not be able to initiate claims relating the quality or receive refund for the amount spent by us from our Subsidiary. In the event that the weaving and other operations are not undertaken on a timely basis, we may not able to prosecute our Subsidiary due to lack of formal agreements. Further, our Subsidiary is not contractually bound to deal with us exclusively, which could adversely affect our business, results of operations and financial condition.

- 9. *We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.***

We are engaged in the business of manufacturing of Technical Textile for the luggage, medical arch support, chairs, shoes and apparels industry. Our business operations are highly dependent on our customers, and the loss of any of our customers from any industry which we cater to may adversely affect our sales and consequently on our business and results of operations. Our revenue from top 5 and top 10 customers for the period ended November 30, 2023 and during the financial years ended March 31, 2023, 2022 and 2021 are as under:

Rs. in Lakhs

Particulars	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Top 5 customers	4,444.69	60.30%	5,527.20	43.54%	4,252.40	50.88%	1,465.90	44.59%
Top 10 customers	5,471.21	74.23%	7,759.25	61.12%	5,726.59	68.52%	2,398.36	72.96%

While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, if there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.”.

10. We highly depend on our raw materials and a few key suppliers who help us procure the same. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.

Our Company is engaged in the manufacturing of Technical Textile for the luggage, medical arch support, chairs, shoes and apparels industry and therefore we are highly dependent on yarn, which is the most important component in manufacturing our products. We are dependent on third party suppliers for unprocessed yarn which is the primary raw material used in the manufacture of our products. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. The contribution our top 5 and top 10 suppliers in the total purchase the period ended November 30, 2023 and during the financial years ended March 31, 2023, 2022 and 2021 are as under:

Particulars	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase
Top 5 suppliers	2,143.64	37.16%	4,173.99	33.94%	3,456.72	41.53%	1,440.35	49.37%
Top 10 suppliers	3,076.63	53.34%	5,776.52	46.97%	4,300.73	51.67%	1,874.15	64.24%

We have not entered into formal arrangements or contracts with third-party traders or mills from whom we procure our raw materials. We rely on pre-booking capacity with our suppliers, based on our demand projections. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Further, the amount of raw materials procured and the price at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, environmental factors and changes in government policies and regulations, including those relating to the textile industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

11. We conduct our business activities on a purchase order basis and therefore, have not entered into long-term

agreements with our customers.

Our Company is engaged in the business of manufacturing woven and knitted fabrics for direct sale to various retailers, garment manufacturers, brands, traders and other intermediaries and manufacture products on job work basis. We manufacture a particular fabric on the basis of orders which are received from our customers which generally contain the specifications as per which the fabric has to be manufactured. We have not entered into any agreements, arrangement or any other understanding with our customers and therefore, our business is dependent upon the continuous relationship with the customers and the quality of our products. Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, fashion trends, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

12. We generate our major portion of sales from our operations in certain geographical regions. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

We generate major sales from our customers situated at select geographical regions. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. The table sets forth below shows that ~90% of the revenue earned by our Company from 5 states during the period indicated:

State Name	Nov 30, 2023		Mar 31, 2023		Mar 31, 2022		Mar 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Maharashtra	3,879.82	51.24%	5,460.84	43.02%	3,520.44	42.12%	1,241.75	37.77%
Gujarat	1,955.18	25.82%	3,356.02	26.44%	2,535.59	30.34%	1,019.67	31.02%
West Bengal	366.80	4.84%	1,050.56	8.28%	886.57	10.61%	606.16	18.44%
Haryana	346.20	4.57%	188.45	1.48%	205.12	2.45%	50.53	1.54%
Uttar Pradesh	298.89	3.95%	707.12	5.57%	112.95	1.35%	27.02	0.82%
Total	6,846.89	90.42%	10,762.99	84.78%	7,260.68	86.88%	2,945.14	89.59%

Existing and potential competitors to our businesses in these states may increase their focus on these states. The concentration of our operations heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes, which may adversely affect our business prospects, financial conditions and results of operations. While we strive to geographically diversify our product portfolio and reduce our concentration risk, we cannot assure you that adverse developments associated with the region will not impact on our business. If we are unable to mitigate the concentration risk, we may not be able to develop our business as planned and our business, financial condition and results of operation could be adversely affected.

13. There are outstanding litigations involving our Company which, if determined adversely, may adversely affect our business and financial condition.

As on the date of this Red Herring Prospectus, our Company is involved in certain legal proceedings. We cannot assure you that these legal proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

A summary of the pending tax proceedings and other material litigations involving our Company is provided below:

A summary of the pending tax proceedings and other material litigations involving our Company, our Subsidiary and our Promoter is provided below:

Litigations involving our Company

i) *Cases filed against our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) *Cases filed by our Company:*

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	1	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

For further details, please refer to the section titled “*Outstanding Litigation and Other Material Developments*” on page 222 of this Red Herring Prospectus.

14. *Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.*

Our manufacturing unit is situated at Block No 314 Plot No 188, 189 and 190 Rajhans Texpa NH -8 Palsana, Surat – 394 317, Gujarat, India. In addition to our existing manufacturing unit, we are in the process of setting up two additional manufacturing units for dyeing of fabrics (“**Dyeing Unit**”) which shall be located at Navsari District, Surat, Gujarat and for manufacturing bags (“**Bag Unit**”), which shall be located at Palsana, Surat. We propose to utilise an amount of ₹ 3,070.48 lakhs and ₹ 186.82 lakhs towards funding the capital expenditure of the Dyeing Unit and purchase of plant and machinery for the Bag Unit, respectively. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. There was no instances of any shutdown of our manufacturing units in the past. However, our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing units for a prolonged period; it would adversely affect our earnings, our other results of operations and our financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness.

15. *Our Company does not have long-term agreement with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.*

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

16. *Failure to comply with the conditions applicable under Technology Upgradation Fund Scheme (“TUFS”), Amended Technology Upgradation Fund Scheme (“ATUFS”) and Gujarat Textile Policy, 2012 being availed by us or withdrawal of the Schemes by the Government may render our Company ineligible for interest and capital subsidies.*

Our Company presently is eligible to avail benefits provided under TUFS, ATUFS and the Gujarat Textile Policy, 2012. These benefits include interest subsidy and reimbursement of SGST incurred by our Company. For further details, please refer to the chapter titled “Our Business” and “Key Industrial Regulations and Policies” on pages 110 and 127, respectively of Red Herring Prospectus. These benefits and incentive are provided to our Company on fulfilment of certain conditions and eligibility criteria, which includes:

- a. Except in case of merger, acquisition, amalgamation or takeover of the entity, the plant and machinery purchased with the subsidy under TUFS shall not be disposed off before 10 years of date of purchase without prior approval of Textile Commissioner.
- b. The term loan component of machinery should be at a minimum of 50% of the total project cost, to become eligible under the scheme.
- c. If the enterprise becomes defaulter, it will not be eligible for interest subsidy for the default period, and such default period will be deducted from the period eligible for interest subsidy.

If we fail to comply with the conditions stipulated as mentioned above, our Company may be denied such subsidies, which in turn will make our operations less cost effective and increase the prices of our products. Further, termination of, withdrawal or variations in the terms of such policies can adversely affect our profitability and/or our business operations. As a result, it could have a material adverse effect on results of operations and financial condition of our Company.

17. *Any failure in our quality control processes may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers’ expectations.*

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control and quality assurance processes and regularly conduct inspections of raw materials sourced from suppliers which is based on our internal quality standards and the quality standards set by our customers. However, we cannot assure you that our quality control and quality assurance processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. It is conducive for us to meet the international quality standards set by our international customers as deviation from the same can cause them to reject our products and can also cause damage to our reputation and market standing.

In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products and our reputation may suffer impact, which in turn may adversely affect our business, results of operations and financial condition. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

18. *If we are unable to anticipate and respond to changes in fashion trends and changing customer preferences in a timely and effective manner, we fail to maintain our reputation, brand value or increase the market for our products, the demand for our products may decline.*

A significant feature of the textile industry is the rapidly changing customer preferences and therefore, results of our operations are dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in lines with the changes in fashion trends as well as customer demands and preferences. If we are unable to respond to the changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or by launching new products as per the

demand, we may significantly lose our market position and existing customer base which may adversely affect our results of operations and financial condition.

Maintaining and enhancing the recognition and reputation of our products is critical to our business and the competitiveness of our products. Many factors, some of which are beyond our control, are important for maintaining and enhancing our products, including maintaining or improving customer satisfaction and increasing the popularity of our products. In particular, we launch new products, and if any of those products do not meet standards for quality or customers' expectations, our market standing, reputation and the sales of our products may be bear an impact. If we fail to maintain our reputation, or increase the market for our products, or the quality of our products declines, our business and prospects may be adversely affected.

- 19. Some of the raw materials that we use are inflammable in nature. While we take adequate care and follow all relevant safety measures, there is a risk of fire and other accidents, at our manufacturing unit and warehouses. Any accidents is likely to result in loss of property of our Company and/or disruption in the manufacturing processes which may have a material adverse effect on our results of operations, cash flows and financial condition.***

The key raw material used by us for manufacturing our products is yarn. Due to its combustible nature of yarn and the semi-finished or finished products manufactured by us, we might be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property or cause environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition. In addition to the loss as a result of such fire or industrial accident, any shutdown of any of our manufacturing units may result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition.

Further, any fire or industrial accident, any shutdown of our manufacturing units or any environmental damages will increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. We cannot assure you that despite our best efforts we will not face similar situations at our manufacturing units which may result in significant loss to our Company and/or a disruption of our manufacturing operations. The loss incurred by our Company, though adequately insured, may or may not be recoverable through the insurance maintained by us. Such loss and/or disruption of our manufacturing operations may have a material adverse effect on our operations, cash flows and financial condition.

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

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

- 21. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could adversely affect our business, results of operations and financial condition.***

We have experienced considerable growth over the past three years and we have expanded our operations and product portfolio. We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate. Our inability to execute our growth strategies in a timely manner or within budget estimates or our inability to meet the expectations of our customers and other stakeholders, could have an adverse effect on our business, results of operations and financial condition. Our future prospects will depend on our ability to grow our business and operations. The development of such future business could be affected by many factors, including general, political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates and price of equipment and raw materials. Further, in order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Failure to manage growth effectively could adversely affect our business and results of operations.

22. *Our Company does not have any documentary evidence for experience of some of our Directors.*

Our Managing Director, Rajiv Lakhotia, Whole-time Directors, Radhe Shyam Daga, Manoj Kumar Karnani and Raj Kumar Agarwal and our Independent Directors, Rashmi Bihani, Swati Singhania and Sriyans Lunia are unable to trace documents evidencing their past work experience in their respective sectors. Due to lack of documents and relevant information from the aforementioned Directors, we have placed reliance upon affidavits furnished by each of the Directors, confirming the disclosures made in their respective biographies in the chapter titled "*Our Management*". For further details, please refer to the chapter titled "*Our Management*" on page 139 of Red Herring Prospectus.

23. *Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.*

Our business requires a significant amount of working capital. As per our settled business terms, we majorly require our intermediaries to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers/ intermediaries. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers/ intermediaries. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Further, one of the objects of this Issue include funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see "*Objects of the Issue*" on page 82. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers/ intermediaries, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

Any delay in processing our payments by our intermediaries may increase our working capital requirement. Further, if an intermediary defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers/ intermediaries. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and

could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

- 24. *Our application for renewal of certain licenses, approvals and registrations, which are required for our Company's operations and business, are pending before the relevant authorities. Not receiving these licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our business some of which are granted for a fixed period of time and need to be renewed from time to time. Our Company has made applications before the relevant authorities for renewal of some of the licenses, approvals and registrations that have expired which are pending before the relevant authorities. Further, there are certain licenses/approvals which we will be required to obtain from the relevant authorities for setting up our proposed manufacturing units for dyeing of fabrics and manufacturing bags as per the Objects of the Issue, which will be applied for at a later date. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company's operations and may adversely affect our business. For further details on the licenses obtained by our Company, please refer to the chapter titled — "Government and Other Approvals - Licenses/ Approvals for which applications have been made by our Company and are pending and Licenses / approvals which have expired and for which renewal applications have not been made by our Company" on page 217 of Red Herring Prospectus.

- 25. *We are dependent on information technology systems in carrying out our business activities and it forms an integral part of our business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.***

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorised access to our networks.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

- 26. *We are subject to risks associated with rejection of our products consequential to defects, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.***

Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. In the event our Company fails to replace the defective products in a timely manner or at all, the same could

consequently lead to a negative publicity of our brand thereby affecting our brand value, our business proposition, results of operations and/or financial condition.

Such defective products, if capable of being refinished, are sold by our Company as fresh finished fabrics and the products that cannot be refinished, are sold at a discounted price. We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our results of operations. Management resources and attention could also be diverted away from our business towards defending such claims. Moreover, our Company might have to bear certain costs for handling such claims which could be filed for supplying defective products, which could increase our expenses and thereby affect our business, results of operations and financial condition.


27. *In the past, there have been instances of delays in filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC.*

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. The instances of delay filing are as under:

Sl No	Form	Date of Resolution	Date of Filing	Purpose
1	MGT 14	08-07-2023	08-08-2023	Bonus Issue
2	DIR 12	10-10-2023	21-11-2023	Appointment of Rashmi Bihani and Change in designation of Directors
3	DIR 12	10-10-2023	22-11-2023	Change in Designation of Radhe Shyam Daga
4	DIR 12	10-10-2023	20-11-2023	Appointment of Swati Singhania
5	DIR 12	01-11-2023	09-12-2023	Appointment of Sriyans Lunia
6	ADT 1	01-11-2023	02-12-2023	Appointment of Baid Agarwal & Singhi as Statutory Auditor

No show cause notice in respect to the above has been received by our Company till date and except as stated in this Red Herring Prospectus, no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

28. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.*

Our Company's success largely depends on our brand name and brand image and our trademark is important for differentiating our Company's products from that of our competitors. Our current trademark and logo , is owned by our Company under the provisions of the Trademarks Act, 1999. Our trademark and logo may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. For further details, please refer to the chapters titled "Our Business" and "Government and other Statutory Approvals" on pages 116 and 227, respectively of this Red Herring Prospectus.

29. *We are dependent on third party transportation providers for delivery of raw materials to us from our suppliers and delivery of our products to our customers. Any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.*

Our success depends on the smooth and continuous supply and transportation of the raw materials required from the supplier to our manufacturing unit or warehouses and transportation of our products from our units or warehouses to our end customers, which may be subject to various uncertainties and risks. We are significantly dependent on third party transportation providers for the delivery of raw materials to us and delivery of our products to our end customers.

Uncertainties and risks such as transportation strikes or delay in supply of raw materials and products could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to maintain a continuous supply of raw materials or to deliver our products to our end customers in an efficient and reliable manner could adversely affect our business, results of operations and financial condition.

- 30. *Our entire business operations are based out of a single manufacturing unit at Surat. Further, our manufacturing unit, our warehouses, godowns and all our facilities are currently located in one geographical area. The loss of, or shutdown of, our operations at this manufacturing or any disruption in the operation of our warehouses will adversely affect our business, financial condition and results of operations.***

Our manufacturing unit and all other facilities are based out of a single premise located in Surat, Gujarat. Accordingly, we rely exclusively on our facilities at this manufacturing unit to earn revenues, pay our operating expenses and service our debt obligations. Any significant interruption or loss or shutdown of operations at our manufacturing unit at Surat would adversely affect our business. Our manufacturing, processing, printing and other business activities may be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations could be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity could substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

All our facilities are located in our manufacturing unit. Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting this region may adversely affect operations. Any failure of our systems or any shutdown of any of our manufacturing unit and facilities for any reason could result in significant increase of costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Further, our warehouses are subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects may be adversely affected.

- 31. *If we are unable to identify customer demand accurately and maintain an optimal level of inventory proportionately, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturers, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold

at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

32. *We have significant power requirements for continuous running of our factories. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.*

Our manufacturing unit has significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing unit receives power supply from Dakshin Gujrat Viji Co. Limited. We do not have any alternative source of power supply and any disruption in the same would force us to halt our manufacturing processes until such disruption exists. The quantum and nature of the power requirement for running our manufacturing unit is such that it would be very cumbersome to substitute it with any other independent source of power supply. Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. For further details, please refer to the chapter titled “Our Business- Power” on page 132 of this Red Herring Prospectus.

33. *Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

The textile industry in India is fragmented and competitive with several regional brands and retailers present in local markets across the country. The textile market in India has historically been dominated by the unorganized sector. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition. For further details, please see “Industry Overview” on page 106 of this Red Herring Prospectus.

34. *Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to the paragraphs titled — “Interest of our Directors” in the chapter titled — “Our Management”, the paragraphs titled — “Interest of our Promoters and Other Interests and Disclosures” in the chapter titled — “Our Promoters and Promoter Group”, “Financial Indebtedness” and “Restated Financial Information” on pages 148, 160, 205 and 167, respectively of this Red Herring Prospectus.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our

other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

35. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

Upon completion of this Issue, our Promoters and members of our Promoter Group will collectively hold 70.07% of the Equity share capital of our Company. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Accordingly, our Promoters will continue to retain significant control, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, undertaking sale of all or substantially all of our assets, timing and distribution of dividends and termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interests of our Company. Further, such control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The interests of our Promoters could conflict with the interests of our other equity shareholders, and our Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

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

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined through book building mechanism. 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 titled "*Capital Structure*" on page 71 of this Red Herring Prospectus.

37. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

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

As of November 30, 2023, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — "*Restated Financial Information*" at page 167.

While we believe that all our related party transactions have been conducted on an arm's length basis, and we confirm that the related party transactions entered into by the company are in compliance with the relevant provisions of Companies Act and other applicable laws, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

39. *Our Promoters and members of our Promoter Group have extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.*

Our Promoters have extended certain personal guarantees in favour of certain banks / financial institutions with respect to various facilities availed by our Company from them. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under

the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If the guarantees is invoked or our manufacturing unit is foreclosed, the ability of our Company to continue its business operations could be adversely affected. Further, if our lenders enforce any of the restrictive covenants or exercise their options under the relevant debt financing arrangement, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled “*Financial Indebtedness*” on page 205 of this Red Herring Prospectus.

40. *Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.*

We have entered into agreements for our borrowings with certain lenders. These borrowings include secured fund based and non-fund based facilities. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying unsecured loans from third parties, undertake guarantee obligations on behalf of any other borrower, which require our Company to obtain prior approval of the lenders for any of the above activities. We cannot assure you that our lenders will provide us with these approvals in the future. For details of these restrictive covenants, please refer to chapter titled — “*Financial Indebtedness*” on page 205 of this Red Herring Prospectus.

Further, some of our financing arrangements include covenants to maintain our total outside liabilities and total net worth up to a certain limit and certain other liquidity ratios. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition.

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

41. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating and investing activities in the past, the details of which are provided below:

	(₹ in lacs)			
Particulars	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow from/(used in) Operating Activities	(848.91)	(23.42)	41.37	273.54
Net cash generated from/(used in) investing activities	(780.92)	(1,100.19)	(1,172.82)	(233.45)
Net Cash Flow from/(used in) Financing Activities	1,648.59	1,152.29	1,088.51	9.30

*indicates positive cash flow.

We may incur negative cash flows in the future which could have a material adverse effect on our business, prospects, results of operations and financial condition.

42. *In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.*

In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to

delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled — “*Financial Indebtedness*” on page 205 of this Red Herring Prospectus.

- 43. *Our Company has extended corporate guarantee with respect to loan facilities availed by our Subsidiary, IGK Technical Textiles LLP. Any defaults committed by our Subsidiary or invocation of the guarantee extended by our Company may adversely affect our business operations and financial condition.***

Our Company has extended corporate guarantee in favour of ICICI Bank with respect to the loan facilities availed by our Subsidiary, IGK Technical Textiles LLP. In the event the business and operations of our Subsidiary deteriorates and if it commits a default in payment of principal or interest due to the bank, the corporate guarantee extended by our Company may get invoked.

On the occurrence of any of the above-mentioned situations, the Bank might demand repayment of the outstanding amounts under the said facilities sanctioned to our Subsidiary. In the event, we are unable to repay the outstanding amount in a timely manner or at all, the Bank may enforce the restrictive covenants or consequences of defaults which in turn may affect our further borrowing abilities thereby adversely affecting our business and operations. For further details, please refer to the chapter titled — “*Financial Indebtedness*” on page 205 of this DRHP.

- 44. *Our Subsidiary and our Associate may have conflicts of interest as they are engaged in similar business and may compete with us.***

Our Subsidiary and our Associate are engaged in the same industry segment as our Company. Although the product portfolio offered by our Associate differs from our Company, however there might be conflicts of interest in future. We have not entered into any non-compete agreements with our Subsidiary and our Associate and there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

- 45. *Any conflict of interest which may occur between our business and any other similar business activities pursued by our Promoters could have a material adverse effect on our business and results of operations.***

As of the date of this Red Herring Prospectus, our Promoters are associated with entities which are engaged in business activities similar to our business, thereby causing a conflict of interest between our Company and our Promoters. We have not entered into a non-compete arrangement with him to address such conflicts. We cannot assure you that a conflict will not arise, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

- 46. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further, we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 82 of this Red Herring Prospectus.

- 47. *Our success largely depends upon the knowledge and experience of our Promoters, Directors, and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and***

retain them could adversely affect our business, operations and financial condition.

The growth and success of our Company's future significantly depends upon the experience of our Promoters and continued services and the management skills of our Key Managerial Personnel and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — "*Our Management*" on page 148 of this Red Herring Prospectus.

48. We may face difficulties in implementing our strategies including our expansion and diversification plans of entering new geographical areas, development and commercialization of new products.

We may face difficulties in implementing our strategies including our expansion and diversification plans of entering into new geographical areas and development and setting up of new manufacturing unit due to various factors such as entry barriers, stringent rules and regulations, fierce competition in the new markets, inadequacy of funds for expansion, high cost of debt that may be required for expansion and diversification. Implementation of our strategies may pose significant challenges to our administrative, financial and operational resources and additional risks that our Company may not be able to foresee. Failure to successfully implement some or all of our key strategic initiatives in an effective and timely manner may adversely affect our future business prospects. For further details on our business strategies, kindly see the chapter titled "*Our Business*" beginning on page 116 of this Red Herring Prospectus.

49. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than ₹ 10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

50. Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

Our manufacturing unit is situated at Block No 314 Plot No 188, 189 and 190 Rajhans Texpa NH -8 Palsana, Surat – 394 317, Gujarat, India. In addition to our existing manufacturing unit, we are in the process of setting up two additional manufacturing units for dyeing of fabrics ("**Dyeing Unit**") and for manufacturing bags ("**Bag Unit**"), which shall be located at Palsana, Surat. We propose to utilise an amount of ₹ 3,070.48 lakhs and ₹ 186.82 lakhs towards funding the capital expenditure of the Dyeing Unit and purchase of plant and machinery for the Bag Unit, respectively. Our Board will have flexibility in temporarily investing the Net Proceeds as well as its inter se allocation across various heads under the setting up of the proposed manufacturing unit and purchase of machinery for our existing manufacturing unit, as disclosed in the section titled "*Objects of the Issue*" on page 82.

In case of any exigencies arising out of business conditions, economic conditions, competition or other factors beyond our control which adversely affect our business, we may require to use the Net Proceeds to meet any other expenditure or fund which expenditure cannot be determined with certainty as on the date of this Red Herring Prospectus. In terms of Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in this Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances requiring us to undertake variation in the utilisation of the Net Proceeds disclosed in this Red Herring Prospectus, we cannot assure that we will 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 Promoter 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. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter 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 Fresh Issue, if any, or vary the terms of any contract referred to in this 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 re-deploying the unutilised portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

51. The requirement of funds in relation to the objects of the Issue has not been appraised.

We intend to use the proceeds of the Issue for the purposes described in the section titled "*Objects of the Issue*" on page 82. The objects of the Issue have not been appraised by any bank or financial institution. These are based on management estimates and current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of the industry, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors/Management and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

52. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of manufacturing equipment, fire, riots, third party liability claims, loss-in-transit for our products, accidents and natural disasters. Presently, our Company has availed insurance policies to insure building, furniture and plant & machinery, floater stock, vehicle and workmen. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

53. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "*Dividend Policy*" on page 166 of this Red Herring Prospectus.

54. Increased losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on us.

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. An increase in product losses due to such factors at our place of operation may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which

include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy.

55. *We have not independently verified certain data in this Red Herring Prospectus.*

We have not independently verified data from the industry and related data contained in this Red Herring Prospectus. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

56. *The requirements of being a listed company may strain our resources.*

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI (LODR) Regulations which will require us to file audited annual and unaudited half yearly results and limited review reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

57. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Although we currently intend that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Failure to maintain our listing on the Stock Exchanges or other securities markets could adversely affect the market value of the Equity Shares.

The Issue Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. You may not be able to resell your Equity Shares at a price that is attractive to you.

58. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of*

National Stock Exchange of India Limited in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of National Stock Exchange of India Limited due to delay in submission of required documents/ completion of formalities/compliance with required laws by the issuer. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

- 59. There is no existing market for our Equity Shares, and we do not know if one will develop to provide you with adequate liquidity. Further, an active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.***

An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the lead manager, will determine the Issue Price. The Issue Price may be higher than the trading price of our Equity Shares following this Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations in response to factors such as, variations in our results of operations, market conditions specific to the sectors in which we operate economic conditions of India and volatility of the securities markets elsewhere in the world.

- 60. The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

- 61. You will not be able to sell immediately on the Stock Exchanges any of the Equity Shares you purchase in the Issue.***

The Equity Shares will be listed on the Emerge Platform of National Stock Exchange of India Limited. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is to commence within six (6) working days of the date of closure of the Issue or such other time as may be prescribed by SEBI. However, SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.

We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time period prescribed by law. Further, there can be no assurance that the Equity Shares to be Allotted pursuant to this Issue will be listed on the Stock Exchanges in a timely manner or at all.

- 62. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit

without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

63. *The price of the Equity Shares may be volatile, which could result in substantial losses for investors acquiring the Equity Shares in the Issue.*

The market price of the Equity Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- volatility in the Indian and global securities market or in the value of the Rupee relative to the U.S. Dollar, the Euro and other foreign currencies;
- our profitability and performance;
- changes in financial analysts' estimates of our performance or recommendations;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the textile sector;
- adverse media reports about us or the Indian textile sector;
- significant developments in India's economic liberalisation and deregulation policies;
- significant developments in India's fiscal and environmental regulations;
- economic developments in India and in other countries; and
- any other political or economic factors.

These fluctuations may be exaggerated if the trading volume of the Equity Shares is low. Volatility in the price of the Equity Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Indian stock exchanges, including the Stock Exchanges, have experienced substantial fluctuations in the prices of listed securities and problems such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. The governing bodies of Indian stock exchanges have also, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If such or similar problems were to continue or recur, they could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares.

64. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through further issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot

assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

65. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.*

Any instance of disinvestments of Equity Shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sale of Equity Shares might occur.

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

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

EXTERNAL RISK FACTORS

67. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("GST") regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2024 and the Ministry of Finance has notified the Finance Act, 2023 ("Finance Act"). There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, the Personal Data Protection Bill, 2019 ("PDP Bill") was introduced to propose a legal framework governing the processing of personal data. However, the PDP Bill has been withdrawn on August 3, 2022 and the Ministry of Electronics and Information Technology, Government of India ("MoEIT") has submitted a new Digital Personal Data Protection Bill, 2022 before the Parliament.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

68. *Our business is substantially affected by prevailing economic conditions in India.*

We perform all of our activities in India, our business activities and manufacturing unit is located in Ranchi, Jharkhand, and the predominant portions of our customers are Indian nationals. As a result, we are highly dependent

on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries; and
- prevailing national, regional or global economic conditions, including in India's principal export markets.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the textile markets.

69. Foreign investors are subject to foreign investment restrictions under Indian law.

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

70. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

71. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

72. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance of our business. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in textile markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence and spending. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

73. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

74. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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SECTION IV - INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS	
Equity Shares Offered through Public Issue⁽¹⁾⁽²⁾	Upto 18,72,000 Equity Shares aggregating up to ₹ [●] lakhs.
Out of which:	
Issue Reserved for the Market Maker	Upto 93,600 Equity Shares aggregating up to ₹ [●] Lakhs.
Net Issue to the Public	Upto 17,78,400 Equity Shares aggregating up to ₹ [●] Lakhs.
Out of which*	
A. QIB Portion ⁽⁴⁾⁽⁵⁾	Not more than 8,88,600 Equity Shares aggregating up to ₹ [●] lakhs
Of which	
(a) Anchor Investor Portion	Upto 5,32,800 Equity Shares aggregating up to ₹ [●] lakhs
(b) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto 3,55,800 Equity Shares aggregating up to ₹ [●] lakhs
Of which	
(a) Available for allocation to Mutual Funds only (5% of the QIB Portion)	Upto 18,000 Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto 3,37,800 Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than 2,67,000 Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than 6,22,800 Equity Shares aggregating up to ₹ [●] lakhs
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	52,00,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	Upto 70,72,000 Equity Shares of face value ₹10 each
Use of Net Proceeds by our Company	Please see the chapter titled “Objects of the Issue” on page 82 of this Red Herring Prospectus.

* Subject to finalisation 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 (1) 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 offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 9, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 8, 2023.
- 3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price.
- 4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, 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 on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- 5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or 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.

For details, including grounds for rejection of Bids, refer to “Issue Structure” and “Issue Procedure” on page 247 and 251, respectively. For details of the terms of the Issue, see “Terms of the Issue” on page 240.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the eight months period ended November 30, 2023 and as at and for the Financial Years ended March 31, 2023, 2022 and 2021. The Restated Financial Information referred to above is presented under the section titled “Financial Information” beginning on Page No. 167 of this Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on Page Nos. 167 and 209, respectively of this Red Herring Prospectus.

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SHREE KARNI FABCOM LIMITED
Consolidated Restated Statement of Assets and Liabilities as at 30th November, 2023

		(Currency: Rs in Lakhs)			
	Note	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
EQUITY AND LIABILITIES					
1) Shareholder's Fund					
a) Shareholder's Capital	3	520.00	100.00	100.00	100.00
b) Reserves and Surplus	4	1,392.17	2,502.24	1,221.61	571.23
Total Shareholder's Fund		1,912.17	2,602.24	1,321.61	671.23
2) Minority Interest		80.45	-	-	-
Liabilities					
3) Non-Current Liabilities					
(a) Long Term Borrowings	5	2,342.71	2,313.26	1,903.29	952.20
(b) Deferred Tax liabilities	6	87.35	71.03	25.57	14.82
(c) Other Non-Current Liabilities	7	3.34	-	-	-
Total non-current liabilities		2,433.40	2,384.28	1,928.86	967.02
4) Current Liabilities					
(a) Short Term Borrowings	8	7,161.56	1,345.46	814.79	499.09
(b) Trade Payables	9				
i) Total Outstanding dues of Micro Enterprises and Small Enterprises		1,329.68	3,070.98	1,310.81	-
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		720.50	318.01	499.24	588.05
(c) Other Current Liabilities	10	324.03	143.27	35.79	17.67
Current Tax Liabilities (Net)	11	162.59	-	-	-
Total Current Liabilities		9,698.36	4,877.73	2,660.63	1,104.81
Total Equity and Liabilities		14,124.38	9,864.25	5,911.11	2,743.05
ASSETS					
1) Non-current assets					
a) Property, Plant and Equipments and Intangible Assets	12				
i) Tangible Asset		5,176.13	2,302.90	1,495.18	446.73
ii) Intangible Asset		26.30	31.59	-	-
iii) Capital Work in Progress		308.58	96.55	75.91	75.91
b) Investments	13	249.20	186.99	102.24	33.10
c) Other Non-Current Assets	14	200.19	134.91	105.80	5.90
Total Non-Current Assets		5,960.40	2,752.94	1,779.14	561.64
2) Current Assets					
(a) Inventories	15	4,082.12	3,557.75	1,554.25	321.80
(b) Trade receivables	16	3,172.99	3,490.85	2,410.90	1,744.03
(c) Cash and cash equivalents	17	117.85	35.95	7.27	50.22
(d) Others	18	673.35	10.86	103.60	65.35
Other current assets	19	117.67	15.90	55.95	-
		8,163.98	7,111.31	4,131.96	2,181.41
Assets classified as held for sale		-	-	-	-
		8,163.98	7,111.31	4,131.96	2,181.41
Total Assets		14,124.38	9,864.25	5,911.11	2,743.05

SHREE KARNI FABCOM LIMITED
Consolidated Restated Statement of Profit and Loss for the period ended 30th November, 2023

		(Currency: Rs in Lakhs)			
	Note	For the Period ended 30 November 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Revenue					
Revenue from operations	20	7,572.22	12,694.65	8,357.36	3,287.42
Other Income	21	27.26	9.40	7.82	2.44
Total revenue		7,599.48	12,704.05	8,365.18	3,289.86
Expenses					
Cost of materials consumed	22	5,768.43	12,298.11	8,323.60	2,917.60
Changes in inventories of finished goods	23	(172.93)	(2,003.50)	(1,232.45)	(202.76)
Employee benefits	24	253.46	195.61	116.87	57.95
Finance costs	25	202.55	515.75	249.90	188.20
Depreciation and amortisation	26	145.98	152.48	52.64	24.01
Other expenses	27	310.26	694.66	329.02	136.56
Total expenses		6,507.75	11,853.12	7,839.58	3,121.56
Profit / Loss before exceptional item and tax		1,091.73	850.93	525.60	168.29
Exceptional Item		-	-	-	-
Profit / (Loss) before Tax		1,091.73	850.93	525.60	168.29
Income tax expense					
- Current tax		252.47	250.23	-	-
- Deferred tax		16.33	45.45	10.76	14.82
- Income tax for earlier years		9.49	-	-	-
		278.28	295.68	10.76	14.82
Profit/ (loss) for the period after tax		813.44	555.25	514.84	153.48
Less: Income from Minority		(13.79)			
Add: Income from Associate		14.17			
Profit/(Loss) attributable to owners of the company		813.83	555.25	514.84	153.48
Earnings per equity share (for continuing operation):					
(1) Basic		23.80	11.10	51.48	15.35
(2) Diluted		23.80	11.10	51.48	15.35
Earnings per equity share (for discontinued operation):					
(1) Basic		-	-	-	-
(2) Diluted		-	-	-	-
Earnings per equity share (for discontinued & continuing operations):					
(1) Basic		23.80	11.10	51.48	15.35
(2) Diluted		23.80	11.10	51.48	15.35

SHREE KARNI FABCOM LIMITED
CONSOLIDATED RESTATED STATEMENT OF CASH FLOWS AS AT 30TH NOVEMBER 2023

	(Currency: Rs in Lakhs)			
	For the Period Ended 30th November, 2023	For the Year Ended 31th March 2023	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A. CASH FLOW FROM OPERATION ACTIVITIES				
Net Profit/(Loss) before Tax and Extraordinary Items	1,091.71	850.93	525.60	168.29
Adjustments for:				
Depreciation	145.98	152.48	52.64	24.01
Finance Cost	202.55	515.75	249.90	188.20
Provision for Gratuity	3.34	-	-	-
(Profit)/Loss on Sale of Investments	(11.34)	-	-	-
(Profit)/Loss on Sale of Property, Plant and Equipment	-	1.00	1.76	0.18
Operating Profit/(Loss) before Working Capital Changes	1,432.25	1,520.16	829.90	380.68
Adjustments for:				
Decrease/(Increase) in Inventories	296.18	(2,003.50)	(1,232.45)	(202.76)
Decrease/(Increase) in Other Current Assets	(420.90)	35.14	(24.13)	23.20
Decrease/(Increase) in Trade and Other Receivables	1,029.20	(1,079.95)	(666.87)	87.15
Decrease/(Increase) in Other Non-Current Assets	(65.28)	(29.11)	(99.90)	(5.90)
Increase/(Decrease) in Trade and Other Payables	(3,121.10)	1,578.94	1,222.01	4.94
Increase/(Decrease) in Other Current Liabilities	171.03	107.48	18.12	17.67
Cash Generated from Operations	(678.62)	129.17	46.68	304.97
Adjustment for:				
Income Taxes Paid (Net)	170.29	152.59	5.31	31.43
NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)	(848.91)	(23.42)	41.37	273.54
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(824.66)	(1,022.35)	(1,104.68)	(228.31)
Increase/(Decrease) in minority interest	80.45			
Sale of Property, Plant & Equipment		6.90	1.00	
Sale of Investments	13.41			
Purchase of Investments	(50.12)	(84.74)	(69.15)	(5.14)
NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES (B)	(780.92)	(1,100.19)	(1,172.82)	(233.45)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Changes in Partner's Capital	(1,734.54)	727.41	71.61	(15.74)
Issue of Share Capital	20.00	-	-	-
Securities Premium on issue of Share Capital	274.00	-	-	-
Finance Cost	(202.55)	(515.75)	(249.90)	(188.20)
Increase/ (Decrease) in Long Term/Short Term Borrowings	3,291.69	940.63	1,266.79	213.24
NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES (C)	1,648.59	1,152.29	1,088.51	9.30
NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)	18.76	28.68	(42.95)	49.71
Cash & Cash Equivalents at the beginning of the year	35.95	7.27	50.22	0.52
Opening Cash and Cash Equivalents on Acquisition of Subsidiary	63.14	-	-	-
Cash & Cash Equivalents at the end of the year	117.85	35.95	7.27	50.22

GENERAL INFORMATION

Our Company was originally formed as a limited liability partnership under the name '*Shree Karni Fabcom LLP*', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name '*Shree Karni Fabcom Private Limited*' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to '*Shree Karni Fabcom Limited*' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U47820GJ2023PLC140106.

Registered Office of our Company

Shree Karni Fabcom Limited

Plot 188,189,190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat - 394 317,
Gujarat, India.

Telephone: +91 262 235 0900

Facsimile: Not Applicable

E-mail: shreekarni@skflindia.com

Investor grievance id: investors@skflindia.com

Website: www.skflindia.com

CIN: U47820GJ2023PLC140106

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

Registrar of Companies

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

Registrar of Companies, Gujarat at Ahmedabad

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

Telephone: +91 792 743 8371

Facsimile: +91 792 743 8371

Board of Directors of our Company

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

S. No.	Name	Designation	DIN	Address
1.	Rajiv Lakhota	Managing Director	02939190	BG- 166, Salt Lake City, Tank no. 7, Sector II, Bidhannagar, Kolkata –700 091, West Bengal, India
2.	Radhe Shyam Daga	Whole-time Director	07848061	Mangniram Daga, A-2 -502, Rudharaksh avenue, Punagam, Surat City, Surat- 395 010, Gujarat, India
3.	Manoj Kumar Karnani	Whole-time Director	08156230	BL- 2, FL-3E, Avani Oxford, 136 Jessore Road, Lake Town, Bangur Avenue, Kolkata – 700 055, West Bengal, India
4.	Raj Kumar Agarwal	Whole-time Director	09748957	508, Metro Garden estate, Talatelenga Bazar, Cuttack Sadar, Cuttack- 753 009, Odisha, India
5.	Rashmi Bihani	Independent Director	07062288	Ambika Gardens, Flat – 6B, 23 Raja Santosh Road, Alipore, Kolkata – 700 027, West Bengal, India
6.	Swati Singhanian	Independent Director	03610903	Flat 19B Merlin Road, 209 Picnic Garden Road, Kushtia More, Kata Pulkur, Kolakata, South 24, Parganas – 700 039, West Bengal, India
7.	Sriyans Lunia	Independent Director	08178507	Flat-4C, Block-32. Diamond City North, 68 Jessore Road, Bangur A venue, North 24 Parganas, Kolkata -700 055, West Bengal, India

For detailed profile of our Directors, please refer to the chapter titled “***Our Management***” on page 148 of this Red Herring Prospectus.

Chief Financial Officer

Arbind Kumar Lahoty, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Plot 188,189,190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat- 394 317,
Gujarat, India.

Telephone: +91 262 235 0900

Facsimile: Not Applicable

E-mail: cfo@skflindia.com

Company Secretary and Compliance Officer

Jyoti Chitlangiya, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

Plot 188,189,190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat- 394 317,
Gujarat, India.

Telephone: +91 262 235 0900

Facsimile: Not Applicable

E-mail: cs@skflindia.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, non credit 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 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.

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 of our Company:

Book Running Lead Manager

Horizon Management Private Limited

19 R N Mukherjee Road,
Main Building, 2nd Floor,
Kolkata- 700 001,
West Bengal, India.

Telephone: +91 33 4600 0607

Facsimile: +91 33 4600 0607

Email ID: smeipo@horizon.net.co

Website: www.horizonmanagement.in

Investor Grievance ID: investor.relations@horizon.net.co

Contact Person: Manav Goenka

SEBI Registration Number: INM000012926

Registrar to the Issue

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II New Delhi- 110 020

Telephone: +91 112 638 7281/83

Facsimile: +91 112 638 7384

E-mail: ipo@masserv.com

Investor grievance: investor@masserv.com

SEBI Registration No.: INR000000049

Contact Person: N. C. Pal

Legal Advisor to the Issue

T&S Law

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

Telephone: +91 931 022 0585

Contact Person: Sagarika Kapoor

Email: info@tandslaw.in

Statutory and Peer Review Auditor of our Company

Baid Agarwal Singhi & Co.,

Chartered Accountant

Long Run Services LLP, 6, Lyons Range,
Gate No. 2, 1st Floor, Kolkata – 700 001,
West Bengal, India.

Telephone: +91 334 004 2041

Email: baid.agarwal.singhi@gmail.com

Contact Person: CA Dhruv Narayan Agarwal

Membership No.: 306940

Firm Registration No.: 328671E

Peer Review Certificate No.: 013980

Bankers to our Company

Axis Bank Limited

Ground Floor, The Eminence, Opp. City Light Complex,

City Light, Surat – 395 007,
Gujarat, India.
Telephone: +91 845 404 3231
Facsimile: NA
Email: brhd4334@axisbank.com/ oprh4323@axisbank.com
Website: www.axisbank
Contact Person: Rahul Joshi
CIN: L65110GJ1993PLC020769

Standard Chartered Bank

Beside Sargam Shopping Center, Towards Dumas Road,
Parle Point, Surat – 395007, Gujarat, India.
Telephone: + 91 7227069429
Facsimile: NA
Email: parth.modi@sc.com
Website: www.standardchartered.com
Contact Person: Parth Modi

Banker to the Issue/ Refund Bank/ Sponsor Bank

Axis Bank Limited

Ground Floor, The Eminence,
Opposite Citylight Complex,
Citylight – 395 007, Surat,
Gujarat, India.
Telephone: +91 845 404 3231
Email: citylight.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Rahul Joshi
SEBI Registration Number: INBI00000017

Syndicate Member

Horizon Management Private Limited, the Book Running Lead Manager shall be acting as the Syndicate Member for this Issue.

Market Maker

MLB Stock Broking Private Limited

Umed Heights, 7th Floor, Room No. 706/707,
Navkar Society, Heavy Industrial Area, Phase-II,
Shastri Nagar, Jodhpur – 342 003,
Rajasthan, India.
Telephone: +91 932 002 9911
E-mail: mlbstockbroking@gmail.com
Website: <https://www.mlbstocks.com/>
Contact Person: Prem Ratan Bhaiya
SEBI Registration: INZ000305131
NSE Market Maker Registration No.: 90252

Designated Intermediaries

Self-Certified Syndicate Banks

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

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI

(<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

SCSBs enabled for UPI Mechanism

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

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at National Stock Exchange of India Limited at www.nseindia.com as updated from time to time.

Registrar and Share Transfer Agent

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of National Stock Exchange of India Limited at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm as updated from time to time.

Collecting Depository Participants

The list of the Collecting Depository Participants (CDPs) eligible to accept 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.

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

Credit Rating

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

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Brokers to the Issue

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

Debenture Trustees

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

Monitoring Agency

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

Appraising Entity

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

Expert Opinion

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

Our Company has received written consent dated December 12, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated December 12, 2023 on our restated consolidated financial information; and (ii) its report dated December 12, 2023 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Inter-se Allocation of Responsibilities

Horizon Management 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 . Hence, a statement of inter se allocation of responsibilities is not required.

Filing

The Draft Red Herring Prospectus was not filed with SEBI, nor did SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of this Red Herring Prospectus shall be furnished to the Board. Pursuant to SEBI Master Circular, a copy of this Red Herring Prospectus is being filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of the Draft Red Herring Prospectus, was filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of this Red Herring Prospectus, along with the material contracts and documents is also being filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Changes in Auditors during the last three years

Our Company was incorporated on April 11, 2023 and except as stated below, there has been no change in the auditors of our Company since incorporation.

Name of the auditor	Date of change	Reason of change
Giriraj Bhutra & Co., Chartered Accountant 444, 4th Floor, Ajanta Shopping Center, Ring Road, Surat – 395 002, Gujarat, India. Telephone: +91 982 462 2266 Email: giriraj_bhutra@yahoo.com Firm Registration No.: 143965W	April 25, 2023	Appointed as the first auditor of our Company.
Giriraj Bhutra & Co., Chartered Accountant 444, 4th Floor, Ajanta Shopping Center, Ring Road, Surat – 395 002, Gujarat, India. Telephone: +91 982 462 2266 Email: giriraj_bhutra@yahoo.com Firm Registration No.: 143965W	October 15, 2023	Casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor, on account of not holding a valid peer review certificate.
Baid Agarwal Singhi & Co., Chartered Accountant Long Run Services LLP, 6, Lyons Range, Gate No. 2, 1 st Floor, Kolkata – 700 001, West Bengal, India. Telephone: +91 33 004 2041 Email: baid.agarwal.singhi@gmail.com Contact Person: CA Dhruv Narayan Agarwal Membership No.: 306940 Firm Registration No.: 328671E Peer Review Certificate No.: 013980	November 1, 2023	Statutory Auditor appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor.

BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of this 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 Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located) 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 Horizon Management Private Limited;

➤ The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with National Stock Exchange of India Limited 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 MAS Services Limited

➤ The Escrow Collection Banks/ Bankers to the Issue and Sponsor bank, being Axis Bank Limited; and

➤ The Designated Intermediaries.

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 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. 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 Retail Individual Bidders, 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 are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders 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. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

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 Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail 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 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, Retail Individual Investors 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 is invited to the chapter titled “**Issue Procedure**” beginning on page 251 of this 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 251 of this 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. 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 Company 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 251 of this 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 Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

Event	Indicative Dates
Anchor Portion Issue Opens/Closes On*	Tuesday, March 5, 2024
Bid/Issue Opening Date	Wednesday, March 6, 2024
Bid/Issue Closing Date**	Monday, March 11, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Tuesday, March 12, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before Wednesday, March 13, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, March 13, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, March 14, 2024

*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 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 6 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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular was applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall be undertaking this Issue in accordance with the timeline prescribed under SEBI circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

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 retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and National Stock Exchange of India Limited Emerge 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 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 Applicants 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. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, 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 Applicant, 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 Applicant, 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 not to proceed with the Issue at any time before the Bid/Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the 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 withdraw the Issue after the Bid/Issue Closing Date and subsequently decides to proceed with an Issue of the 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 approval of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment;

UNDERWRITING AGREEMENT

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriters, namely BRLM and the Market Maker.

Pursuant to the terms of the Underwriting Agreement dated February 26, 2024, entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriters	No. of shares underwritten*	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
Horizon Management Private Limited 19 R N Mukherjee Road, Main Building, 2 nd Floor Kolkata- 700 001, West Bengal, India. Telephone: +91 33 4600 0607 Facsimile: +91 33 4600 0607 Email ID: smeipo@horizon.net.co	18,72,000	[●]	100.00%

**Includes 93,600 Equity shares of ₹10.00 each for cash of ₹ [●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The above mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into a Market Making Agreement dated February 26, 2024 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

MLB Stock Broking Private Limited
Umed Heights, 7th Floor, Room No. 706/707,
Navkar Society, Heavy Industrial Area, Phase-II,
Shastri Nagar, Jodhpur – 342 003,
Rajasthan, India.
Telephone: +91 932 002 9911
E-mail: mlbstockbroking@gmail.com
Website: https://www.mlbstocks.com/
Contact Person: Prem Ratan Bhaiya
SEBI Registration: INZ000305131
NSE Market Maker Registration No.: 90252

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making) dated February 26, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

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

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the Investors with holdings of value less than ₹

1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. 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 (Including the 93,600 Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 93,600 Equity Shares 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 reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
7. 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. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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.
10. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, who shall then be responsible to appoint a replacement Market Maker.

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

11. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
12. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. 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.
14. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - a. 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.

- b. 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.

15. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	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

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.

16. 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)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore 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 / National Stock Exchange of India Limited from time to time.

CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	Authorised Share Capital out of which :		
	80,00,000 Equity Shares having face value of ₹ 10/- each	800.00	-
B.	Issued, Subscribed and Paid-up Share Capital before the Issue out of which		
	52,00,000 Equity Shares having face value of ₹ 10/- each	520.00	-
C.	Present Issue in terms of this Red Herring Prospectus⁽¹⁾		
	Issue of upto 18,72,000 Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share	[•]	[•]
	Which comprises:		
	Upto 93,600 Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share reserved as Market Maker Portion	[•]	[•]
	Net Issue to Public of upto 17,78,400 Equity Shares of ₹ 10/- each at a price of ₹ [•] per Equity Share to the Public	[•]	[•]
	Of which⁽²⁾:		
	i. At least 6,22,800 Equity Shares aggregating up to Rs. [•] lakhs will be available for allocation to Retail Individual Investors	[•]	[•]
	At least 2,67,000 Equity Shares aggregating up to Rs. [•] lakhs will be available for allocation to Non-Institutional Investors	[•]	[•]
	iii. Not more than 8,88,600 Equity Shares aggregating up to Rs. [•] lakhs will be available for allocation to Qualified Institutional Buyers	[•]	[•]
D.	Paid-up Share Capital after the Issue		
	70,72,000 Equity Shares of ₹ 10/- each	[•]	
E.	Securities Premium Account		
	Before the Issue	274.00	
	After the Issue	[•]	

⁽¹⁾ The present Issue has been authorized pursuant to a resolution of our Board dated November 9, 2023 and pursuant to a special resolution of our Shareholders passed in an Extraordinary General Meeting dated December 8, 2023 under Section 62(1)(c) of the Companies Act, 2013.

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

Classes of Shares

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

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

The initial authorised capital of our Company was ₹ 1,00,00,000 (Rupees one crore only) divided into 10,00,000 Equity Shares of ₹ 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
July 8, 2023	₹ 1,00,00,000 divided in to 10,00,000 Equity Shares of ₹ 10 each	₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10 each	EGM

NOTES TO THE CAPITAL STRUCTURE

1) Share Capital History of our Company:

Equity Share Capital

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

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (₹)
On Incorporation*	10,00,000	10	10	Other than cash	Subscription to Memorandum of Association ⁽¹⁾	10,00,000	1,00,00,000
July 15, 2023	40,00,000	10	N.A.	Consideration other than Cash	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023 ⁽²⁾	50,00,000	5,00,00,000
October 3, 2023	2,00,000	10	147	Cash	Preferential Allotment ⁽³⁾	52,00,000	5,20,00,000

*The MoA of our Company was signed on April 9, 2023. However, our Company was incorporated on April 11, 2023.

⁽¹⁾ Subscription of to the MOA for the total of Equity Shares by Manoj Kumar Karnani (2,50,000 Equity Shares), Raj Kumar Agarwal (2,50,000 Equity Share), Rajiv Lakhota (2,50,000 Equity Shares) and Radhe Shyam Daga (2,50,000 Equity Shares).

⁽²⁾ Bonus issue of Equity Shares to Manoj Kumar Karnani (10,00,000 Equity Shares), Raj Kumar Agarwal (10,00,000 Equity Share), Rajiv Lakhota (10,00,000 Equity Shares) and Radhe Shyam Daga (10,00,000 Equity Shares).

⁽³⁾ Preferential Allotment of 2,00,000 Equity Shares to following persons/ entities:

S. No.	Name of allottee	No. of shares allotted
1.	Alkesh Agarwal	8,750
2.	Rajesh Agarwal	8,750
3.	Amit Barnecha	8,750
4.	Samit Lakhota	8,750
5.	Tetris Consultants	78,000
6.	GJNX Ventures	17,500
7.	1955 Ventures Fund	17,500
8.	Amit Agarwal	3,500
9.	Abhishek Rungta	3,500
10.	Sumit Kedia	1,500
11.	Shruti Poddar	6,000
12.	Jay Ketan Shah	5,000
13.	Rajendra Bhutra	7,500
14.	Anil Kumar HUF	2,500
15.	Gopal Agarwal HUF	2,500
16.	Ajay Kumar Mittal HUF	2,500
17.	BS Books LLP	5,000
18.	Vishal Jain	10,500
19.	Aashi Jhanwar	2,000
	Total	2,00,000

2) Preference Share capital history of our Company

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

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

Except as set out below we have not issued equity shares for consideration other than cash:

Date of allotment	Number of equity shares allotted	Face Value	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which bonus shares issued
July 15, 2023	40,00,000	10	N.A.	Bonus issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023, authorised by our Board, pursuant to a resolution passed at its meeting held on June 12, 2023 and by our shareholders pursuant to a resolution passed at the EGM held on July 8, 2023	Nil	Bonus issued out of Free Reserves and Profit & Loss Account

- 4) As of date of this Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- 5) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 6) Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price, during a period of one year preceding the date of this Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Whether part of Promoter Group	Name of allottees
July 15, 2023	40,00,000	10	N.A.	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023	Yes, Manoj Kumar Karnani, Raj Kumar Agarwal, Rajiv Lakhota and Radhe Shyam Daga are the Promoters of our Company.	Please refer to “ <i>Share Capital History of our Company - Equity Share Capital</i> ”, for details of list of allottees.
October 3, 2023	2,00,000	10	147	Preferential Allotment	No	

7) Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depositary receipts (VI)	Total No. of shares held (VII) = (IV)+(V)++(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	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)	
(A)	Promoters and Promoter Group	4	50,00,000	-	-	50,00,000	96.16	50,00,000	-	96.16	-	-	-	-	-	-	50,00,000
(B)	Public	19	2,00,000	-	-	2,00,000	3.84	2,00,000	-	3.84	-	-	-	-	-	-	2,00,000
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depositary receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		23	52,00,00	-	-	52,00,000	100.00	52,00,000	-	100.00	-	-	-	-	-	-	52,00,000

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters are in dematerialized form. As on date of this Red Herring Prospectus, the members of our Promoter Group do not hold any shareholding in our Company.

8) **Other details of shareholding of our Company:**

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Manoj Kumar Karnani	12,50,000	24.04
2.	Raj Kumar Agarwal	12,50,000	24.04
3.	Rajiv Lakhotia	12,50,000	24.04
4.	Radhe Shyam Daga	12,50,000	24.04
5.	Tetris Consultants	78,000	1.50
Total		50,78,000	97.66

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

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Manoj Kumar Karnani	12,50,000	24.04
2.	Raj Kumar Agarwal	12,50,000	24.04
3.	Rajiv Lakhotia	12,50,000	24.04
4.	Radhe Shyam Daga	12,50,000	24.04
5.	Tetris Consultants	78,000	1.50
Total		50,78,000	97.66

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

Our Company was originally formed as a limited liability partnership under the name ‘*Shree Karni Fabcom LLP*’, bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name ‘*Shree Karni Fabcom Private Limited*’ and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre.

Therefore the above disclosure requirement is not applicable to our Company.

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

Our Company was originally formed as a limited liability partnership under the name ‘*Shree Karni Fabcom LLP*’, bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name ‘*Shree Karni Fabcom Private Limited*’ and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre.

Therefore the above disclosure requirement is not applicable to our Company.

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of this Red Herring Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Red Herring Prospectus.
- g) Our Company does not have any intention or proposal to alter its capital structure within a period of six (06)

months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

10) Shareholding of our Promoters

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

Shree Karni Fabcom Limited

Manoj Kumar Karnani

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
<i>Manoj Kumar Karnani</i>							
On Incorporation*	Subscription to Memorandum of Association ⁽¹⁾	Upon conversion of LLP into Company towards partners' capital	2,50,000	10	10	4.81	3.54%
July 15, 2023	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023 ⁽²⁾	Consideration other than Cash	10,00,000	10	N.A.	19.23	14.14%
Total			12,50,000			24.04	17.68%

Raj Kumar Agarwal

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
On Incorporation*	Subscription to Memorandum of Association ⁽¹⁾	Upon conversion of LLP into Company towards partners' capital	2,50,000	10	10	4.81	3.54%
July 15, 2023	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023 ⁽²⁾	Consideration other than Cash	10,00,000	10	N.A.	19.23	14.14%
Total			12,50,000			24.04	17.68%

Rajiv Lakhotia

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
On Incorporation*	Subscription to Memorandum of Association ⁽¹⁾	Upon conversion of LLP into Company towards partners' capital	2,50,000	10	10	4.81	3.54%
July 15, 2023	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023 ⁽²⁾	Consideration other than Cash	10,00,000	10	N.A.	19.23	14.14%
Total			12,50,000			24.04	17.68%

Radhe Shyam Daga

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital
On Incorporation*	Subscription to Memorandum of Association ⁽¹⁾	Upon conversion of LLP into Company towards partners' capital	2,50,000	10	10	4.81	3.54%
July 15, 2023	Bonus Issue in the ratio of 4 bonus equity shares for every one fully paid up Equity Share held on July 8, 2023 ⁽²⁾	Consideration other than Cash	10,00,000	10	N.A.	19.23	14.14%
Total			12,50,000			24.04	17.68%

11) As on the date of this Red Herring Prospectus, the Company has twenty three (23) members/shareholders.

12) The details of the Shareholding of the Promoters and members of the Promoter Group as on the date of this Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
Promoters					
1.	Manoj Kumar Karnani	12,50,000	24.04	12,50,000	17.68%
2.	Raj Kumar Agarwal	12,50,000	24.04	12,50,000	17.68%
3.	Rajiv Lakhotia	12,50,000	24.04	12,50,000	17.68%
4.	Radhe Shyam Daga	12,50,000	24.04	12,50,000	17.68%
Total		50,00,000	96.16	50,00,000	70.70%

As on date of this Red Herring Prospectus, the members of our Promoter Group do not hold any shareholding in our Company.

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

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

15) Promoters' Contribution and other Lock-In details:

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

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

Following are the details of Minimum Promoters' Contribution:

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
Manoj Kumar Karnani							
2,50,000	Upon conversion of LLP into Company towards partners' capital	On Incorporation	10	10	Other than cash	3.54	March 31, 2027
1,05,000	Bonus Issue	July 15, 2023	10	NIL	Other than cash	1.48	March 31, 2027
TOTAL	3,55,000					5.02	
Raj Kumar Agarwal							
2,50,000	Upon conversion of LLP into Company towards partners' capital	On Incorporation	10	10	Other than cash	3.54	March 31, 2027
1,05,000	Bonus Issue	July 15, 2023	10	NIL	Other than cash	1.48	March 31, 2027
TOTAL	3,55,000					5.02	
Rajiv Lakhota							
2,50,000	Upon conversion of LLP into Company towards partners' capital	On Incorporation	10	10	Other than cash	3.54	March 31, 2027
1,05,000	Bonus Issue	July 15, 2023	10	NIL	Other than cash	1.48	March 31, 2027
TOTAL	3,55,000					5.02	
Radhe Shyam Daga							
2,50,000	Upon conversion of LLP into Company towards partners' capital	On Incorporation	10	10	Other than cash	3.54	March 31, 2027

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
1,05,000	Bonus Issue	July 15, 2023	10	NIL	Other than cash	1.48	March 31, 2027
TOTAL	3,55,000					5.02	

* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

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

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see “**Details of the Build-up of our Promoters’ shareholding**” on page 71.

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

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

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

Our Company been formed by the conversion of an LLP/ partnership firm into a company in the past one year and no Equity Shares have been allotted to the Promoters during the preceding one year at a price less than the Issue Price, against funds brought in by them during that period. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

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

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

Other requirements in respect of ‘lock-in’

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be 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 Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of

lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

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

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

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

Sr. No.	Name of the Shareholders	Pre-Issue		Post - Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Post-Issue Equity Share Capital
1.	Manoj Kumar Karnani	12,50,000	24.04	12,50,000	17.68%
2.	Raj Kumar Agarwal	12,50,000	24.04	12,50,000	17.68%
3.	Rajiv Lakhotia	12,50,000	24.04	12,50,000	17.68%
4.	Radhe Shyam Daga	12,50,000	24.04	12,50,000	17.68%
	Total	50,00,000	96.16	50,00,000	70.70%

- 28) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
- 29) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “**Issue Procedure**” beginning on page 251 of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 30) An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 31) An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 32) Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 33) No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
- 34) As on date of this Red Herring Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

OBJECTS OF THE ISSUE

We intend to utilize the Proceeds of the Issue, after deducting the Issue related expenses, as estimated to be ₹ [●] lakhs (the “**Net Proceeds**”).

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

1. Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat;
2. Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio;
3. Funding working capital requirements of our Company; and
4. General Corporate Purposes.

(Collectively, referred to herein as the “**Objects**”)

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association of our Company enable our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

Issue Proceeds

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

(₹ in lakhs)	
Particulars	Estimated amount ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in the manner set out in the following table:

(₹ in lakhs)		
Sr. No.	Particulars	Estimated amount
1.	Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat	Up to 3,070.48
2.	Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio	Up to 186.82
3.	Funding working capital requirements of our Company	Up to 500.00
4.	General corporate purposes ⁽¹⁾⁽²⁾	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

⁽²⁾The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

Schedule of implementation and Means of Finance

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

(₹ in lakhs)

Sr. No.	Particulars	Total estimated cost	Amount which will be financed from Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds
				Financial Year 2024-25
1.	Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat	3,070.48	3,070.48	3,070.48
2.	Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio	186.82	186.82	186.82
3.	Funding working capital requirements of our Company	500.00	500.00	500.00
4.	General corporate purposes ⁽¹⁾	[•]	[•]	[•]
Total		[•]	[•]	[•]

⁽¹⁾To be finalised upon determination of Issue Price. The amount shall not exceed 25% of the gross proceeds of the Issue

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions competitive environment and interest or exchange rate fluctuations, changes in design and configuration of the proposed manufacturing units, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors 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 our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

For further details see “Risk Factor – Risk Factor 6 - There can be no assurance that the objects of the Issue will be achieved within the time frame anticipated or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the plan for deployment of the Net Proceeds has not been appraised by any bank or financial institution” on page 31.

The fund requirements mentioned above for purchase of plant and equipment and civil works are based on the internal management estimates of our Company and quotation received from third parties, and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing. For further details see “Risk Factors – Risk Factor 49 - Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including

prior shareholders' approval" on page 46.

The fund requirements set out for the aforesaid objects of the Issue are proposed to be met entirely from the Net Proceeds and internal accruals. In view of above, we confirm that, with respect to the Objects, our Company is in compliance with Regulation 230(1)(e) of the SEBI ICDR Regulations and we are not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Object

The details of the Objects of the Issue are set out below:

1. Funding the capital expenditure setting up a dyeing unit in Navsari District, Surat, Gujarat

Our Company is engaged in the business of manufacturing of technical textiles used in luggage, medical arch support, chairs, shoes and other products in the apparel industry. The manufacturing unit of our Company is situated at Block No 314 plot nos. 193 to 195, Rajhans Texpa, NH -8 Palsana, Surat – 394 317, Gujarat, India. As of date of this Draft Red Herring Prospectus, our Company manufactures specialized technical textile and markets them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries across India.

Dyeing is an integral part of the fabric manufacturing process. Our Company presently outsources dyeing of its fabrics to third parties, and therefore to integrate the said process in our operations, we are proposing to set up a dyeing unit in Navsari District, Surat, Gujarat which is in close proximity to our existing manufacturing unit. The proposed unit shall be equipped to carry out dyeing of all kinds of knitted and woven fabrics with an installed capacity of 80,000 meters per day.

The proposed dyeing unit is being set up in a plot of land admeasuring 5,833.88 sq. mtrs. located at Block No. 501, Plot No. 8, Rajhans Zesto Phase-2, NH 8, Navsari, Surat – 396415, Gujarat, India. The said land has been purchased by our Company vide a deed of conveyance dated November 14, 2022.

Our Company proposes to utilise an amount of ₹ 3,070.48 lakhs from the Net Proceeds for funding the capital expenditure towards setting up of the proposed dyeing unit in Navsari District, Surat, Gujarat.

Estimated Costs

The total estimated cost of towards setting up of the dyeing unit is ₹ 3,070.48 lakhs which will entirely be funded through the proceeds of this Issue. The total cost for setting up of a separate manufacturing unit has been estimated by our management and is based on the quotations received from third party suppliers, which has been approved by our Board of Directors in their meeting dated December 15, 2023.

The detailed breakdown of such estimated cost is set forth below.

(₹ in lakhs)	
Particulars	Amount
Civil Works	1,481.80
Plant and Machinery, Effluent Treatment and Electrification	1,532.32
Contingency	56.36
Total	3,070.48

a) Civil Works

For setting up of the dyeing unit, our Company has planned a site development with requisite civil structure at an estimated cost ₹ 1,481.80 lakhs. We have received a quotation dated December 08, 2023 from M/s. Computech Engineers for site development and civil structure and is yet to place order for the same, which amounts to ₹ 1,481.80 lakhs. The detailed bifurcation of cost is as follows:

(₹ in Lakhs)		
Description of work	Quotation Date	Amount
Main Factory Building G+3 floors= Total 1,33,400 Sq ft		1,255.80

Description of work	Quotation Date	Amount
Underground Tank (10,00,000 ltrs)	December 8, 2023	90.00
Boiler Shed		40.00
Electric Panel Room		20.70
RCC Road		53.41
Engineer Fees		21.89
Total		1,481.80

The 'Civil Works' quotation will be valid till June 30, 2024.

b) Plant and Machinery, Effluent Treatment and Electrification

Our Company proposes to acquire machineries and fund water treatment and electrification expenses at an estimated cost of about ₹ 1,532.32 lakhs. The said machinery proposed to be purchased have been identified, however our Company is yet to place order for 100% of the plant and machinery worth ₹ 1,532.32 lakhs. The detailed list of plant & machinery proposed to be acquired by our Company is provided below:

Sr. No.	Particulars	Units to be purchased	Per Unit Price ^ (₹ lacs)	Total Cost ^ (₹ lacs)	Quotation reference	Validity of quotation
1.	Plant & Machinery:					
a)	5 Chamber High Efficiency PLC Stenter Manufactured by: Harish Tex-Mach Private Limited	5 chambers	22.36	111.80	December 11, 2023 renewed vide letter dated February 24, 2024 Sourced from: Harish Tex-Mach Private Limited	April 30, 2024
b)	Four Pass Vertical Coal Fired Thermic Fluid Heater having capacity of 25 lakh kcal/hr Manufactured by: Beekey Corporation Accessories and certain ancillary machines, Steam Geberator, Oil Pipeline, Valve, Chimney	1 set 1 set	61.70 56.02	61.70 56.02	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: Beekey Corporation	April 30, 2024
c)	Semi-Automatic Fabric Dyeing machine with Panel & Inverter Commissioned by: Shridhar Dyeing Solution Company	12	17.85	214.20	December 09, 2023 renewed vide letter dated February 24, 2024 Sourced from: Shridhar Dyeing Solution Company	April 30, 2024
d)	Jigger Machine having 1800 mm Roller length, 500 KG Capacity Manufactured by: Emerald Engineering	10	3.70	37.00	December 08, 2023 renewed vide letter dated February 24, 2024 Sourced from: Emerald Engineering	Valid until withdrawn
e)	High pressure Hydraulic Jigger Machine having 500 KG Capacity Commissioned by: Snehal Texmach	3	23.00	69.00	December 11, 2023 renewed vide letter dated February 24, 2024 Sourced from: Snehal Texmech	Valid until withdrawn
f)	Fabric folding machine 78" Manufactured by: India First Engineering	3	4.81	14.43	December 11, 2023 renewed vide letter dated February 24, 2024	April 30, 2024

Sr. No.	Particulars	Units to be purchased	Per Unit Price ^ (₹ lacs)	Total Cost ^ (₹ lacs)	Quotation reference	Validity of quotation
					Sourced from: India First Engineering	
g)	Rotary Screen printing Machine “Infinium-D” with Infeed, Printing Zone, Dryer & Plaiter Manufactured by: Krossmark Innovations	1	125.00	125.00	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: Krossmark Innovations	April 30, 2024
h)	Digital Printer Manufactured by: Epson Substrate Support System, Ink Supply System, Initial Inkpac	4	10.62	42.48 11.52	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: DCC Print Vision LLP	April 30, 2024
i)	Turbo Long Twin Tube Fabric Dyeing Machine with Completer Dye Kitchen Accessories and Semi-Automatic Programmer Base panel with Double Inverter Commissioned by: Shridhar Dyeing Solution Company	1	29.85	29.85	December 09, 2023 renewed vide letter dated February 24, 2024 Sourced from: Shridhar Dyeing Solution Company	April 30, 2024
j)	High Temperature High Pressure Rotary Relax Drum for High Shrinkage and Compactness of fabric Commissioned by: Shridhar Dyeing Solution Company	1	23.10	23.10	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: Shridhar Dyeing Solution Company	April 30, 2024
k)	Pengda Sublimation Heat Transfer Machine Commissioned by: Divine Digital	1	26.50	26.50	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: Divine Digital	Valid until withdrawn
2.	Effluent Treatment:					
	Membership of Common Effluent Treatment Plant of Gujarat Eco-Textile Park for Effluent Treatment					
a)	Membership Charges for Process House	1	75.00	75.00	December 09, 2023 renewed vide letter dated February 24, 2024 Sourced from: Gujarat Eco-Textile Park	April 30, 2024
b)	Capacity Registration Charge	5 chambers	60.00	300.00		
c)	Flow Meter System	1	7.50	7.50		
d)	Recycled RO Water Capacity Registration Charges	350 (KLD)	0.17	61.25		
e)	Finger Print Analysis Charges	1	0.17	0.17		
f)	Security Deposit for CETP			2.63		
g)	Security Deposit for Recycled RO Water			6.62		
3.	Electrical:					
	Cables, Cable Tray, Cable Gland, Tubular Lugs, Copper Ring Lugs, LED Tube Lights, Cable Tie, LED Flood Lights			60.18	December 12, 2023 renewed vide letter dated February 24, 2024 Sourced from: Gujarat Eco-Textile Park	Valid until withdrawn
	Total Cost			1,335.95		

Sr. No.	Particulars	Units to be purchased	Per Unit Price ^ (₹ lacs)	Total Cost ^ (₹ lacs)	Quotation reference	Validity of quotation
	Installation, Transportation, Loading, Unloading and insurance			196.36		
	Total Cost of Plant and Machinery, Effluent Treatment and Electrification			1,532.32		

^ The prices are exclusive of applicable GST

Note: The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

Our Company proposes to meet the entire requirement of funds for this proposed Object of the Issue from the Net Proceeds and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

c) Contingency

We have created a provision for contingency of ₹ 56.36 lakhs for the total project, which is approximately 2% of total cost of the proposed capital expenditure, to cover additional costs related to any contingent expenses such as difference in the actual costs of machinery, taxes, levies and other contingent duties, as applicable, and any increase in the estimated cost of setting up the manufacturing unit. No second-hand machinery or material is proposed to be purchased out of the aforesaid Net Proceeds. The abovementioned plant and machinery and electrification expenses are proposed to be acquired in a ready-to use condition. Our Company has not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at the proposed manufacturing units, according to the business requirements of the same, which are dynamic and may evolve with the passage of time and based on the estimates of our management.

d) Government and other Approvals

Our Company shall apply the following government and other approvals for setting up the new manufacturing unit:

S. No.	Particulars of licenses	Tentative Time Period of application
1.	License to work a factory under Section 6(1) of the Factories Act, 1948	After construction of manufacturing unit
2.	Consent to Establishment of dyeing unit	Before start of civil works from Gujarat Pollution control Board
3.	Consent to operate dyeing unit	Before trial run of manufacturing unit from CETP
4.	Certificate of Exemption for Ground Water	Before digging of borewell Central Ground water Authority
5.	Electricity - Industrial	Before trial run of manufacturing unit from DGVCL
6.	Building Plan Approval	After complete plan is ready
7.	Boiler steam generator	Before starting operations from Boiler Office
8.	NOC from Gram Panchayat	Before starting construction

e) Proposed Schedule of Implementation

The proposed schedule of implementation is as follows:

Particular	Estimated month of	
	Commencement	Completion
Civil Works	March, 2024	October, 2024
Order of P&M, Equipment	May, 2024	June, 2024
Delivery of machineries	July, 2024	September, 2024

Installation and erection of machineries	September, 2024	October, 2024
Trial run	October, 2024	
Commercial production	November, 2024	

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

2. Funding the purchase of new machinery proposed to be installed at our new unit proposed to be set up for manufacturing bags in Palsana, Surat, Gujarat, with an intent to expand our product portfolio

We are presently engaged in the business of manufacturing of specialized technical textile includes weaving, coated, printing and finishing of grey fabric to produce finished knitted and woven fabrics used in luggage, medical arch support, chairs, shoes and apparels industry. We specialize in wide range of fabrics like Woven Fabrics, Knitted Fabrics, Coated Fabrics, 100% polyester and recycled polyester fabric. We procure yarns, resin, acrylic and coating chemicals from the domestic market to manufacture specialized technical textile and sell them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries. In order to expand our product portfolio, our Company is proposing to set up new bag manufacturing unit. The proposed bag manufacturing unit is proposed to be set up on a plot of land admeasuring 498.98 sq. mtrs. located at Block No. 314, Plot No. 281-282, Rajhans Texpa, NH-8, Baleshvar, Palsana, Surat – 394 317, Gujarat, India. The said land has been purchased by our Company *vide* deed of conveyance dated February 01, 2023.

Our Company proposes to utilise ₹ 186.82 lakhs from the Net Proceeds for purchase of machinery for the proposed manufacturing unit.

Estimated Costs

The total estimated cost for purchase of machinery for the bag manufacturing unit is ₹ 186.82 lakhs which will entirely be funded through the Net Proceeds of this Issue. The cost for purchase of machinery has been estimated by our management and is based on the quotations received from third party suppliers, which has been approved by our Board of Directors in their meeting dated December 15, 2023.

Sr. No.	Particulars	Units to be purch ased	Per Unit Price ^ (₹ lacs)	Total Cost ^ (₹ lacs)	Quotation reference	Validity of quotation
1.	Plant & Machinery:					
a)	Single Needle Lockstitch Flat Bed Industrial Sewing Machine	160	0.19	31.20	December 12, 2023 renewed vide letter dated February 24, 2024	April 30, 2024
	Electronic Bar Tack Sewing Machine	10	1.35	13.50	Sourced from: Curel Sales Corporation	
	Electronic Bar Tack Sewing Machine	10	0.29	2.90		
	Single Needle Lockstitch Machine	10	0.80	8.00		
	Template Sewing Machine Complete set	5	4.80	24.00		
	Template Industrial Sewing Machine	5	5.50	27.50		
	Manufactured by: Curel Sales Corporation					
b)	Fully Automatic Fabric Cutting Machine with Complete Accessories	1 set	67.50	67.50	December 12, 2023 renewed vide letter dated February 24, 2024	April 30, 2024
	Manufactured by: SAMR Technology Private Limited					

Sr. No.	Particulars	Units to be purchased	Per Unit Price ^ (₹ lacs)	Total Cost ^ (₹ lacs)	Quotation reference	Validity of quotation
					Sourced from: SAMR Technology Private Limited	
	Total Cost			174.60		
	Installation, Transportation, Loading, Unloading and insurance			12.22		
	Total Cost of Plant and Machinery			186.82		

^ The prices are exclusive of applicable GST

Note: The amount included in the quotation may be subject to price revisions, basis, inter alia, prevailing market conditions, price of raw materials, increase in taxes/duties levied by governmental authorities. In case of an increase in quoted amount due to a price revision, our Company will bear the difference out of internal accruals.

We hereby confirm that the plant and machinery proposed to be purchased from the Net Proceeds of the Issue are not used or second hand in nature.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

Government and other Approvals

Our Company shall apply the following government and other approvals for setting up the new manufacturing unit:

Bag Manufacturing Unit

S. No.	Particulars of licenses	Tentative Time Period of application
1.	License to work a factory under Section 6(1) of the Factories Act, 1948	After construction of manufacturing unit
2.	Electricity - Industrial	Before trial run of manufacturing unit from DGVCL
3.	Building Plan Approval	After complete plan is ready
4.	NOC from Gram Panchayat	Before starting construction

Proposed Schedule of Implementation

The proposed schedule of implementation is as follows:

Bag Manufacturing Unit

Particular	Estimated month of	
	Commencement	Completion
Order of P&M, Equipment	May, 2024	June, 2024
Delivery of machineries	July, 2024	August, 2024
Installation and erection of machineries	August, 2024	September, 2024
Trial run	September, 2024	
Commercial production	September, 2024	

Our Company proposes to meet the entire requirement of funds for this proposed Object of the Issue from the Net Proceeds and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

3. Funding the working capital requirements of our Company

Our Company proposes to utilise up to ₹ 500.00 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2025.

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions and non-

banking financial companies. Our Company requires additional working capital for funding future growth requirements of our Company. As of November 30, 2023, the aggregate amount sanctioned by the banks to our Company under the fund based working capital facilities amounted to ₹ 2,125 lakhs on a standalone basis. For details of the working capital facilities availed by us, see “Financial Indebtedness” on page 205.

Basis of estimation of working capital requirement

The details of the working capital as March 31, 2021, March 31, 2022 and March 31, 2023 and the source of funding derived from the standalone financial statements of the Company as certified by our Statutory Auditor through their certificate dated December 12, 2023 are provided in the table below. On the basis of the existing and estimated working capital requirement of the Company on a standalone basis, and assumptions for such working capital requirements for Fiscals 2024, 2025 and 2026 as provided by the Company are set forth below:

(₹ lakhs)

S. No.	Particulars	As at March 31, 2021 (Actual-Restated)	As at March 31, 2022 (Actual-Restated)	As at March 31, 2023 (Actual-Restated)	As at November 30, 2023 (Actual-Restated)	As at March 31, 2024 (Estimated)	As at March 31, 2025 (Estimated)
(A)	Current assets						
(a)	Inventories	321.80	1,554.25	3,557.75	4,082.12	3,913.52	4,030.93
(b)	Financial assets						
	(i) Trade receivables	1,744.03	2,410.90	3,490.85	3,172.99	3,535.26	4,542.31
(c)	Cash and Bank Balance	50.22	7.27	35.95	117.85	170.36	167.80
(d)	Short term loans & advances	36.09	170.59	7.00	407.12	-	-
(e)	Other Current Assets	-	-	176.45	383.89	350.00	437.50
	Total current assets (A)	2,152.14	4,143.01	7,268.00	8163.98	7,969.14	9,178.54
(B)	Current liabilities						
(a)	Financial liabilities						
	(i) Trade payables	588.05	1,810.05	3,433.80	2,050.17	1,803.28	1,622.95
(b)	Provisions, other current liabilities and current tax liabilities (net)	12.50	35.79	348.69	486.63	408.30	668.71
	Total current liabilities (B)	600.55	1,845.84	3782.49	2,536.80	2,211.58	2,291.66
(C)	Total working capital requirements (C = A – B)	1,551.59	2,297.17	3,485.51	5627.17	5,757.56	6,886.88
(D)	Funding pattern						
(a)	IPO proceeds	-	-	-	-	-	500.00
(b)	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting) or internal accruals	1,551.59	2,297.17	3,485.51	5,627.17	5,757.56	6,386.88
	Total	1,551.59	2,297.17	3,485.51	5,627.17	5,757.56	6,886.88

Note: Pursuant to the certificate dated December 15, 2023, issued by the Statutory Auditor.

Our Company shall also fund the incremental working capital requirements by availing loan facilities.

Assumptions for our estimated working capital requirements

Particulars	Holding Level for year/period ended					
	November 30, 2023 (Actual-Restated)	March 31, 2021 (Actual-Restated)	March 31, 2022 (Actual-Restated)	March 31, 2023 (Actual-Restated)	March 31, 2024 (Estimated)	March 31, 2025 (Estimated)
Inventories	129	35	63	100	101	87
Trade Receivables	101	191	97	98	91	98
Trade Payables	87	72	78	100	56	45

Key assumptions for working capital requirements

The Company’s estimated for working capital requirements on a standalone basis are based on the following key

assumptions:

S. No.	Particulars	Assumptions
Current Assets		
1	Trade Receivables	The Company receivables credit terms vary across geographies and type of customer. We expect Debtors Holding days to be around 91 and 98 days for FY 2024 and FY 2025 respectively as compared to 98 days in FY 2023, 97 days in FY 2022 and 191 days in FY 2021. And the same was 100 days during the period ended November 30, 2023.
2	Inventories	Inventory levels are maintained by the Company depending upon the demand of finished goods. We have assumed Inventories turnover days to be around 101 and 87 days for FY 2024 and FY 2025 respectively as compared to 100 days in FY 2023, 63 days in FY 2022 and 35 days in FY 2021. And the same was 129 days during the period ended November 30, 2023.
Current Liabilities		
1	Trade Payables	We expect the creditors ended November 30, 2023. depending upon the demand of finished goods. We have assumed Inventories turnover days to be around 101 and 87 days for FY 2024. And the same was 87 days during the period ended November 30, 2023.

With regard to the justification and reason for increase in working capital requirements in projected period of FY 24 and 25, we hereby confirm that the below disclosures shall be included below the table of 'Key assumptions for working capital requirements' in the Chapter 'Object of the Issue' in the Red Herring Prospectus to be filed by the Company.

Justification for increase/ decrease in working capital requirement for the FY2021-22, FY 2022-23 and estimated period:

Actual Production in FY 2021-22	Actual Production in FY 2022-23	Projected Production in FY 2023-24	Projected Production in FY 2024-25
Woven Fabrics (meters per annum)			
5,35,822	1,06,37,544	1,40,56,000	1,69,60,000
Knitted Fabrics(kgs per annum)			
2,74,000	6,71,000	7,56,000	7,56,000
Dyeing (in meters per annum)			
-	-	-	51,84,000
Printing (in meters per annum)			
-	-	-	9,21,600
Bag Manufacturing (units per annum)			
-	-	-	14,40,000

During the fiscal year 2022-23, the total working capital requirement was Rs. 3,485.51 Lakhs. However, this is estimated to increase to Rs. 5,757.56 Lakhs during the fiscal year 2023-24 and Rs. 6,886.88 Lakhs during the fiscal year 2024-25.

The substantial working capital requirement, increasing from Rs. 2,297.17 lakhs in the fiscal year 2021-2022 to Rs.3,485.51 lakhs in the fiscal year 2022-2023 can be attributed to increase in the company's production during this period. This shift is evident in the comparison of increased production, which went from 5,35,822 meters woven fabric & 2,74,000 kgs knitted fabric capacity in 2021-22 to 1,06,37,544 meters woven fabric & 6,71,000 kgs knitted fabric capacity in 2022-23, accompanied by a corresponding boost in turnover from Rs. 8,857.36 lakhs to Rs.12,694.65 lakhs.

This surge in turnover had direct impact on the company's working capital requirements due to specific changes in the following areas:

- ☐ **Outstanding Receivables:** The rise in volume of sales, which in turn necessitated an increase in outstanding receivables. As the company offered credit to its clients, funds became locked in pending invoices, resulting in an expansion of the working capital needed.
- ☐ **Inventories:** Similar to reasons specify for increase in trade receivable, owing to the Company's expectation of higher production, it is expected that substantial amount of inventory for stock of finish goods and raw materials will be kept in stock.
- ☐ **Payment to Suppliers:** Over the past few years, there was an increase in the payment cycle to vendors. This leads to an increase in trade payables leading to a lesser working capital requirement. For example, our Company maintained holding level of trade payable at 78 days and 100 days in 2021-22 and 2022-23 respectively, which support a lower working capital requirement. In FY2024 the payment cycle reduced to 56 days, as capex is already done and we have higher liquidity which enables us to reduce payment cycle of creditors. Further, we are expecting payment cycle to reduce to 46 days in FY 2024-25 from 56 days in FY 2023-24, on account of in-house dying unit being setup, faster

payment to receive discount and better pricing of our raw materials from our suppliers, to achieve higher profit margins. This will have a direct impact on our working capital and require higher working capital.

Justification for increase in working capital requirement for the estimated period

Reason:

As mentioned in the chapter “*Our Business – Business Strategies*” on page 113 of the Draft Red herring Prospectus.

OUR BUSINESS STRATEGIES

Our strategic objective is to improve and consolidate our position as a major technical textile manufacturer with a continuous growth philosophy and to enter in value added products to create an integrated Yarn to end-product manufacturing set up. Below points represents our continuous growth philosophy being implemented:

- ***Setting up of new Dyeing Unit and another unit for manufacturing of bags***

Inaugurating our commercial production in July 2020 with an initial capacity of 400 kilos per day for knitting fabrics, we took significant strides towards diversification. Subsequently, recognizing the market demand and trends, we expanded our operations by establishing a dedicated PVC and EVA lamination division in April 2023. This division, equipped with an installed capacity of 15,000 meters per day, bolstered our capabilities in PVC and EVA lamination.

Looking ahead, with the proceeds from this Issue, we are poised to elevate our product portfolio even further. Our strategic plan includes the establishment of a cutting-edge dyeing facility and a forward integration initiative for the manufacturing of bags. The proposed manufacturing facility for bags will be located at Plot No. 281 and 282, Block No. 314, Rajhans Texpa, NH 8, Palsana, Surat, Gujarat, India. This facility will be fully equipped to execute the entire spectrum of processes and procedures integral to bags manufacturing.

Simultaneously, we plan to set up a state-of-the-art dyeing facility at Block No. 501, Plot No. 8, Rajhans Zesto Phase-2, NH 8, Navsari, Surat – 396415, Gujarat. This facility will be comprehensively equipped to handle all phases of the dyeing process for fabrics.

The decision to diversify into bags manufacturing signifies our strategic move towards forward integration, allowing us to tap into a higher-margin segment. We envision crafting high-quality bags leveraging our specialized technical textile expertise. This venture aligns with the prevailing trends in sportswear, rainwear, and the broader bag pack industry. Notably, the burgeoning demand for interlining fabric in India has spurred a distinct diversification trend in the technical textile industry. This fabric variation is increasingly finding applications in luggage and sportswear manufacturing, presenting a lucrative opportunity for our foray into bags production.

- ***Diversifying and increasing penetration in markets***

We are engaged in manufacturing, processing and coating of woven fabrics for direct sale to our customers domestically. The domestic market offers various opportunities in term of sub-geographic penetration and product/ market diversification which we intend to seize and increase our market reach domestically to explore untapped markets and segments as part of our strategy to mitigate market risk and widen growth prospects. We shall continue to explore opportunities in different countries where we can supply value added products to enhance our geographical reach.

- ***Strengthen our marketing network***

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers’ buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our customers towards our products. Presently, our marketing and sales division consists of 3 members who are responsible for marketing our products in the unorganized and the organized sector of the technical textile industry. We intend to strengthen our existing marketing team by inducting personnel with expertise in the industry, who will supplement our existing marketing strategies in the domestic markets. Further, we also plan to diversify our business operations from weaving, knitting and coating of fabrics and EVA & PVC lamination of fabrics to also include dyeing. Our move towards setting up a separate dyeing unit will help us add a new process line in our portfolio and therefore increase our operations and customer base.

With the use of our products by contract manufacturers of branded luggage and shoes manufacturers, our fabrics have a

huge acceptability and inquiry all over India. We have already started out on our journey as a supplier of our existing products in the domestic market, by supplying products in conformity with the Indian standards, which makes the quality of our products, our biggest marketing technique. Our Domestic operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

Comparisons of existing production capacity to the total production capacity expansion

		Woven Fabrics	
Financial Year		Installed Capacity (in meters per annum)	
2023-24		1,75,70,000	
2024-25		2,12,00,000	
		Knitted Fabrics	
Financial Year		Installed Capacity (in kgs per annum)	
2023-24		10,80,000	
2024-25		10,80,000	
		Dyeing Plan	
Financial Year		Installed Capacity (in meters per annum)	
2023-24		NIL	
2024-25		11,52,000	
		Bag Pack Units	
Financial Year		Installed Capacity (in no. of units per annum)	
2023-24		NIL	
2024-25		18,00,000	

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives;
- general procurement;
- brand building and strengthening of marketing activities; and
- ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions

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

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lacs. The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expense, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as under:

Expenses	Estimated expenses ⁽¹⁾ (in ₹ lacs)	As a % of the total estimated Issue expenses ⁽¹⁾	As a % of the total Gross Issue Proceeds ⁽¹⁾
Issue management fees including fees and reimbursements of Market Making fees and payment to other Intermediaries such as Legal Advisors to the IPO, Registrars and other out of pocket expenses.	[●]	[●]	[●]
Marketing and Selling Commission and expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]

Expenses	Estimated expenses ⁽¹⁾ (in ₹ lacs)	As a % of the total estimated Issue expenses ⁽¹⁾	As a % of the total Gross Issue Proceeds ⁽¹⁾
Others			
- Listing fees	[●]	[●]	[●]
- SEBI and NSE processing fees	[●]	[●]	[●]
- Book Building software fees	[●]	[●]	[●]
- Other regulatory expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.*

Notes:

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST) Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).

2. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
3. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
4. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
5. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
6. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

Deployment of Funds and Sources of Funds

As on date of this Red Herring Prospectus, our Company has not deployed any funds towards the Objects of the Issue.

Interim Use of Funds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, since the Net Proceeds do not exceed ₹ 10,000.00 lakhs, appointment of monitoring agency is not applicable.

Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 290 and Schedule XX of the SEBI ICDR Regulations.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

Other Confirmations

No part of the Net Proceeds will be paid to our Promoter, Promoter Group, Directors, our Group Companies or our Key Managerial Personnel, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel, or our Group Companies in relation to the utilisation of the Net Proceeds.

BASIS FOR ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10/- and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to “Our Business”, “Risk Factors”, “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Other Financial Information” on pages 116, 29, 167, 209 and 204, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

- Specialized technical textile manufacturers with long standing market presence
- Established track record
- Existing client and supplier relationships
- Quality Assurance and Quality Control of our products
- Strategically located manufacturing facilities with modern infrastructure and integrated manufacturing facilities with a core focus on quality
- Cost efficient sourcing and locational advantage
- Well experienced management team with proven project management and implementation skills

For further details, see “Our Business” on page 116.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Financial Statements. For details, see “Restated Financial Statements” on page 167.

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

I. Basic and Diluted Earnings per share (“EPS”)

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	11.10	11.10	3
March 31, 2022	51.48	51.48	2
March 31, 2021	15.35	15.35	1
Weighted Average	25.27	25.27	6
Eight months period ended November 30, 2023*	23.80	23.80	-

*Not Annualised

Notes:

- (1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights
- (2) Basic Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of equity shares outstanding during the period/year, read with note 1 above
- (3) Diluted Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of diluted equity shares outstanding during the period/year, read with note 1 above
- (4) Earnings per Share calculations are in accordance with the notified Accounting Standard 20 ‘Earnings per share’. The face value of equity shares of the Company is ₹ 10/-.
- (5) The figures disclosed above are based on the Restated Financial Statements.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
Based on basic EPS for Fiscal 2023	[●]	[●]
Based on diluted EPS for Fiscal 2023	[●]	[●]

*Will be included in the Prospectus

Industry Peer Group P/E ratio

Particulars	Industry P/E (number of times)
Highest	NA
Lowest	NA
Average	NA

Notes:

- (1) The industry high and low has been considered from the industry peer set provided above. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed above
- (2) P/E Ratio cannot be computed as the peer company is an unlisted company.
- (3) All the financial information for unlisted industry peers mentioned above is sourced from the annual reports of the relevant companies for Fiscal 2023, as available on the websites of the MCA.

III. Return on Networth (“RoNW”)

Fiscal Year ended	RoNW (%)	Weight
March 31, 2023	21.34%	3
March 31, 2022	38.96%	2
March 31, 2021	22.87%	1
Weighted Average	27.46%	
Eight months period ended November 30, 2023*	42.56%	

*Not Annualised

Notes:

- (1) Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.
- (2) Return on Net Worth (%) = Restated profit for the year divided by Net worth at the end of the period/year.
- (3) ‘Net worth’: Equity Share capital and other equity less capital reserves

IV. Net asset value per Equity Share (face value of ₹ 10/- each)

Particulars	NAV per equity share (₹)
As on November 30, 2023	36.77
As on March 31, 2023	260.22
After the Completion of the Issue:	
- At Floor Price	[●]
- At Cap Price	[●]
- At Issue Price ⁽²⁾	[●]

Notes:

- (1) Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the period/ year divided by number of equity shares outstanding as at the end of period /year as per Restated Financial Statements.
- (2) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

COMPARISON OF ACCOUNTING RATIOS WITH LISTED INDUSTRY PEERS

We believe there is no listed company specifically comparable in the similar line of segments in which our Company operates and whose business segment in part or full may be comparable with that of our business.

Thus, we have used Nobletex Industries Limited an unlisted company, which we believe is our peer group which has been determined on the basis the similar line of segments in which our Company operates and whose business segment

in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

Following is the comparison with our peer company unlisted in India:

Name of the company	Consolidated/ Standalone	Face value (₹ per share)^	Closing price on December 12, 2023 (₹ per share)	Revenue from Operations (₹ in Lakhs)	EPS (₹)		NAV (₹ per share)	P/E Ratio	RoNW (%)	PAT margin (%)	Market cap to Revenue from operation
					Basic	Diluted					
Shree Karni Fabcom Limited *	Consolidated	10	N.A.	12,694.65	11.10	11.10	260.22	NA	21.34%	4.37%	[•]#
PEER GROUP											
Nobletex Industries Limited	Standalone	10	N.A.	17,828.68	19.17	19.17	88.94	N.A.	24.16%	4.64%	N.A.

*Financial information for our Company is derived from the Restated Financial Statements as at and for the Fiscal 2023.

#Will be updated in the Prospectus.

Source: All the financial information for unlisted industry peer mentioned above is sourced from the annual report of the relevant companies for Fiscal 2023, as available on the websites of the MCA.

Notes for peer group:

1. P/E Ratio cannot be computed as the peer company is an unlisted company.
2. Return on Net Worth (%) = Profit for the year ended March 31, 2023 divided by Total Equity of the Company as on March 31, 2023.
3. NAV is computed as the Total Equity of the Company as on March 31, 2023 divided by the outstanding number of equity shares as on March 31, 2023.
4. Market capitalisation to revenue from operations cannot be computed as the peer company is an unlisted company.

The trading price of the Equity Shares could decline due to the factors mentioned in the section “Risk Factors” on page 29 and any other factors that may arise in the future and you may lose all or part of your investments.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Consolidated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 12, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Baid Agarwal Singhi & Co., Chartered Accountants, by their certificate dated December 12, 2023.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 116 and 209, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 6.

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 Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

Some of the key performance indicators which may form the basis for computing the Issue Price are as follows:

(₹ in lakhs except percentages and ratios)

Key Performance Indicators	Eight months period ended November 30, 2023 [#]	March 31, 2023 [#]	March 31, 2022 [#]	March 31, 2021 [#]
Revenue from Operations	7,572.22	12,694.65	8,357.36	3,287.42
EBITDA ⁽¹⁾	1,440.27	1,519.16	828.14	380.51
EBITDA Margin ⁽²⁾⁽³⁾	19.02%	11.97%	9.91%	11.57%
Profit After Tax for the Year / Period	813.83	555.25	514.84	153.48
PAT Margin ⁽⁴⁾	10.75%	4.37%	6.16%	4.67%
ROE ^{(5)*}	42.56%	21.34%	38.96%	22.87%
ROCE ^{(6)*}	11.34%	21.83%	19.20%	16.80%
Net Debt/ EBITDA ⁽⁷⁾	6.52	2.38	3.27	3.68

*Not annualised for the three months period ended November 30, 2023

[#]As certified by the Statutory Auditor vide their certificate dated December 12, 2023.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 12, 2023.

Explanation for the Key Performance Indicators

1. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance costs, and depreciation & amortisation expenses.
2. EBIT means Earnings before interest and tax, and is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance cost.
3. EBITDA Margin is calculated as EBITDA as a percentage of Revenue from operations.
4. PAT Margin is calculated as profit after tax for the year / period as a percentage of Revenue from operations.
5. Return on Equity (ROE) is calculated as profit after tax for the year/period divided by Total Equity.
6. Return on Capital Employed (ROCE) is calculated as EBIT divided by Capital Employed. Capital Employed is calculated as total assets less total current liabilities as at the end of the period/year.
7. Net Debt/ EBITDA: Net Debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year divided by EBITDA.

We shall continue to disclose these KPIs, on a half-yearly basis, for a duration that is at least the later of (i) three years after the listing date; and (ii) the utilization of the issue proceeds disclosed in the objects of the issue section of the Prospectus. We confirm that the ongoing KPIs would be certified by the statutory auditor of the Issuer Company.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
EBITDA (₹ in Lakhs)	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.
Profit After Tax (₹ in Lakhs)	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 average shareholders' funds.

KPI	Explanations
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the average capital employed in the business.
Net Debt/ EBITDA (In Times)	Net Debt by EBITDA is indicator of the efficiency with which our Company is able to leverage its debt service obligation to EBITDA.

Comparison the Key Performance Indicators with our unlisted peers:

(₹ in lakhs) (As on March 31, 2023)

Key Performance Indicators	Nobletex Industries Limited#
Revenue from Operations	17,828.68
EBITDA ⁽¹⁾	1,601.70
EBITDA Margin ⁽³⁾	8.89%
Profit After Tax for the Year	835.83
PAT Margin ⁽⁴⁾	4.64%
ROE ⁽⁵⁾	21.16%
ROCE ⁽²⁾⁽⁶⁾	24.68%
Net Debt/ EBITDA ⁽¹⁾⁽⁷⁾	2.11

Source: Annual Reports of the company / www.bseindia.com and www.nseindia.com

As certified by the Statutory Auditor vide their certificate dated December 12, 2023.

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated December 12, 2023.

Explanation for the Key Performance Indicators

1. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance costs, and depreciation & amortisation expenses.
2. EBIT means Earnings before interest and tax, and is calculated as profit before tax/ (loss) before extraordinary item for the period/year and adding back finance cost.
3. EBITDA Margin is calculated as EBITDA as a percentage of Revenue from operations.
4. PAT Margin is calculated as profit after tax for the year / period as a percentage of Revenue from operations.
5. Return on Equity (ROE) is calculated as profit after tax for the year/period divided by Total Equity.
6. Return on Capital Employed (ROCE) is calculated as EBIT divided by Capital Employed. Capital Employed is calculated as total assets less total current liabilities as at the end of the period/year.
7. Net Debt/ EBITDA: Net Debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year divided by EBITDA.

OPERATIONAL KPIs OF THE COMPANY:

Particulars	For the Year ended on March 31		
	2023	2022	2021
Capacity Utilisation			
Installed Capacity (MTPA)	9,45,000	4,80,000	1,80,000
Actual Production (MTPA)	6,71,000	2,74,000	1,70,000
Capacity Utilization (In %)	71.00%	57.00%	94.44%
Contribution to revenue from operations of top 5 / 10 customers			
Top 5 Customers (%)	43.54%	50.88%	44.59%

Top 10 Customers (%)	61.12%	68.52%	72.96%
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Explanation for KPI metrics

KPI	Explanations
Contribution to revenue from operations of top 5 / 10 customers	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.

COMPARISON OF OPERATIONAL KPIs OF OUR COMPANY AND OUR LISTED PEER:

The operational KPIs of the listed peer are not publicly available.

WEIGHTED AVERAGE COST OF ACQUISITION:

- a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities).

There have been no issuance of Equity Shares, excluding shares issued as bonus shares, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities).

There have been no secondary sale / acquisitions of Equity Shares or convertible securities, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Price per share based on the last five primary or secondary transactions;

Since there are no transactions to report to under (a) or (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s), not older than 3 years prior to the date of this Red Herring Prospectus, irrespective of the size of transactions is not required, are not applicable.

- d) Weighted average cost of acquisition, floor price and cap price:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (₹[•])	Cap Price (₹[•])
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price (₹[●])	Cap Price (₹[●])
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoters / promoter group entities or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoters / promoter group entities or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction.	N.A.	N.A.	N.A.

Explanation for Issue Price being [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) along with our Company's key performance indicators and financial ratios for the period March 2023, 2022 and 2021.
[●]*

Explanation for Issue Price being [●] times price of face value.

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLM, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 29, 116, 209 and 167 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 29 and you may lose all or part of your investment.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Statement of possible special tax benefits available to the Company, its Subsidiary and its Shareholders

To,
The Board of Directors
Shree Karni Fabcom Limited
Plot 188,189,190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat-394 317, Gujarat, India

Dear Sir(s),

Subject: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART A, Clause (9) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the “Regulations”)

We hereby report that the enclosed annexure prepared by Shree Karni Fabcom Limited, states the possible special tax benefits available to Shree Karni Fabcom Limited (the “**Company**”) and the shareholders of the Company and its Subsidiary namely IGK Technical Textiles LLP (“**Subsidiary**”), under the Income Tax Act, 1961 (“**Act**”), 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 or its Subsidiary to derive the special tax benefits is dependent upon fulfilling such conditions, which 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 shareholders or its Subsidiary, so it does not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the “**Issue**”) by the Company.

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

- i. Company or its shareholders or its Subsidiary will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits has been/ would be met with.

The contents of the enclosed statement 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. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Your sincerely,

For Baid Agarwal Singhi & Co.
Chartered Accountants
ICAI Firm Registration No.: 0328671E

Partner: **CA Dhruv N Agarwal**

Membership No: 306940
UDIN: 23306940BGTUNN1557

Place: Surat
Date: December 12, 2023

Enclosed as above

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company, the Equity Shareholders and its Subsidiary under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

C. SPECIAL TAX BENEFITS TO THE SUBSIDIARY

The Subsidiary is not entitled to any special tax benefits under the Act.

Note:

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 update 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.

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SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled “Risk Factors” and “Our Business” beginning on pages 29 and 116, respectively of this Red Herring Prospectus.

GLOBAL ECONOMY

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia’s war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging market and developing economies.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its prepandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below prepandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with prepandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about \$3.6 trillion in 2023 prices) below prepandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to prepandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes.

Among emerging market and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis. Divergences in labour market performance across regions broadly mirror those for output and consumption. Employment and labour participation rates are estimated to exceed prepandemic trends in advanced economies but to remain significantly below them in emerging market and developing economies, reflecting more severe output losses and much weaker social protection. Countries that had the most limited fiscal space are also those where employment shortfalls are the largest (ILO 2023). Among advanced economies, the euro area has seen larger employment gains than the United States. This may reflect more extensive use in the former of worker-retention programs modelled on the German Kurzarbeit short-time work scheme (IMF 2020), which protect workers’ income and allow businesses to retain firm-specific human capital, reducing the costly process of separation, rehiring, and training. In the euro area, these programs bolstered employment during the most challenging phases of the crisis and accelerated the recovery when economies reopened.

Investment, on the other hand, has uniformly fallen short of prepandemic trends across regions. Businesses have shown less enthusiasm for expansion and risk taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties regarding geoeconomic fragmentation. Higher leverage has further dampened investment which remains 3 percent to 10 percent lower across regions than had been projected before the pandemic. Moreover, the pandemic, war in Ukraine, and worsening climate shocks have contributed to a reversal in decades-long poverty reduction trends. According to World Bank staff estimates, 75 million to 95 million more people were living in extreme poverty in 2022 compared with prepandemic estimates. Spikes in food prices and related insecurities following Russia’s invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of

catastrophic flooding, heat waves, and wildfires in many regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023#:~:text=Advanced%20economies%20are%20expected%20to,in%20both%202023%20and%202024.>

OVERVIEW OF THE INDIAN ECONOMY

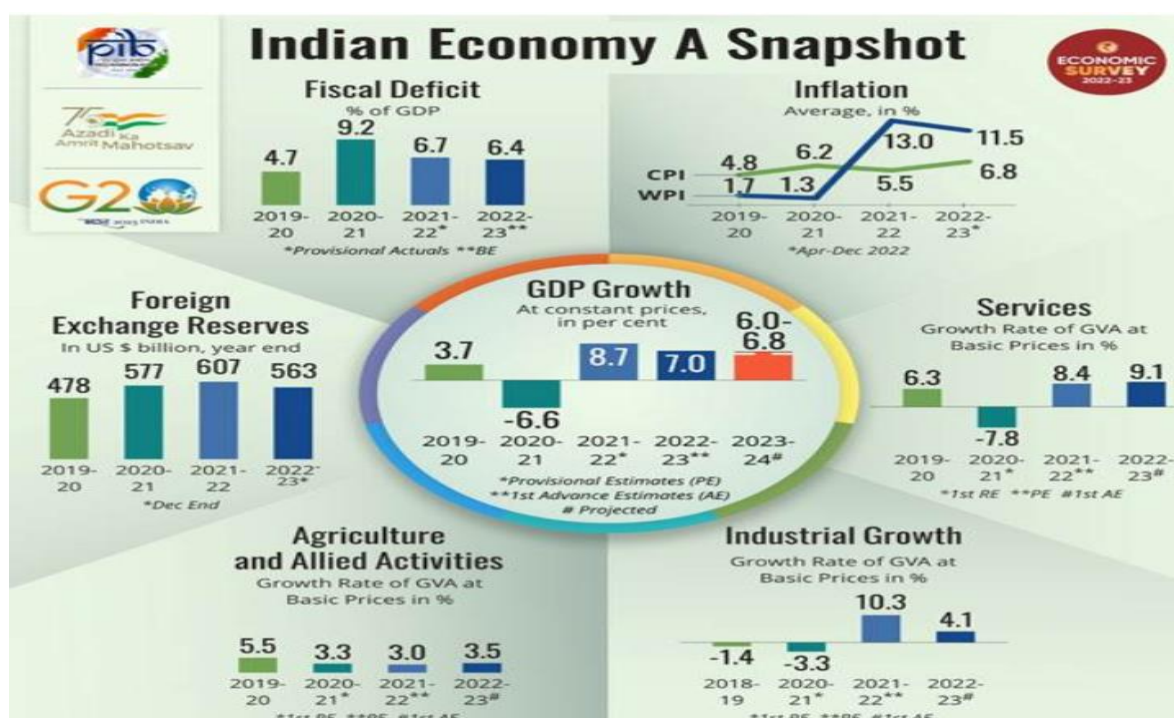
India continues to show resilience against the backdrop of a challenging global environment, according to World Bank's latest India Development Update (IDU). The IDU, the Bank's flagship half yearly report on the Indian economy, observes that despite significant global challenges, India was one of the fastest-growing major economies in FY22/23 at 7.2%. India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector. Bank credit growth increased to 15.8% in the first quarter of FY23/24 compared with 13.3% in the first quarter of FY22/23.

The World Bank forecasts India's GDP growth for FY23/24 to be at 6.3%. The expected moderation is mainly due to challenging external conditions and waning pent-up demand. However, service sector activity is expected to remain strong with growth of 7.4% and investment growth is also projected to remain robust at 8.9%.

"Tapping public spending that crowds in more private investments will create more favourable conditions for India to seize global opportunities in the future and thus achieve higher growth." - Auguste Tano Kouame, World Bank's Country Director in India.

"While the spike in headline inflation may temporarily constrain consumption, we project a moderation. Overall conditions will remain conducive for private investment," said Dhruv Sharma, Senior Economist, World Bank, and lead author of the report. *"The volume of foreign direct investment is also likely to grow in India as rebalancing of the global value chain continues."*

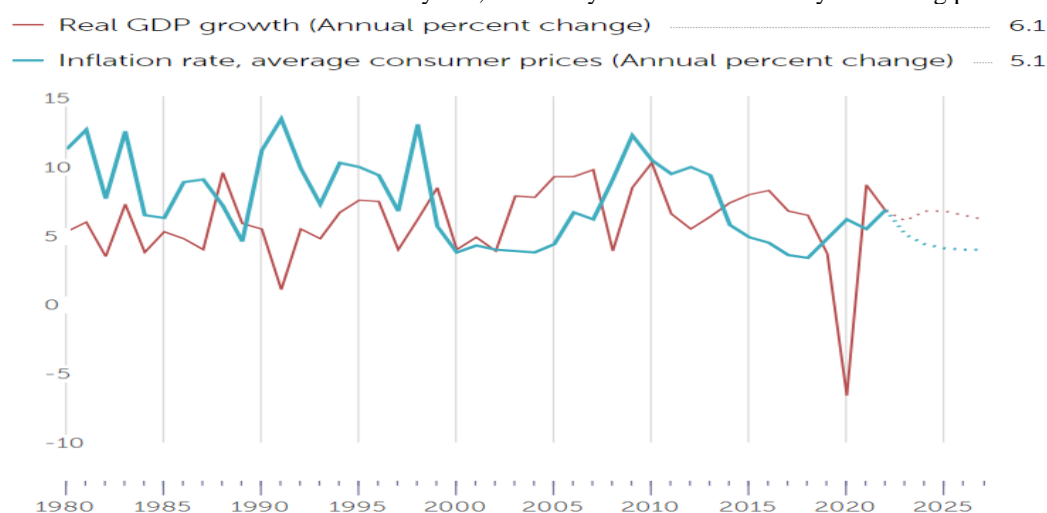
Source: <https://www.worldbank.org/en/news/press-release/2023/10/03/india-s-growth-to-remain-resilient-despite-global-challenges#:~:text=The%20IDU%2C%20the%20Bank's%20flagship,average%20for%20emerging%20market%20economies.>



Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of the COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

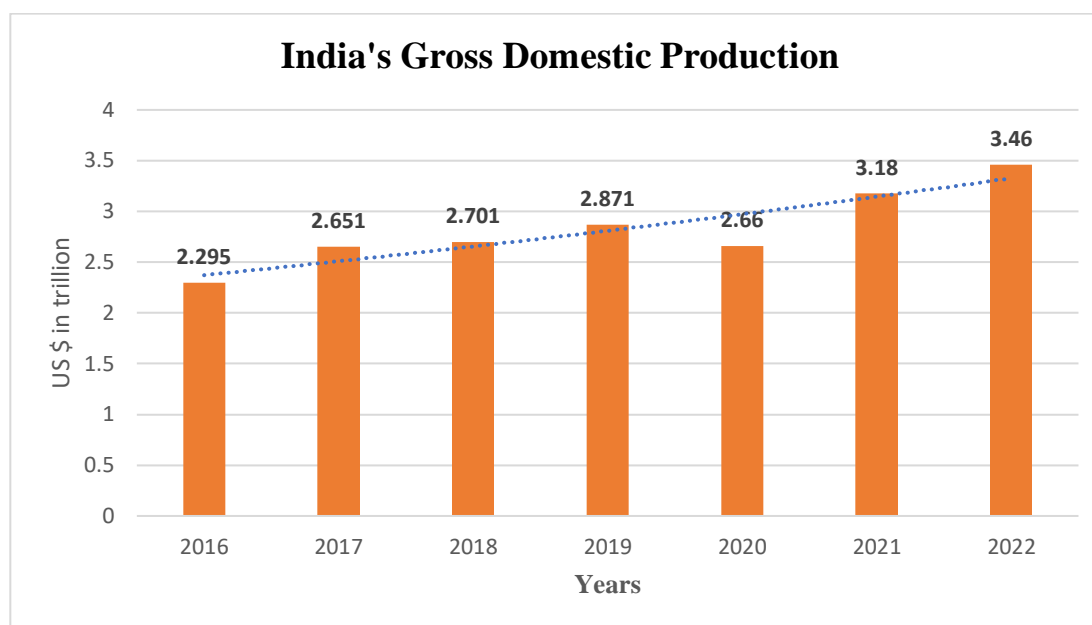
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalization of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.



Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

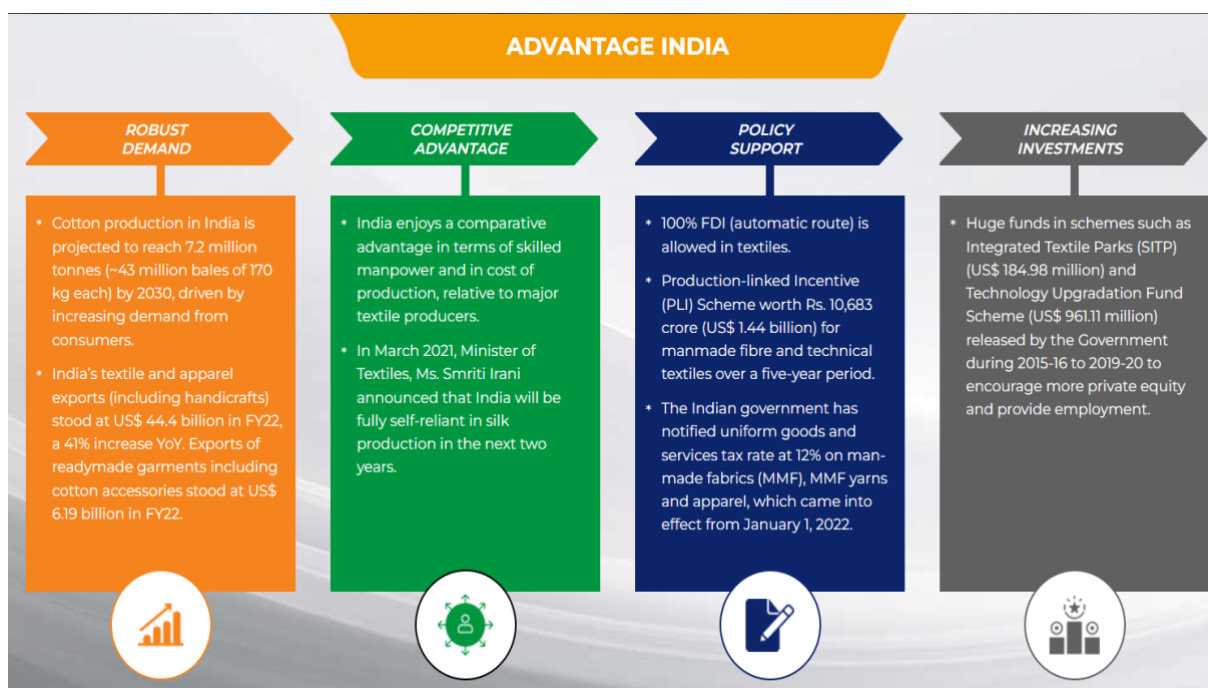
Despite the continued global slowdown, India's exports climbed at the second-highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Overview of Indian Textile Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.



Market Size

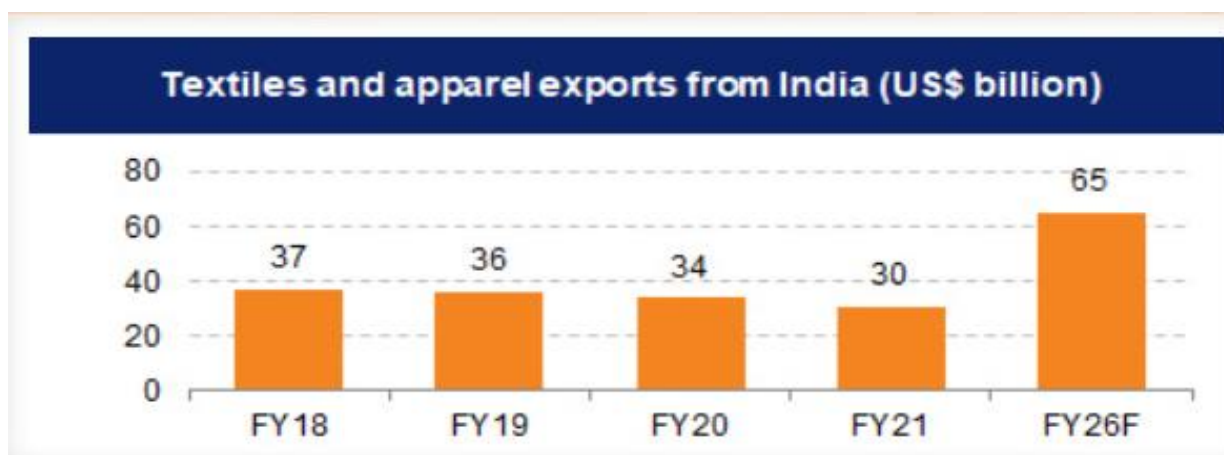
The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.

Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.



Indian Technical Textiles Industry

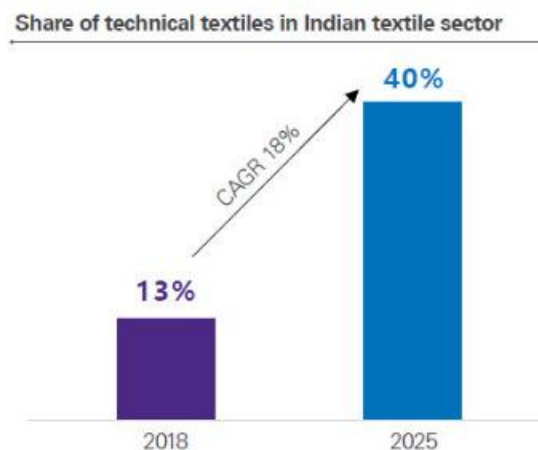
India's strengths have already been defined in traditional textiles and natural fibres globally. It is the second largest producer of polyester in the world and is now emerging as a key player in technical textiles industry contributing to a market size of \$ 19 Bn.

Technical textiles are defined as high performance textile products, materials, and fibres that are used for their functional use rather than for aesthetic purposes. Technical textiles have varied applications in several vital industries including aerospace, packaging, hazard protection, shipping, sports, agriculture, defence, healthcare, construction, etc.

The usage of technical textiles has the benefit of large-scale improvements in performance, efficiency, conservation of resources, cost reduction, environmental protection and cost effectiveness. Other terms used for defining Technical textiles include industrial textiles, functional textiles, performance textiles, engineering textiles, invisible textiles and hi-tech textiles.

Technical textiles is a fast-growing sub-segment that finds its usage in an array of sectors. The end use application of technical textiles is widespread and seen in industries such as agriculture, construction, sports apparel, healthcare etc. India's leap towards modernisation and its manufacturing competitiveness are some of the key contributors to the growth of this segment.

Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%. There is a huge potential to fulfil a large demand gap as the consumption of technical textiles in India is still only at 5-10% against 30-70% in some of the advanced countries. Hence, garnering direct attention from prime minister Narendra Modi and his Cabinet Committee on Economic Affairs (CCEA), a National Technical Textiles Mission has been set up that aims at an average growth rate of 15-20% to increase the domestic market size of technical textiles to \$ 40-50 Bn by the year 2024; through market development, market promotion, international technical collaborations, investment promotions and Make in India initiative.



Technical textiles, a sunrise sector, has become even more relevant during the Covid-19 crisis when the global manufacturing have come to a grinding halt and the ban on export of critical medical equipment including N95 face masks and protective gears, have made imports to India nearly impossible. India was entirely import dependent for PPE kits. From manufacturing 0 PPE kits in March, it soon rose to manufacturing 2.5 lakh a day in 60 days becoming the second largest manufacturer after China. Today, India stands to produce around 4.5 lakh PPEs and more than 1.5 crore masks a day.

Despite the economic slowdown and downturn in the overall demand for textiles due to Covid-19, the industry continues to be the second largest employer in India. By transforming a Covid-19 crisis to an opportunity, India has proven its ability to innovate and rise to the challenge with limited resources and time. Therefore, it is even more essential for the government and industry to collaborate to boost technical textiles, a high value segment of this sector.

Application Areas of Technical Textiles



Agrotech Bird protection nets, finishing nets, crop covers, mulch mats, shade nets



Buildtech Floor & wall coverings, scaffolding nets, awnings & canopies



Clothtech Interlinings, labels, elastic narrow fabrics, shoelaces



Geotech Geo-composites, geo-bags, geogrids, geonets



Hometech Blinds, mattress, pillow components, carpet backing cloth, mosquito nets



Indutech Industrial brushes, composites, ropes, cordages, conveyor belts



Mobiltech Nylon tire cord fabrics, seat cover fabric/upholstery, seat belts, insulation felts



Meditech Industrial brushes, composites, ropes, cordages, conveyor belts



Oekotech Waste management, environmental protection, recycling



Protech Ballistic protective clothing, fire retardant apparel, high visibility clothing



Packtech Wrapping fabric, jute sacks, tea bag filter paper, woven sacks



Sportech Sports nets, sleeping bags, hot air balloons, parachute fabrics, sports composites

Major Government Schemes for Technical Textiles **National Technical Textiles Mission**

With a view to position India as the Global Leader in Technical Textiles, Ministry of Textiles has launched the National Technical Textiles Mission (NTTM) with an overall outlay of INR 1480 Crores during 2020-21 to 2023-24.

PLI Scheme for Textiles

In order to promote domestic production of Technical Textiles, Production Linked Incentive (PLI) scheme was launched, in addition to MMF Fabrics and MMF Apparel with an overall outlay of INR 10,683 Crores

PM MITRA Scheme

To boost the overall textile industry and value chain, especially MMF and Technical Textiles, Ministry of Textiles launched PM Mega Integrated Textile Regions and Apparel Parks (MITRA) Scheme with an overall outlay of INR 4445 Crores over a period of 7 years upto 2027-28.

Source: Technical Textiles Ecosystem in India, Ministry of Textiles,; Technical textiles: Growth engine of Indian textiles sector, KPMG, August 2019; and <https://www.investindia.gov.in/siru/technical-textiles-future-textiles>

Investment and Key Development

- The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 3.99 billion from April 2000-March 2022. The textiles sector has witnessed a spurt in investment during the last five years.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognised for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

Government Initiatives

The Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.

Other initiatives taken by the Government of India are:

- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.

- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs. 133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- For 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 the 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.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).
- In October 2021, Minister for Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution, Piyush Goyal, announced the creation of 100 textile machinery champions in the country, and to promote them in the global market. Through this, the government aims to make India a global player in textiles machinery.
- In October 2021, the Ministry of Textiles approved the continuation of the comprehensive handicrafts cluster development scheme with a total outlay of Rs. 160 crore (US\$ 21.39 million). Through this scheme, the government aims to support domestic SMEs and local artisans.
- In October 2021, the government introduced SAMARTH training at 75 training centers across the country, to accelerate the scheme's coverage among artisans.

- The government allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16-22 for the ‘Amended Technology Up-gradation Fund Scheme’ (A-TUFS), to boost the Indian textile industry and enable ease of doing business.

Road Ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

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 overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

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

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 20 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 27. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the industry sources. This section should be read in conjunction with the “Industry Overview” on page 106 of this Red Herring Prospectus . Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our “Restated Financial Information”, included in this Red Herring Prospectus on page 158.

OVERVIEW

We are engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Our production process begins with yarn procurement and encompasses weaving, coating, printing, and finishing, resulting in knitted and woven fabrics crafted to meet our clients' customized specifications. Specializing in Woven Fabrics, Knitted Fabrics, Coated Fabrics, and 100% polyester, we source yarn, resin, acrylic, and coating chemicals to produce specialized technical textiles. Our Company specialised in converting yarn into fabric through knitting of fabrics. We outsource weaving, coating, sizing and embossing of specialized technical textile to our Subsidiary, IGK Technical Textile LLP.

Our product applications span a wide spectrum, including luggage, roofing, agriculture net, vehicle covers, tents, armed forces fabric, sports kits, chairs, medical arch support, umbrellas, and raincoats. Our manufacturing unit is equipped with automated machines for manufacturing of specialized technical textile with installed capacity of 70,000 meters per day for weaving, 90,000 kilos per month for knitting, 50,000 meters per day for poly acrylic and polyurethane coating, 15,000 meters per day for PVC / 8,000 meters per day for EVA lamination and 40,000 meters per day heat embossing. We market and sell under our brand ‘SKFL’. We propose to utilize a portion of the Net Proceeds of this Issue towards setting up of dyeing facility and forward integration for manufacturing of bags at land already purchased in very close vicinity to our existing manufacturing set up.

Guided by experienced promoters—Radheshyam Daga, Manoj Kumar Karnani, Raj Kumar Agarwal, and Rajiv Lakhotia—our company has evolved from trading specialized technical textiles to establishing an automated manufacturing facility. Prior to incorporation of our Company, the promoters were engaged in the business of trading of specialized technical textile used in luggage industry. During the year 2018, our Promoters incorporated Shree Karni Fabcom LLP and in the year 2020, our Company expanded its product portfolio by setting up an automated manufacturing facility to manufacture specialized technical textile. Our Company manufactures and sells its products across India. Recently, our Company has acquired 66.67% stake in IGK Technical Textile LLP w.e.f. October 31, 2023, which is engage in weaving, coating, sizing and embossing of specialized technical textile. Our subsidiary operation comprises woven, coating, and embossing facilities.



Under the leadership of our Managing Director, Rajiv Lakhota, who have over two decades of experience, we operate with three facilities: knit facility, EVA lamination facility, and R&D facility.

Our current manufacturing units consists of three facilities - namely, knit facility, PVC/EVA lamination facility, and R&D facility. In addition to this, there are three more facilities in our subsidiary - woven facility, coating facility and embossing facility. We use the machineries installed to process and manufacture finished fabrics from yarn post processing and chemical treatment. To ensure that we supply quality products which meet the applicable standards, we have set up a Research and Development facility (“**R&D facility**”), which consists of our quality assurance and quality control teams who check and conduct various tests in our ‘in-house laboratory’ on the fabrics at various stages starting from grey cloth to the finished fabrics manufactured by us. All our facilities are supplemented by our utilities, such as water, power, effluent treatment plant, etc. which makes it an important link between all our facilities. In addition to our existing manufacturing unit and facilities, we are proposing to set up a manufacturing unit for dyeing facility and forward integration for manufacturing of bags at land already purchased in very close vicinity to our existing manufacturing set up. The manufacturing of bags would be located at Plot No. 281 and 282 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India. The proposed facility will be fully equipped to carry out all the processes and procedures for manufacturing of bags. The dyeing of fabric will be set up at Block No. 501, Plot No. 8, Rajhans Zesto Phase-2, NH 8, Navsari, Surat – 396415, Gujarat. The proposed dyeing facility will be fully equipped to carry out all the processes of fabric including various kind rotary print.

Our in-house R&D facility complemented by our quality assurance and quality control department has enabled us to expand our business in domestic market. The knitted fabrics manufactured by us have been used by contract manufacturers of renowned brands in luggage, shoes and apparels industry. Our quality control and quality assurance team carry out various technical and manual tests to ensure they do not suffer rejections and are eligible and used by contract manufacturers of international brands, thereby generating value for us.

Our company has a diversified marketing network that serves as a robust channel for the promotion and sale of our products. Operating within a Business-to-Business (B2B) model, we engage with institutional manufacturers and traders located across various states in India. The details of our customer base and marketing strategy are elucidated below:

- *Institutional manufacturers:* Within our B2B framework, we cater to institutional manufacturers by supplying specialized technical textiles tailored to the precise specifications of contract manufacturers associated with renowned brands. This segment encompasses a spectrum of industries, including luggage, roofing, agriculture net, vehicle covers, housing and tents, armed forces fabric, sports-kits, chairs, medical arch support, umbrellas, and raincoats.
- *Traders :* Our strategic approach involves cultivating a widespread network of traders across India. We sell our products to traders with established market presence in different states. Notably, while formal agreements with our traders are not in place, our collaboration is founded on mutually agreed-upon terms. This flexible and cooperative arrangement has not only enabled us to supply our products efficiently but has also played a pivotal role in establishing and expanding our presence in the specialized technical textile industry through our extensive trader network.

Our revenues from operations for the eight months period ended 30th November 2023 was ₹ 7572.22 lakhs and for Fiscals 2023, 2022 And 2021 were ₹ 12694.65 lakhs, ₹ 8357.36 lakhs and ₹ 3287.42 lakhs respectively, and grew at a CAGR of 56.89% over such period. Our EBITDA for eight months period ended was ₹ 1440.27 lakhs and for Fiscals 2023, 2022 and 2021 were ₹ 1519.16 lakhs, ₹ 828.14 lakhs and ₹ 380.51 lakhs, respectively, and grew at a CAGR of 58.64 % over such period. Our profit after tax for eight months period ended 30th November 2023 was ₹ 813.83 lakhs and for Fiscals 2023, 2022 and 2021 was ₹ 555.25 lakhs, ₹ 514.84 lakhs and ₹ 153.48 lakhs respectively, and grew at a CAGR of 53.51 %.

The above financial indicators reflects our commitment to sustained financial performance. For further details, please refer to the section titled “Financial Information” of this Red Herring Prospectus.

OUR OPERATIONS

Following is our detailed revenue breakup for the period ended November 30, 2023 and for the financial years ending March 31, 2023, 2022 and 2021:

(₹ in lakhs)					
S. No.	Particulars	Nov 30, 2023	FY 2023	FY 2022	FY 2021
1.	Of our Company	7,370.37	12,694.65	8,357.36	3,277.71
2.	Of our Subsidiary	2,351.08	2,978.01	346.38	-

The table set forth below provides a revenue bifurcation based on type customers for the last 3 financial years and stub period in a numerical and percentage basis:

Particulars	20-21	%	21-22	%	22-23	%	30-11-2023	%
Soft and Hard Luggage	1,369.87	41.67%	3,458.92	41.39%	5,629.34	44.34%	3,434.00	45.35%
Back Packs	1,290.97	39.27%	3,388.71	40.55%	4,994.03	39.34%	2,751.74	36.34%
Shoes, chairs & medical arch support	626.58	19.06%	1,509.73	18.06%	2,071.28	16.32%	1,386.47	18.31%
Total	3,287.42	100.00%	8,357.36	100.00%	12,694.65	100.00%	7,572.22	100.00%

Revenue bifurcation based on type product for the last 3 financial years and stub period in a numerical and percentage basis:

Products	Sub Product	FY 2020-21	%	FY 2021-22	%	FY 2022-23	%	November 30, 2023	%
Knitted Fabrics	Airmesh	321.10	9.77%	837.00	10.02%	1384.50	10.91%	1161.20	15.34%
Woven Fabrics	Linning used in Luggage	1240.80	37.74%	3708.10	44.37%	5582.00	43.97%	3541.50	46.77%
Woven Fabrics	Interlinning used in bags	597.30	18.17%	506.30	6.06%	453.30	3.57%	386.12	5.10%
Coated Fabrics	Fabrics	1128.20	34.32%	3306.00	39.56%	5274.90	41.55%	2483.40	32.80%
		3287.40	100.00%	8357.40	100.00%	12694.70	100.00%	7572.22	100.00%

For further details, please refer to the section titled “Financial Information” on page 167 of this Red Herring Prospectus.

OUR COMPETITIVE STRENGTHS

- *One of the leading specialized technical textile manufacturers with long standing market presence*

With a rich history spanning over two decades, our company has emerged as a pioneering force in the specialized technical textile sector. Our sustained market presence has not only facilitated nationwide expansion but has also positioned us as a reliable partner for contract manufacturers and traders. Leveraging our deep industry insight, we have consistently delivered specialized technical textiles that meet the stringent specifications of contract manufacturers for renowned brands. Central to our success is the invaluable contribution of our dedicated quality control and assurance team. This team conducts a comprehensive array of technical and manual tests on our fabrics, ensuring not only compliance but also enhancing the value proposition for us. Our commitment to delivering defect-free, high-quality products has set us apart in the industry.

- *Location Advantage*

Nestled in the industrially robust state of Gujarat, often referred to as the "Textile State of India," our strategic location provides multifaceted advantages. Gujarat's geographic proximity to ports and its status as the largest producer of polyester in India significantly reduce transportation costs, making our manufacturing processes more cost-effective. The state's well-established textile value chain ensures easy access to polyester, knitting, weaving, and manufacturing of grey cloth. This proximity also extends to the availability of chemicals, a crucial raw material for us. The competitive market for raw materials in Gujarat further allows us to procure high-quality inputs at competitive rates, contributing to our overall cost-effective production. Additionally, the state's textile-centric ecosystem provides us with a ready market for selling and distributing our products through a network of dealers, traders, and specialized manufacturers.

Our R&D facility is highly dependent upon skilled professionals. Our skilled employees help us to keep a track of the rapidly changing market to be in tune with such changes. We employ skilled, semi-skilled and unskilled labour for carrying out various processes for manufacturing fabrics and the availability of labour in abundance in India helps us to maintain our low labour costs. Therefore, the location of our manufacturing unit helps us in cutting the cost of

manufacturing of our products and enables us to manufacture quality products with the help of domestic and imported raw materials and skilled labour.

- ***Quality Assurance and Quality Control of our products***

At the core of our operations is an unwavering commitment to quality assurance and control. Our customers demand rigorous quality checks at various stages before dispatch, and we have established dedicated quality assurance and control teams to meet these demands. Led by experienced officers, these teams ensure that our fabrics undergo meticulous inspections to prevent rejections and maintain eligibility for use by contract manufacturers of international brands. Our quality control measures extend from thorough checks of raw materials to the final inspection of finished goods. An in-house laboratory equipped with semi-automatic/mechanical machines, operated by skilled personnel, supplements these efforts.

With continuous efforts and expertise of our quality assurance and quality check team, we have received a certificate for the management system, ISO 9001:2015 by INTERTEK, ISO 9001:2015 which is a globally standardized, independent mark of quality, semi-finished and finished textile products from all stages of production and for all accessory materials used in the process.

- ***Diversified product portfolio***

We started with manufacturing and processing of woven fabrics. In 2020, we commenced the production of woven products, like interlining woven and knitted woven. Further, we also decided to diversify our product portfolio, to include knitted fabrics to the product list and therefore started the manufacturing of coated fabrics and therefore our product portfolio now includes EVA and PVC laminated fabrics. Presently, we deal in a range of quality products used in manufacturing of luggage, roofing, agriculture net, vehicle cover, housing and tents, armed forces fabric and sports-kits, chairs, medical arch support, umbrella and rain coats amongst others. We specialize in manufacturing and processing of a wide range of fabrics such as, 100% polyester knitting and woven fabrics. Our initiative towards setting up a separate manufacturing unit for dyeing for our woven and knitted fabric and bags will add a new product to our portfolio and open doors for us to expand our business and operations.

- ***Government Incentives***

We are located in the state of Gujarat and enjoy the benefits of incentives under the “Technology Upgradation Fund Scheme” (TUFS) and “Amended Technology Upgradation Fund Scheme” (“ATUFS”) provided by the Central Government of India and “Gujarat Textile Policy, 2012” (the “**Policy**”) by the State Government of Gujarat. An interest subsidy of 6% on the loans availed by us is provided under both TUFS and the Policy.

TUFS was introduced in 1999 to catalyze investments in all the sub-sectors of textiles and jute industry by way of 6% interest reimbursement. The Ministry of Textiles, Government of India notified ATUFS in the year 2018, to promote ease of doing business, make in India and increase the employment. It facilitates augmenting investment, productivity, quality, employment and exports and increases investment in the textile industry. Taking cue from Ministry of Textiles, the Government of Gujarat promulgated the Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain in supersession of the Policy which provides incentives such as; interest subsidy and capital subsidy. For further details in respect to TUFS, ATUFS and the Policy, please refer to the chapter titled, “*Key Industrial Regulations and Policies*” on page 136 of this Red Herring Prospectus.

- ***Cost effective production and timely fulfilment of orders***

Timely fulfilment of the work orders is a prerequisite in our industry. We have taken various steps in order to ensure adherence to timely fulfilment of orders and to achieve greater cost efficiency at our existing processing units. These steps include identifying grey fabric and chemical suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers. We cater to various customers and try to provide customer specific solutions and offer our products not only in standard but also in customized manner so as to best suit their requirements.

- ***Well experienced management team with proven project management and implementation skills.***

We are led by a group of individuals, having an experience of about two decades and have a proven background and rich experience in the textile industry. Our Managing Director has been associated with us since the inception and has an experience of more than two decades in the textile industry. He is one of our founding members and is actively involved in the strategic decision making for the Company, pertaining to corporate and administrative affairs, financial operations,

expansion activities, business development and management of overall business. Our Promoters, Manoj Kumar Karnani, Radhe Shyam Daga, Rajiv Lakhota and Raj Kumar Agarwal, have a long standing experience in the technical textile industry. They have been instrumental in developing our business activities, growth and future prospects. They jointly oversee our purchase division, marketing and sales team and take overall care of our functional attributes.

We have an experienced and professional management team with strong management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is well qualified and experienced in textile industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel, please refer to the section titled “*Our Management*” on page 148 of this Red Herring Prospectus.

OUR BUSINESS STRATEGIES

Our strategic objective is to improve and consolidate our position as a major technical textile manufacturer with a continuous growth philosophy and to enter in value added products to create an integrated Yarn to end-product manufacturing set up. Below points represents our continuous growth philosophy being implemented:

- ***Setting up of new Dyeing Unit and another unit for manufacturing of bags***

Inaugurating our commercial production in July 2020 with an initial capacity of 400 kilos per day for knitting fabrics, we took significant strides towards diversification. Subsequently, recognizing the market demand and trends, we expanded our operations by establishing a dedicated PVC and EVA lamination division in April 2023. This division, equipped with an installed capacity of 15,000 meters per day, bolstered our capabilities in PVC and EVA lamination.

Looking ahead, with the proceeds from this Issue, we are poised to elevate our product portfolio even further. Our strategic plan includes the establishment of a cutting-edge dyeing facility and a forward integration initiative for the manufacturing of bags. The proposed manufacturing facility for bags will be located at Plot No. 281 and 282, Block No. 314, Rajhans Texpa, NH 8, Palsana, Surat, Gujarat, India. This facility will be fully equipped to execute the entire spectrum of processes and procedures integral to bags manufacturing.

Simultaneously, we plan to set up a state-of-the-art dyeing facility at Block No. 501, Plot No. 8, Rajhans Zesto Phase-2, NH 8, Navsari, Surat – 396415, Gujarat. This facility will be comprehensively equipped to handle all phases of the dyeing process for fabrics.

The decision to diversify into bags manufacturing signifies our strategic move towards forward integration, allowing us to tap into a higher-margin segment. We envision crafting high-quality bags leveraging our specialized technical textile expertise. This venture aligns with the prevailing trends in sportswear, rainwear, and the broader bag pack industry. Notably, the burgeoning demand for interlining fabric in India has spurred a distinct diversification trend in the technical textile industry. This fabric variation is increasingly finding applications in luggage and sportswear manufacturing, presenting a lucrative opportunity for our foray into bags production.

- ***Diversifying and increasing penetration in markets***

We are engaged in manufacturing, processing and coating of woven fabrics for direct sale to our customers domestically. The domestic market offers various opportunities in term of sub-geographic penetration and product/ market diversification which we intend to seize and increase our market reach domestically to explore untapped markets and segments as part of our strategy to mitigate market risk and widen growth prospects. We shall continue to explore opportunities in different countries where we can supply value added products to enhance our geographical reach.

- ***Strengthen our marketing network***

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers’ buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our customers towards our products. Presently, our marketing and sales division consists of 3 members who are responsible for marketing our products in the unorganized and the organized sector of the technical textile industry. We intend to

strengthen our existing marketing team by inducting personnel with expertise in the industry, who will supplement our existing marketing strategies in the domestic markets. Further, we also plan to diversify our business operations from weaving, knitting and coating of fabrics and EVA & PVC lamination of fabrics to also include dying. Our move towards setting up a separate dyeing unit will help us add a new process line in our portfolio and therefore increase our operations and customer base.

With the use of our products by contract manufacturers of branded luggage and shoes manufacturers, our fabrics have a huge acceptability and inquiry all over India. We have already started out on our journey as a supplier of our existing products in the domestic market, by supplying products in conformity with the Indian standards, which makes the quality of our products, our biggest marketing technique. Our Domestic operations have enabled us to learn and follow the global trends, improve our efficiency, quality and trend analysis and better customer servicing, which shall in the future help us in penetrating global markets with a wide market reach.

DETAILS OF OUR BUSINESS

• PRODUCTS AND SERVICES

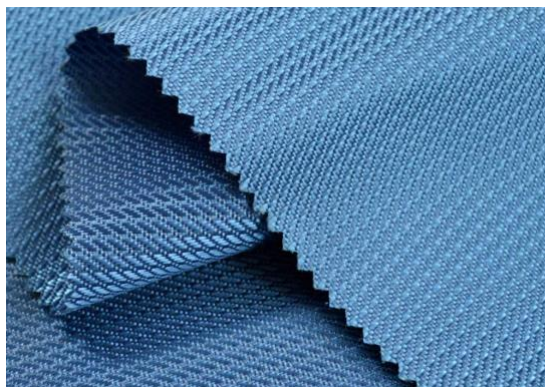
We are engaged in the business of manufacturing of specialized technical textile includes weaving, coated, printing and finishing of grey fabric to produce finished knitted and woven fabrics used in luggage, medical arch support, chairs, shoes and apparels industry. We specialize in wide range of fabrics like Woven Fabrics, Knitted Fabrics, Coated Fabrics, 100% polyester and recycled polyester fabric. We procure yarns, resin, acrylic and coating chemicals from the domestic market to manufacture specialized technical textile and sell them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries.

Product Portfolio and uses

Our products can be broadly classified as under:

Woven Fabrics	Use in manufacturing of
Interlining	Jackets, wallet and hard luggage
Tafeta	Back-packs, rain cover, umbrella, vehicle cover, soft and hard luggage
Matty	Soft and hard luggage, back-packs
Knitted Fabrics	
Air mesh	Back-packs, shoes, chairs, masks, helmets, medical arch support
Coated Fabrics	
PU Coated Matty	Back-packs
WR Coated lining	Back-packs, rain cover, umbrella, vehicle cover, soft and hard luggage
AF Coated lining	Back-packs, soft and hard luggage
PVC Lamination	Soft luggage
EVA Lamination	Soft luggage

LUGGAGE FABRICS





AIRMESH FABRIC



LINING FABRICS



• MANUFACTURING PROCESS

The finished fabric manufactured by us has to go through various machines and undergo a number of processes, which are detailed below.

Raw Material procurement

S. No.	Raw Material	Source
1.	Chemicals	The chemicals required for our manufacturing our products are easily available locally. Therefore, we procure such chemicals from local traders in Gujarat.
2.	Yarn Purchase	Yarn is the main raw material for our manufacturing our products. Gujrat, being textile hub, Yarn is easily available in local market. We procure yarn from local manufacturers of yarn. We also import Yarn as per requirement.
3.	Greige Purchase	Greige is easily available locally therefore we procure the same from local fabric manufacturers in Gujarat.

Product	Types	FY2020-21		FY2021-22		FY2022-23		Stub Period Nov'23	
		Domestic	Import	Domestic	Import	Domestic	Import	Domestic	Import
Yarn*	Polyester Yarn	100.00%	0.00%	97.60%	2.40%	96.80%	3.20%	93.50%	6.50%
Chemicals**	Cellbind-Ff	N/A	N/A	N/A	N/A	N/A	N/A	100.00%	0.00%
	Synthick P-328								
	Texprint-FF								
	Indofil Soft Mse								
	Teknotex Pu 100 Eco								
	Ev 36 Shoft Winder								
	Surfonic® HSR								
	Ha 600 Plus								
	UPT								
	Neocoat Fx Conc								
	HA 400								
	Finolex Pvc Reasin								
	VBt								
Greige	NA	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%	100.00%	0.00%

*All the imports are from China only.

**No chemicals were required in the production process till FY 2023.

i) Yarn

Yarn is the most vital raw material used in our manufacturing process for both our woven and knitted fabrics. We use yarn as major input apart from machinery for processing. We procure yarn of reputed manufacturers from their local agents. We generally use yarn of Reliance, Alok, Sanatan and Garden amongst others. Our R&D team ensures that the quality of all our raw materials is maintained in order for them to help us manufacture quality fabric. Our manufacturing process ensures quality with products being passed through several processing stages, which enhance the appearance, durability and serviceability of the fabric and makes the fabric worth of targeted end use making.

ii) Chemicals

Chemicals are the 2nd most vital raw material used in our manufacturing process for both our woven and knitted fabrics. Chemicals are used in sizing and coating of yarns. We procure chemicals of reputed manufacturers from their local agents. We generally use chemicals of Neochem, Sarex Chemicals and Archroma amongst others.

iii) Greige Fabric

Greige fabric quality is an important aspect of the textile industry. After manufacturing of Greige fabric on loom or knitting machine, we produce various kind of design as per market requirement, and we use Greige fabric as major input apart from chemicals, power and machinery for processing. Our R&D team ensures that the quality of Greige fabric is maintained in order for them to help us manufacture quality fabric. To ensure the quality of the Greige fabric, it is passed through several processing stages, which enhance the appearance, durability and serviceability of the fabric and makes the fabric worth of end use manufacturing.

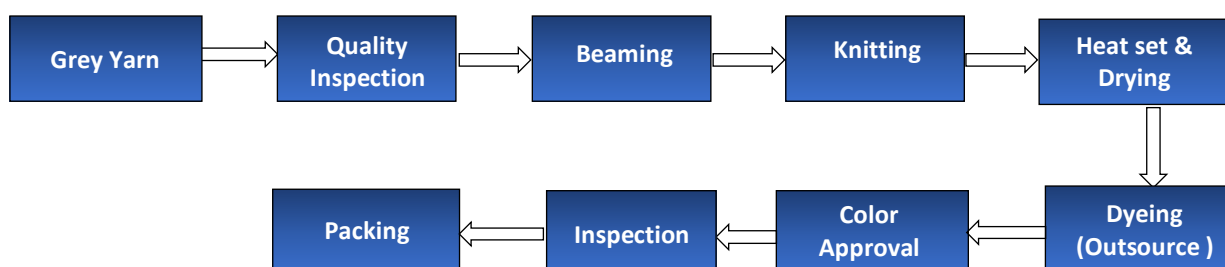
iv) Grey inspection and checking

Every supply of grey cloth needs a thorough check for quality of the material. The following procedure is followed by us for checking of grey material:

- Assessment for damage incurred during transit.
- Verification of the supplied quantity.
- Examination of count, reed, and pick for woven fabrics, and courses, wales for knitted fabrics.
- Measurement of GSM and GLM of the cloth.
- Evaluation of width for woven fabrics and diameter, as well as gauge for knitted fabrics.
- Scrutiny for manufacturing defects in every meter of quantity.
- Examination for any deformities in the construction of the fabric.
- Identification of unusual cuts in the fabric.

We manufacture two types of fabrics i.e. knitted and woven, and the manufacturing process of both the fabrics are different. Based on the above-mentioned classification, below is the manufacturing process of our products:

a) Knitted Fabrics

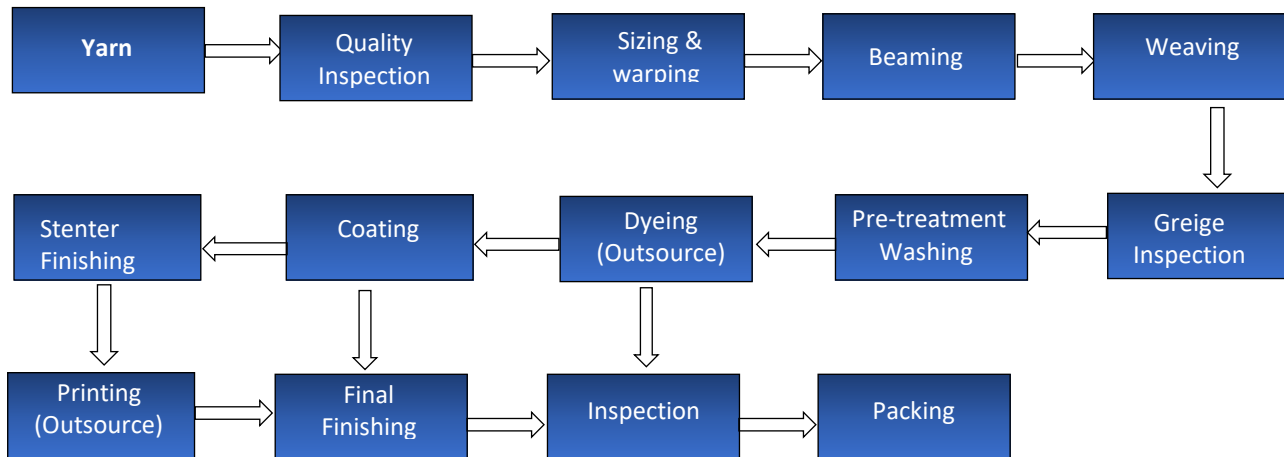




- **Grey yarn:** An order received for dyed knitted fabrics is confirmed when the requirements of the customer or client is brought out on the fabrics by testing at laboratory'. The requirement of the order is brought out on the fabric, by dipping the fabric in dyes to confirm if the finished product will match with the requirement of the customer. Once the customer approves the sample of the finished fabric, the order is confirmed and the appropriate quantity of yarn is ordered for initiating the manufacturing process.
- **Quality Inspection:** Once the grey Yarn is received from our supplier, it is taken for quality check to our R&D facility. The said facility is run by our quality assurance and quality control department, the former carries out certain tests in our in-house laboratories to check that the international standards are met and complied with before the fabric manufacturing of knitting fabric. Additionally, in order to ensure the quality of our yarn, we outsource the services of various international labs at an interval to confirm the quality of our yarn and the reports of our in-house laboratory and quality assurance and control teams. Along with carrying out tests, our quality assurance team conducts manual checks on the yarn with the help of the machines installed the quality assurance team carries out various inspection methods and system on the yarn test for defects like unevenness, rips, strength, colour etc. Once the yarn is checked, the same is transferred to the warping section of the unit.
- **Beaming:** Once the grey yarn is inspected and approved then the beaming process start with the help of a warping machine. Once the beams are formed then the beam is then sent to knitting process.
- **Knitting:** As per the Design we will collect the set of beams and load on the Knitting Machine, Then set the design and prepare 1 Meter of the fabric for the Quality check approval at the start of production. After approval we will start for bulk production.
- **Heat set & Drying:** After bulk production the fabric is been sent for heat setting and drying in our inhouse stenter machine.
- **Dyeing:** After heat setting/Drying process, fabric is sent to outside dyeing mill for dyeing . Fabric is dyed as per the requirement of the customer. If there is any additional colour requirement for fabric, then first lab dip is made and approved from the customer. After approval, fabric is been dyed in bulk.

- **Inspection and packing:** After dyeing, fabric is sent in godown from mill for inspection. If there is any mismatch in the fabric from the customers' specification, the same is sent for re-process in mill to get it corrected and if it is not corrected, the same will be converted into black fabric and used for other customers. After inspection the same is been labeled, packed and dispatched to party.

b) *Woven Fabrics/ Coated Fabrics*



Grey yarn: Firstly we receives sample from customer to make the product, we make sample and send it for approval. After approval order is been placed. Based on orders and future projection yarn is been ordered to make the product.

Quality inspection (yarn): Once the grey Yarn is received from our supplier, it is taken for quality check to our R&D facility. The said facility is run by our quality assurance and quality control department, the former carries out certain tests in our in-house laboratories to check that the international standards are met and complied with before the fabric manufacturing of knitting fabric. Additionally, in order to ensure the quality of our yarn, we outsource the services of various international labs at an interval to confirm the quality of our yarn and the reports of our in-house laboratory and quality assurance and control teams. Along with carrying out tests, our quality assurance team conducts manual checks on the yarn with the help of the machines installed the quality assurance team carries out various inspection methods and system on the yarn test for defects like unevenness, rips, strength, colour etc. Once the yarn is checked, the same is transferred to the warping section of the unit.

Sizing and warping: After Yarn inspection it is been sent for sizing and warping. In sizing yarn is been passed through chemical process to gain strength so that it doesn't break while weaving and then its been sent for warping. In warping yarn is been rolled and warped in a beam for beaming process.

Beaming: As Per the design and texture of the fabric the yarn is beamed and then loaded in machine for weaving.

Weaving: Beam is loaded on machine to start the weaving process. Initial sample is been collected from weaving for inspection process. After inspection and approval bulk production is weaved.

Greige inspection: once the fabric is been weaved it is sent for inspection process. After Inspection the fabric is sent for dyeing. And if found any defect in inspection it will be holded aside

Pre-treatment/washing: Once the greige is ready it is sent for pre-treatment i.e. washing. After washing it is been sent for dyeing.

Dyeing: As per colour requirement of the customer, the greige is sent to outside dyeing mill for dye. Fabric is dyed as per the requirement of the customer. If there is any additional colour requirement for fabric, then first lab dip is made and approved from the customer. After approval, fabric is been dyed in bulk. As per requirement of the party we supply dyed goods to them after inspecting or it goes to coating/printing depending upon the customers requirement.

Coating and Printing: After dyeing as per customers' specification, the Fabric is sent for coating and printing. We have different types of coating to offer to our customers according to their requirement, including AF coating, PU coating, WR coating, WP coating, EVA and PVC lamination etc. After coating, the fabric is inspected and dispatch to party or it might be sent for printing according to customers' requirement. We also offer different types of printing to our customers like screen print, mill print and digital print.

Inspection and packing: After dyeing, coating, or printing the fabric is been inspected and if found any defect its been returned for re-process to get it corrected and dispatch the same to party. After inspecting the fabric, it is passed through the roll packing machine to form rolls after which the finished fabric is packed in shrink wrap with the help of shrink wrapping machine, details of the fabric such as lot number, roll number, etc. are placed on the rolls which are then finally dispatched.

Quality control and tests at each stage at the manufacturing process:

Our quality team is responsible for the checking and supervising of test like strength, count strength product (CSP), Denier and colour, seam strength, tear, peel off, stiffness of coated fabric and visual defects, and responsible for the checking and supervising of productions like weaving, knitting, coating, embossing and lamination process of production shall be strictly controlled and checked or maintain the quality of every stage of production The knitted and woven fabrics are inspected at various stages starting from raw material inspecting, fabric processing and fabric finishing, the details of which have been provided below:

- a) Our quality team is responsible for the checking and supervising of our raw material like yarn, EVA Foam, PVC. In yarn we are check strength, count strength product (CSP) Denier and colour or visual defects.
- b) Fabric testing machine is used to test GSM, Tensile, Tear, Seam, Peel off, Warer repellency and stiffness test etc.
- c) In weaving or knitting manufacturing process, our quality team are check first pieces (check like GSM, Stricture, Colour with approved master sample) of every new lot production and approve the start of machine for bulk production.
- d) Coating manufacturing process, our quality team also checking and supervising the first pieces (check like GSM, Stricture, tensile, tear, seam strength and Colour with approved master sample) of every new lot of production and approve the start of the machine for bulk production.

- e) In EVA/PVC Lamination process, our quality team check first pieces (check like GSM, Peel off, strength as per standard) of every new lot of production and approve the start of the machine for bulk production.
- f) Our quality team conduct quality round and check the standard parameters of the product of our manufacturing process to maintain the standard quality of the final product.



- **PLANT AND MACHINERY**

Our processing unit houses various material handling and preparation equipment for the purpose of preparing the grey fabric into finished fabric to be used in the further process of manufacturing. All are plant and machinery are owned by our Company and none of the machinery used by our Company has been taken on a lease basis.

Our processing house facilitates various plant & machinery for the following facilities:

a) **Knit Facility:**

The following is the list of major plant and machineries we have installed at our knit facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Direct warping	Imported	04	Beaming
2.	Knitting Machine	Imported	20	Fabric manufacturing

1. Direct warping:-

A direct warping machine is a crucial piece of equipment in the knitting industry used to prepare yarn before it is woven or knitted into fabrics. Its primary function is to wind yarn from multiple cones or packages onto a single large drum called a warper's beam, creating a continuous sheet of yarn in a parallel arrangement. This process ensures uniform tension and alignment of yarn before it is fed into the knitting machine.

Here's a detailed description of the direct warping machine's key components and its operation:

- a. **Creel:** The process begins with the placement of yarn cones or packages onto a creel, a structure resembling a frame with multiple pegs or holders. These hold the individual yarn packages that will be used in the warping process.
- b. **Yarn Path:** The yarn from each package is threaded through a series of tensioners, guides, and tension disks to maintain

consistent tension and prevent tangling as it moves towards the warping beam.

- c. **Warping Beam:** At the heart of the machine is the warping beam, a large cylindrical drum onto which the yarn is wound in a parallel arrangement. The yarn is wound layer by layer around the circumference of the drum, building up a sheet of yarn ready for subsequent processes.
- d. **Monitoring and Maintenance:** Operators monitor the machine to ensure smooth operation, making adjustments as needed to maintain proper tension, prevent yarn breakage, and address any issues that may arise during the warping process. Regular maintenance is also done to keep the machine functioning efficiently.

The direct warping machine's output, the warped beam, is then transferred to the knitting or weaving machine, where it serves as the primary source of yarn for fabric production. The uniformity and alignment achieved through the direct warping process contribute significantly to the quality and consistency of the final knitted or woven products in the textile industry.

2. Knitting Machine

A knitting machine is a specialized device used in the textile industry to create knitted fabrics and garments with yarn or thread. It automates the process of interlocking loops of yarn to produce a range of textiles, from simple fabrics to intricate designs.

Here's a detailed description of the main components and functionality of a typical knitting machine:

- a. **Needle Bed:** The needle bed is a flat surface containing numerous slots or grooves where the knitting needles are placed. These needles move in a specific pattern to form stitches. The needle bed can be single or double-sided, depending on the type of knitting machine.
- b. **Needles:** Knitting machines have a row of needles mounted on the needle bed. These needles are positioned to move up and down or in a circular motion to manipulate the yarn and create stitches. The needles hold, manipulate, and transfer the yarn to form various stitch patterns.
- c. **Yarn Carriage:** The yarn carriage is a component that holds the yarn and guides it across the needle bed. It moves back and forth, feeding the yarn to the needles according to the programmed pattern. The yarn carriage also regulates the tension of the yarn during the knitting process.
- d. **Cam System or Mechanism:** Knitting machines often utilize a cam system or a series of mechanical components that control the movement of the needles. The cams determine the stitch pattern, needle selection, and other intricate movements required to produce different fabric designs.
- e. **Stitch Formation:** As the needles move according to the programmed pattern, they create loops of yarn that interlock to form stitches. The knitting machine can produce a variety of stitches, including knit, purl, rib, tuck, and other complex stitch structures.
- f. **Controls and Programming:** Modern knitting machines may feature electronic or computerized controls that allow for precise programming of stitch patterns, fabric designs, and production settings. Operators can input specific instructions or designs into the machine for automated knitting.
- g. **Fabric Take-Up Mechanism:** Once the fabric is knitted, a take-up mechanism or roller system pulls the finished fabric away from the needles and feeds it onto a roll or a collecting device.

b) Woven Facility:

The following is the list of major plant and machineries we have installed at our woven facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Sizing	Domestic	01	Pre-treatment
2.	Section warping	Domestic	01	Beaming
3.	Weaving (Water Jet)	Imported	209	Weaving

1. **Sizing Machine (Domestic):**
A sizing machine is used in the textile industry to apply sizing agents, such as starch or synthetic compounds, to the warp

yarn before weaving. This process adds strength, stiffness, and abrasion resistance to the yarn, allowing it to withstand the stresses of the weaving process. The sizing machine consists of a trough containing the sizing solution, through which the yarn passes. The yarn is evenly coated with the sizing agent and then dried to remove excess moisture before it is wound onto beams for use in the weaving process.

2. **Section Warping Machine (Domestic) and Beaming:** The section warping machine is a step in preparing the warp yarn for the weaving process. It involves winding predetermined lengths of yarn from multiple spools or bobbins onto a beam, creating sections or bouts. Each bout consists of a set length of yarn required for a specific portion of the woven fabric. The section warping machine ensures uniform tension and alignment of yarn during the winding process. After section warping, the prepared yarn sections are transferred to the beaming machine. The beaming process involves winding these sections onto a larger warp beam, ready for use on the weaving loom. Beaming ensures proper tension and alignment of the warp yarn before it is mounted on the loom.
3. **Weaving Machine (Water Jet):** A water jet weaving machine is a type of weaving loom used in the production of fabrics. It operates by propelling a stream of water through a small nozzle to insert the weft yarn across the warp yarns, forming the fabric. This method allows for high-speed weaving and is particularly suitable for weaving a variety of yarn types, including filament yarns. Water jet weaving machines are known for their efficiency in producing plain or simple weave fabrics and are widely used in textile manufacturing due to their speed and versatility in handling different yarn materials.

These machines, including the sizing machine for yarn treatment, the section warping machine for precise yarn preparation, and the water jet weaving loom for fabric production, play essential roles in the weaving process within a textile factory, contributing to the quality and efficiency of fabric manufacturing operations.

c) R&D & Quality Facility:

The following is the list of major plant and machineries we have installed at our R&D facility:

S. No.	Name of the Machinery	Domestic/ Import	Quantity	Utility/Process
1.	Tensile Tester	Domestic	01	Lab test and quality check
2.	Tear Tester	Domestic	01	
3.	Seam strength Tester	Domestic	01	
4.	Crockmeter	Domestic	01	
5.	Hot Air Oven	Domestic	01	
6.	Perspirometer	Domestic	01	
7.	Colour Matching Cabinet	Domestic	01	
8.	Lux Meter	Domestic	01	
9.	Weight Balance	Domestic	03	
10.	GSM Cutter	Domestic	03	
11.	Spectra Photometer	Domestic	03	

1. **Tensile Tester:** A tensile tester, also known as a tensile strength tester or universal testing machine, measures the tensile strength and elongation properties of fabrics or yarns and peel off strength for the Laminated fabric. It applies controlled tension to a sample until it breaks, allowing the determination of its strength, stretchability, and other mechanical properties.
2. **Tear Tester:** A tear tester evaluates the tear resistance of textiles by applying a controlled force to a pre-cut sample to measure the force required to tear it. This machine helps assess a fabric's durability and resistance to tearing under specific conditions.
3. **Seam Strength Tester:** The seam strength tester measures the strength of seams in textiles. It assesses the force required to break or separate sewn seams, ensuring the durability and quality of stitched joints in fabrics or garments.
4. **Crock meter:** A crock meter evaluates the rubbing fastness or the tendency of a textile's dye to rub off or transfer onto crocking fabric surfaces. It simulates rubbing or friction between the tested fabric and a standardized fabric or surface, assessing color transfer or fading.
5. **Hot Air Oven:** A hot air oven is used to perform various tests requiring controlled heating at specific temperatures. In the textile industry, it's employed for heat-setting fabrics, testing heat resistance, or conducting aging tests on materials.
6. **Perspiro meter:** A perspire meter simulates the effects of perspiration or sweat on textiles to evaluate color fastness and material stability. It imitates the conditions of sweat exposure to determine if fabrics maintain their color and structural integrity.
7. **Colour Matching Cabinet:** A color matching cabinet provides standardized lighting conditions for visual assessment and comparison of colors. It helps textile professionals in evaluating color consistency and accuracy across different fabric samples under controlled lighting.
8. **Lux Meter:** A lux meter measures the intensity of light, helping ensure consistent and appropriate lighting conditions in textile testing environments, especially in color assessment and quality control areas.

d) Support equipment:

These Facilities are equipped with support facilities to ensure smooth process and for the maintenance of the processing units with minimum down time and ensuring maximum utilization of resources. The support facilities/ equipment are detailed as under:

S. No.	Name of the Machinery/Equipment	Domestic/ Import	Quantity	Utility/Process
1.	Oil Boiler	Domestic	01	Common utility for all facilities
2.	Reverse Osmosis	Domestic	01	Common utility for all facilities
3.	Compressor	Domestic	04	Common utility for all facilities
4.	Borewell	Domestic	04	Common utility for all facilities
5.	Effluent Treatment Plant	Domestic	01	Common utility for all facilities
6.	Transformer	Domestic	03	Common utility for all facilities
7.	Jigger washing	Domestic	04	Common utility for all facilities
8.	Embossing	Domestic	02	Common utility for all facilities
9.	Forklift	Domestic	02	Common utility for all facilities
10.	Inspection Machines	Domestic	11	Packing
11.	Roll Packing Machine	Domestic	01	Packing
12.	Earth Mover (Vehicle)	Domestic	05	Fuel handling and feeding
13.	Coating stenter	Domestic	02	PU, AF, WR, WP coating

1. Oil Boiler: An oil boiler is a heating system that uses oil as a fuel source to heat water. The heated water or steam generated by the boiler is circulated through pipes to provide heating in buildings or for industrial processes.
2. Reverse Osmosis: Reverse osmosis is a water purification process that removes contaminants and impurities from water by using pressure to force water molecules through a semipermeable membrane. This process is widely used to produce clean drinking water or purify water for various industrial purposes.
3. Compressor: A compressor is a mechanical device that increases the pressure of a gas by reducing its volume. In industrial settings, compressors are used to power various tools and machinery by supplying compressed air.
4. Borewell: A borewell is a narrow, deep well drilled into the ground to access groundwater. It's equipped with a pump to draw water from underground aquifers, commonly used for agricultural irrigation, industrial purposes, and domestic water supply.
5. Effluent Treatment Plant: Effluent treatment plants are facilities designed to treat and purify industrial wastewater or sewage before it is discharged back into the environment. These plants employ various processes to remove pollutants and harmful substances from the wastewater.
6. Transformer: Transformers are electrical devices used to transfer electrical energy between circuits through electromagnetic induction. They increase or decrease voltage levels in electrical systems for transmission and distribution purposes.
7. Jigger Washing: Jigger washing refers to a textile processing method that involves the use of a jigger machine. The machine operates by passing fabric through a dyeing or washing bath in a series of repeated strokes, allowing for controlled treatment of fabric with dyes or chemicals.
8. Embossing: In the textile industry, embossing is a process where patterns or designs are stamped or pressed onto fabric using heat and pressure. This creates raised or textured surfaces on the fabric, enhancing its aesthetic appeal.
9. Forklift: A forklift is a powered industrial truck used to lift and move materials over short distances. It's equipped with fork-like prongs to lift and transport heavy loads within warehouses, factories, and construction sites.
10. Inspection Machines: Inspection machines in the textile industry are devices used to visually inspect fabrics for defects, irregularities, or quality issues. They aid in quality control by detecting flaws in the fabric before it is further processed or used in manufacturing.
11. Roll Packing Machine: A roll packing machine is used to pack textile fabrics or materials into rolls or bundles for transportation or storage. It rolls, wraps, and seals fabric rolls using various packaging materials.
12. Coating Stenter: A coating stenter is a machine used in textile finishing processes. It applies coatings or finishes to fabrics by passing them through a stenter frame, where the fabric is heated and stretched to set the coating evenly across the surface.

We have an 'in-house maintenance team', which consists of three (3) employees who have been specifically employed by us to oversee the functioning of the machinery installed in our manufacturing unit. Additionally, we also outsource the services of various third parties to maintain and ensure smooth functioning of our plant and machineries.

Revenue Break-up

We currently sell our products to various contract manufacturers of branded luggage and shoes manufacturers, traders and other located in 13 states. Our state-wise revenue break up for based on our sale in domestic markets is as follows:

For Fiscal 2021	(₹ in lakhs)
Dadra and Nagar Haveli and Daman and Diu	9.69
Delhi	1.02
Gujarat	1,019.67
Haryana	50.53
Himachal Pradesh	1.00
Karnataka	34.48
Madhya Pradesh	0.04
Maharashtra	1,241.75
Odisha	0.60
Puducherry	6.74
Punjab	1.68
Rajasthan	34.41
Tamil Nadu	20.10
Telangana	61.81
Uttar Pradesh	27.02
Uttarakhand	170.73
West Bengal	606.16
Grand Total	3,287.42

For Fiscal 2022	(₹ in lakhs)
Dadra and Nagar Haveli and Daman and Diu	13.68
Delhi	18.91
Gujarat	2,535.59
Haryana	205.12
Himachal Pradesh	11.43
Karnataka	86.56
Madhya Pradesh	8.79
Maharashtra	3,520.44
Puducherry	15.66
Punjab	10.64
Rajasthan	149.50
Tamil Nadu	4.02
Uttar Pradesh	112.95
Uttarakhand	777.49
West Bengal	886.57
Grand Total	8,357.36

For Fiscal 2023	(₹ in lakhs)
Bihar	89.51
Delhi	23.40
Gujarat	3,356.02
Haryana	188.45
Karnataka	209.27
Kerala	13.69
Madhya Pradesh	2.00
Maharashtra	5,460.84
Punjab	21.22
Rajasthan	264.98
Tamil Nadu	115.47
Telangana	2.65

For Fiscal 2023	(₹ in lakhs)
Uttar Pradesh	707.12
Uttarakhand	1,189.60
West Bengal	1,050.56
Grand Total	12,694.78

For Fiscal 2024 (upto Nov 30, 2023)	(₹ in lakhs)
Maharashtra	3,879.82
Gujarat	1,955.18
West Bengal	366.80
Haryana	346.20
Uttar Pradesh	298.89
Uttarakhand	280.19
Karnataka	122.15
Rajasthan	69.25
Tamil Nadu	11.52
Kerala	10.98
Telangana	9.78
Delhi	9.15
Bihar	4.82
Punjab	3.17
Puducherry	2.48
Grand Total	7,370.37

Our Major Customers

We sell our finished products to various contract manufacturers of branded luggage and shoes manufacturers, traders and other. The following is the revenue breakup of the top five and top ten customers of our Company are as follows:

(₹ in Lakhs)

Particulars	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Top 5 customers	4,444.69	60.30%	5,527.20	43.54%	4,252.40	50.88%	1,465.90	44.59%
Top 10 customers	5,471.21	74.23%	7,759.25	61.12%	5,726.59	68.52%	2,398.36	72.96%

Utilities:

Power

Our manufacturing unit has adequate power supply from Dakshin Gujrat Vij Co. Limited. Presently, we have been sanctioned 228 kw power for running our Manufacturing units.

Steam/ Fuel

We have installed, one oil boiler with a capacity of 22 lakhs Kilo calories tons which are used in our manufacturing process. We also use wood as fuel.

Water

Our processing units have adequate water supply position. The Unit source their water supply from the four borewells installed in our manufacturing units.

Waste Management

We have installed an effluent treatment plant, for primary treatment of waste water generated from the manufacturing unit with a capacity of 30,000 liter per hour, set up as per the guidelines of Gujarat Pollution Control Board ("GPCB"). We had received the consent for the said plant *vide* order passed by GPCB dated November 7, 2023 bearing number CTE-130321, which will expire on September 21, 2030. After primary treatment of water in our effluent treatment plant the water is discharged through drainage lines for secondary treatment, which makes the water free from harmful, dangerous

and indigenous substances. We have availed the membership of Gujrat Eco Textile Park Limited to collect and convey 0.295 million litres / day of partially treated wastewater from our manufacturing unit.

Capacity Installed and Capacity Utilisation

Our Company is engaged in manufacturing of Knitted Fabrics and our subsidiary i.e. I GK Technical Textiles LLP, is engaged in manufacturing woven fabrics. Set forth below is the detail of the installed and utilized capacity of our manufacturing unit for manufacturing knitted fabrics and of our Subsidiary for manufacturing woven fabrics, for the last three years.

Woven Fabrics			
Financial Year	Installed Capacity (in meters)	Utilized Capacity (in meters)	Percentage of utilization (%)
2020-2021	-	-	-
2021-2022	10,40,000	5,35,822	51.52%
2022-2023	1,24,80,000	1,06,37,544	85.24%
Upto Nov 30, 2023	1,05,25,000	91,74,427	87.17%
Knitted Fabrics			
Financial Year	Installed Capacity (in kgs per annum)	Utilized Capacity (in kgs per annum)	Percentage of utilization (%)
2020-2021	1,80,000	1,70,000	94.44%
2021-2022	4,80,000	2,74,000	57.00%
2022-2023	9,45,000	6,71,000	71.00%
Upto Nov 30, 2023	7,20,000	5,20,000	72.22%

COLLABORATIONS

As on date of this Red Herring Prospectus, we have not entered into any technical or financial collaborations or agreements.

CORPORATE SOCIAL RESPONSIBILITY

We as a responsible corporate citizen are committed to take up different developmental projects, as part of our Corporate Social Responsibility (“CSR”) initiatives towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. Our CSR strategies are aligned to national priorities to meet the basic needs of the local community. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor undertake CSR activities such as, sustainable environment development, promoting gender equality, ensuring care for senior citizens and differently abled persons, maintaining cleanliness by installing dustbins, constructing portable toilets, etc.

Insurance

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We maintain insurance for our vehicles by availing commercial vehicle package policy and two wheeler package policy; by availing commercial package policy and standard fire and special perils policy, we have maintained insurance cover against loss or damage by fire, earthquake etc. for our godown, plant and machinery, accessories, furniture, fixture and fittings, plate glass, goods, stocks, stock in process, stock of wood, buildings etc., which we believe, is in accordance with customary industry practices. The commercial package policy includes a standard fire and special perils policy securing our plant and machinery, stock and stock in process stock of coal and nickel screen used for printing, burglary and robbery cover, money insurance cover for money in transit and money in safe, plate glass cover, fidelity guarantee cover and cover against fire and loss of profit. We have also insured our employees by availing commercial general liability policy inclusive of a single event liability and any event occurring during the year, group personal accident insurance policy and group gratuity scheme of employees.

Sr No	Insurer	Type of Policy	Sum Assured (Rs. in Lakhs)	Expiry Date
1	Tata AIG Insurance	Building, Furniture and Plant & Machinery	825.00	17-09-2024
2	The New India Assurance Co. Ltd.	Floater Stock	1,150.00	13-02-2024
3	Iffco-Tokio General Insurance	Plant And Machinery	1,200.00	26-01-2024

4	Iffco-Tokio General Insurance	Building, Stock, Furniture and Plant and Machinery	2,977.24	26-01-2024
5	The New India Assurance Co. Ltd.	Building, Furniture and Stock	1,200.00	13-02-2024
6	The New India Assurance Co. Ltd.	Stock	1,000.00	13-02-2024
7	Magma HDI General Insurance Company Ltd	Vehicle	3.35	29-01-2024
8	ICICI Lombard Insurance	Vehicle	0.58	29-10-2025
9	Royal Sundaram General Insurance	Vehicle	9.75	09-07-2024
10	Tata AIG Insurance	Vehicle	16.50	28-12-2023
11	The New India Assurance Co. Ltd.	Vehicle	0.31	25-04-2024
12	Go Digit General Insurance	Vehicle (Bus)	25.00	22-06-2024
13	Tata AIG Insurance	Workmen Compensation Policy	7,500.00	03-07-2024

Marketing

We have a team of 3 members for marketing and sales dedicated towards supplying and marketing our products in the unorganized and the organized sector of the textile industry. Our development team constantly monitors and scours the fashion trends in the market and prepares and updates our products and designs accordingly.

Our success lies in the strength of our relationship with our customers who have been associated with us for reasonable continuous period. Our Promoter Directors through their experience and good relations with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. Our sales and marketing teams keep in constant touch with our customers to record their feedback and to also enquire for any further requirement of our products. We undertake marketing in a traditional way through word of mouth publicity and by continuously calling or mailing our existing customer for follow on orders.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. As on November 30, 2023, we have 39 employees including our directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals. We have not employed contract labour covered under the Contract Labour (Regulation and Abolition) Act, 1970.


Following is a department wise employee break-up:

Department	Number of Employees
Top level management	04
Accounts	08
Human Resources and Administration	04
Legal and Compliance	01
Marketing	03
Processing	11
Quality Assurance	03
Other support staff	05
Total	39

INTELLECTUAL PROPERTY RIGHTS

a) Trademark:

Our Company owns the following trademark:

Sr. No.	Description	Registration Number
1.		5512689

COMPETITION

Textiles being a global industry, we face competition from organized as well as unorganized players in the textile industry in domestic market as well as international market. This industry is highly competitive and fragmented. We have a number of competitors offering products similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures.

We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Weaving, coating and providing varied quality of fabric, which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

INFRASTRUCTURE AND FACILITIES

Registered Office

Shree Karni Fabcom Limited

Block No 314 Plot No 188, 189 and 190

Rajhans Texpa NH -8 Palsana, Surat - 394317

Processing/ Manufacturing Unit

Our manufacturing unit is situated at Palsana, Surat which also includes three warehouses for stocking our finished products and one warehouse for stocking our raw materials. Our manufacturing unit are situated on the land owned by our Company.

Our manufacturing facility houses various machineries for knitting, coating and weaving of fabrics and quality control and inspection. We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality textiles as per the demand of the customers and also adapt to latest trends more swiftly.

Warehouse

We have three warehouses where we stock raw materials for manufacturing operations and finished goods are stored. The packed finished goods are quality checked and weighed post which lot numbers or beam numbers are assigned to them. There are locational aisles and stacks to store the fabrics and maintain the location for easy dispatch of our finished goods. We maintain a racking system in our raw material godown for systematically storing fabric and chemicals.

LAND AND PROPERTY

We carry out our business operations from the following properties:

Freehold Property

Sr. No.	Particulars of the Property	Usage
Owned by our Company		
1.	Plot No 188,189,190 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India.	Registered Office , Manufacturing Unit comprising of knit facility, R&D facility and other utilities with three warehouses for raw materials and finished fabrics
2.	Plot No 193,194,195 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India.	
3.	Plot No 278 to 282 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India.	
4.	Plot No 281 to 282 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India.	Proposed site for /bags manufacturing unit
5.	Block No 501, Plot no. 8, Rajhans Zesto, Phase – 2, NH 8, Navsari, Surat, 394415, Gujarat, India.	Proposed site for dyeing unit
Owned by our subsidiary		
5.	Plot No 445-464 Block No 314, Rajhans Texpa, NH 8, Palsana, Surat, 394317, Gujarat, India.	Weaving, Coating and Embossing

We do not have any leasehold property.

KEY INDUSTRIAL REGULATIONS AND POLICIES

The following is an overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information of laws and regulations available in this section has been obtained from publications available in public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "Government and Other Approvals" on page 227.

The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company.

A. INDUSTRY RELATED LAWS AND REGULATIONS

National Textile Policy, 2000

The National Textile Policy, 2000 ("**NTP**") aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product up-gradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (**IT**), an integral part of the entire value chain of textile; Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed it's commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society

The Textile Committee Act, 1963

The Textile Committee Act, 1963 (the "**Act**") was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the "**Textile Committee**") with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing

material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

Textile Development and Regulation Order, 2001 ("Textile Order")

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

Amended Technology Up-Gradation Fund Scheme (ATUFS)

Ministry of Textiles, Government of India has notified ATUFS *vide* resolution dated January 13, 2016. In accordance to the said regulation the guidelines of ATUFS i.e. financial and operational parameters and implementation of ATUFS during its implementation period from January 13, 2016 to March 31, 2022 has been provided under the revised resolution dated August 2, 2018. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as companies which have acknowledgement of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per Ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs. 300 million.

The Legal Metrology Act, 2009 ("Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011

The LM Act has replaced the Standards of Weights and Measures Act 1976 and the Standards of Weight & Measurement (Enforcement) Act 1985. It seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing with instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act provides for the establishment of the Bureau of Indian Standards ("BIS") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process 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) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In cases of manufacturing for sale or storing, selling, or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

Electricity Act, 2003

The Electricity Act, 2003 (the “***Electricity Act***”) was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorising a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days’ notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission established under the Electricity Act.

Shops and Establishments Legislations

Establishments are required to be registered under the provisions of local shops and establishments legislations applicable in the states where such establishments are set up. Such legislations regulate the working and employment conditions of workers employed in such shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Shops and establishments have to be registered under the shops and establishments legislations of the respective states where they are located.

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the “***T.P. Act***”) governs the transfer of property, including immovable property, between natural persons excluding a transfer by operation of law. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The T.P. Act also provides for the rights and liabilities of the vendor and purchaser in case of a transaction relating to sale of property and the lessor and lessee if the transaction involves lease of land, as the case may be.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 (the “***Sale of Goods Act***”) governs contracts relating to the sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract for 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 goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for the sale of goods.

The Registration Act, 1908

The Registration Act, 1908 (the “***Act***”) was passed to consolidate all the previous legislations which were enacted in relation to the registration of documents. This Act was promulgated to achieve the purpose of maintaining a proper regulatory record of transactional documents with a recognized officer in order to safeguard the original copies. The Act lays down two types of registration of documents, one being mandatory registration, which has been laid down under Section 17 of the Act and relates to documents such as, *inter alia* gift deed or transfer deed for an immovable property, non-testamentary instruments purporting to an interest in any immovable property, leasing or renting an immovable property. The other type of registration has been laid down under Section 18 of the Act which provides for the category of documents, registration of which is optional or discretionary and include, wills, instrument for transfer of shares, adoption deeds, etc. Failure to register a document under Section 17 of the Act can attract severe consequences, including declaration of invalidity of the transfer in question; however, no such consequence is attracted in case of Section 18 of the Act. Sections 28 and 31 of the Act provide the sub-registrars and other officers, the authority to register documents under this Act. Registration of a document, provides authenticity to a document and also acts as a conclusive proof in relation to the execution of such a document in the court of law.

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 operating stores and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

B. TAX LAWS

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017 and various state-wise legislations made thereunder;
- The Integrated Goods and Services Tax Act, 2017 and rules thereof;
- Professional tax-related state-wise legislations;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and

C. ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 (“EPA”)

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit the discharge or emission of any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. 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. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Such person also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) as amended by the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. 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 resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

D. LABOUR LAW LEGISLATIONS

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been

provided below:

The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume 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. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code.

Factories Act, 1948

The Factories Act, 1948 (the "***Factories Act***") regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the '*Occupier*' (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc.

The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license.

Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively.

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

Industries (Development and Regulation) Act, 1951

The Industries (Development and Regulation) Act, 1951 (the “**Act**”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the ‘*Scheduled Industries*’ which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act.

The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors.

In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees’ (Provident Fund and Miscellaneous Provision) Act, 1952.

Industrial Employment (Standing Orders) Act, 1946

In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

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 (Provident Fund and Miscellaneous Provisions) Act, 1952, as amended (the “**EPF Act**”) The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the GoI from time to time. It requires all such establishments to be registered with the state provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. **The Employees Provident Fund Scheme:** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- ii. **The Employees Pension Scheme:** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution,

the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee's pay shall be remitted by the employer to the Employees' Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees' Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees' Pension Scheme and credit the contribution to the Employees' Pension Fund.

- iii. ***The Employees Deposit Linked Insurance Scheme:*** As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

E. GENERAL CORPORATE AND OTHER ALLIED LAWS

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 Instruments Act, 1881, Consumer Protection Act, 1986, Anti-Trust law such as Competition Act, 2002 and corporate Acts namely Companies Act, 2013 are also applicable to the Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally formed as a limited liability partnership under the name ‘*Shree Karni Fabcom LLP*’, bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name ‘*Shree Karni Fabcom Private Limited*’ and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to ‘*Shree Karni Fabcom Limited*’ and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U47820GJ2023PLC140106.

Change in registered office of our Company

The Registered Office of our Company at the time of incorporation was situated at Plot 188,189,190, Block No. 314, Rajhans Texpa, Village Baleshvar, Taluka Palsana, Surat- 394 317, Gujarat, India. Our Company has not changed its Registered Office since incorporation.

Main Objects of our Company

The main objects of our Company are as follows:

1. *To manufacture, produce, process, procure, buy, sell, import, export, or otherwise deal in all kinds of cotton, woolen, rayon, silk, nylon, jute, synthetic and staple fabrics of any kind or equality and to carry on the business of ginning, sizing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, calendaring, printing, polymerizing or otherwise processing, preparing, working, embroidery or dealing in cloth, yarn, thread, cotton, wool, silk, jute and materials made there from and other synthetic, fabrics and materials.*

The main objects as contained in the MoA enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Offer.

Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

Date of shareholder's resolution	Nature of amendments
July 08, 2023	<i>Clause V of the MoA was amended to reflect an increase in the Authorised Capital of our Company from ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 8,00,00,000 divided into 80,00,000 Equity Shares of ₹ 10 each.</i>
October 10, 2023	<i>Our Company was converted into a public limited company and consequently the name of our Company was changed to ‘Shree Karni Fabcom Limited’. Accordingly, Clause I of the MoA was amended to reflect the name of our Company, post its conversion.</i>

Corporate profile of our Company

For details regarding the description of our Company’s activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major distributors and customers, segment, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 116, 139 and 209 respectively, of this Red Herring Prospectus.

Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
2018	Incorporated as Shree Karni Fabcom LLP
2019	Commercial production commenced

Year	Events
2022	Setting up of new manufacturing facility of our Subsidiary at Rajhans Texpa, Palsana, Surat for weaving and coating of technical textiles.
2023	Converted into Shree Karni Fabcom Private Limited

Awards and Accreditations

The table below sets forth some of the key awards received by our Company in its history since its incorporation.

Year	Events
2019	Our Company was bestowed with an award by VIP Industries Limited, in recognition of our contribution as an esteemed supplier to VIP Industries Limited.
2020	Our Company was bestowed with an award by VIP Industries Limited, in recognition of our contribution towards innovation.

Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

As of date of this Red Herring Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Except as stated below, our Company has not made any business acquisition, merger and amalgamation or disinvestment of business in the last ten years:

Supplementary LLP Agreement dated October 31, 2023 executed between Ankur Bhikhabhai Balar, Manoj Kumar Karnani, Raj Kumar Agarwal, Rajiv Lakhota and our Company (“Partners”) (hereinafter referred to as the “Supplementary LLP Agreement”).

The Supplementary LLP Agreement was executed to amend the deed of limited liability partnership agreement dated December 16, 2020 (“**LLP Agreement**”) carried on in the name of M/s IKG Technical Textiles LLP. Pursuant to the Supplementary LLP Agreement, the erstwhile Partners of M/s IKG Technical Textiles LLP, namely, Manoj Kumar Karnani, Raj Kumar Agarwal and Rajiv Lakhota retired from their respective position and our Company was admitted as a new partner in M/s IKG Technical Textiles LLP. Pursuant to the Supplementary LLP Agreement, the capital contribution of the remaining partner, Ankur Bhikhabhai Balar was ₹ 66.66 lakhs and of our Company was ₹ 133.34 lakhs with profit sharing ratio of 33.33% and 66.67% respectively. Consequently, pursuant to the Supplementary LLP Agreement, M/s IKG Technical Textiles LLP became the subsidiary of our Company, and our Company became the designated partner of the said LLP.

Supplementary LLP Agreement dated October 31, 2023 executed between Radhe Shyam Daga, Rajiv Lakhota, Dharmesh Jaswant Bavishi, Sushma Devi Banthia, Indra Devi Banthia and our Company (“Partners”) (hereinafter referred to as the “Supplementary LLP Agreement”).

The Supplementary LLP Agreement was executed to amend the deed of limited liability partnership agreement dated October 3, 2017 (“**LLP Agreement**”) carried on in the name of M/s Textron Fabtech LLP. Pursuant to the Supplementary LLP Agreement, the erstwhile Partners of M/s Textron Fabtech LLP, namely, Radhe Shyam Daga and Rajiv Lakhota retired from their respective position and our Company was admitted as a new partner in M/s Textron Fabtech LLP. Pursuant to the Supplementary LLP Agreement, the capital contribution of the remaining partners, Dharmesh Jaswant Bavishi was ₹ 10 lakhs, Sushma Devi Banthia was ₹ 22.50 lakhs, Indra Devi Banthia was ₹ 22.50 lakhs and our Company was ₹ 45.00 lakhs with profit sharing ratio of 10.00 %, 22.50 %, 22.50 % and 45.00 % respectively. Consequently, pursuant to the Supplementary LLP Agreement, M/s Textron Fabtech LLP became the associate of our Company, and our Company became one of the designated partner of the said LLP.

Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Red Herring Prospectus, our Company has one subsidiary, details of which have been provided below.

M/s IGK Technical Textiles LLP

M/s IGK Technical Textiles LLP is a limited liability partnership incorporated on December 4, 2020, and is engaged in the business of manufacturing and dealing in technical textile.

Profit and Loss Sharing Ratio as on date of this Red Herring Prospectus:

S. No.	Name of Partners	Capital Share in Profit / Loss (in %)
1.	Ankur Bhikhabhai Balar	33.33%
2.	Shree Karni Fabcom Limited	67.67%
	Total	100.00%

Accumulated profits or losses

There are no accumulated profits or losses of our Subsidiary, which are not accounted for by the Company.

Listing

Our Subsidiary is not listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiary been refused listing by any stock exchange in India or abroad, nor have our Subsidiary failed to meet the listing requirements of any stock exchange in India or abroad.

Business interest of our Subsidiaries in the Company

Our Subsidiary does not have any interest in our Company's business, other than as stated in "Summary of the Issue Document – Related Party Transactions" and "Financial Information", on pages 21 and 158, respectively.

Common pursuits

There are no common pursuits amongst our Subsidiary and our Company, except for the common business. Our Subsidiary does not compete with our Company and accordingly, there is no conflict of interest between our Company and our Subsidiary. Further, our Company and our Subsidiary will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Associate or Joint ventures of our Company

As on the date of this Red Herring Prospectus, our Company have only one associate. Our Company does not have any joint ventures.

Set out below are the details of our associate, as on the date of this Red herring Prospectus:

M/s Textron Fabtech LLP

M/s Textron Fabtech LLP is a limited liability partnership incorporated on September 26, 2017.

Profit and Loss Sharing Ratio as on date of this Red Herring Prospectus:

S. No.	Name of Partners	Capital Share in Profit / Loss (in %)
1.	Indra Devi Banthia	22.50%
2.	Sushma Devi Banthia	22.50%
3.	Dharmesh Jaswant Bavishi	10.00%

S. No.	Name of Partners	Capital Share in Profit / Loss (in %)
4.	Shree Karni Fabcom Limited	45.00%
	Total	100.00

Strategic and Financial Partners

As on date of this Red Herring Prospectus our Company does not have any strategic and financial partners.

Shareholders and Other Agreements

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, 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 our Company.

Guarantees given by Promoters offering its shares in the Offer for Sale

Except as stated in “*Financial Indebtedness*” on page 205 of this Red Herring Prospectus, our Promoters have not given any guarantees on behalf of our Company.

Material Agreements

Our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company.

OUR MANAGEMENT

Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. As on date of this Red Herring Prospectus, we have Seven (7) Directors on our Board, which includes One (1) Managing Director, Three (3) Whole-Time Director, and Three (03) Non-Executive Independent Directors.

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

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Rajiv Lakhotia DIN: 02939190 Date of Birth: March 10, 1981 Designation: Managing Director Address: BG 166, Salt Lake City, Tank No. 7, Sector II, Bidhnnagar, Kolkata- 700 091, West Bengal, India. Occupation: Business Term: A period of three (03) years with effect from October 10, 2023 until October 9, 2026 Period of Directorship: Director since April 11, 2023 Nationality: Indian	42	Indian Companies / LLPs : • Paropkar Estate Private Limited • Shree Karni Artha LLP Foreign Companies NIL
Radhe Shyam Daga DIN: 07848061 Date of Birth: June 12, 1958 Designation: Whole Time Director Address: Mangniram Daga, A-2 -502 Rudharaksh Avenue, Punagam, Surat City, Surat – 395 010, Gujarat, India. Occupation: Business Term: A period of three (03) years with effect from October 10, 2023 until October 9, 2026 Period of Directorship: Director since April 11, 2023 Nationality: Indian	65	Indian Companies / LLPs : • IGK Technical Textiles LLP (as nominee of the Company) • Textron Fabtech LLP (as nominee of the Company) Foreign Companies : NIL
Manoj Kumar Karnani DIN: 08156230 Date of Birth: January 20, 1975 Designation: Whole-time Director	48	Indian Companies / LLPs : • Nakoda Hair Accessories Private Limited • DP Global Impex Private Limited • Lizo India Automobiles LLP Foreign Companies :

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Address: BL-2, FL-3E, Avani Oxford, 136 Jessore Road, Lake Town, North 24 Parganas -700 055, West Bengal, India. Occupation: Business Term: A period of three (03) years with effect from October 10, 2023 until October 9, 2026 Period of Directorship: Director since April 11, 2023 Nationality: Indian		NIL
Raj Kumar Agarwal DIN: 09748957 Date of Birth: April 11, 1984 Designation: Whole-time Director Address: 508, Metro Garden Estate, Talatelenga Bazar, Cuttack Sadar, Cuttack- 753 009, Odisha, India Occupation: Business Term: A period of three (03) years with effect from October 3, 2023 until October 2, 2026 Period of Directorship: Director since April 11, 2023 Nationality: Indian	39	Indian Companies / LLPs NIL Foreign Companies <ul style="list-style-type: none"> • Yiwu Qie Er Wo Trading Co Limited, China • Bright Future Export (Hong Kong) Company • Canzghou Sikai Steel Pipe Company
Rashmi Bihani DIN: 07062288 Date of Birth: April 15, 1980 Designation: Independent Director Address: Ambika Gardens, Flat – 6B, 23 Raja Santosh Road, Alipore, Kolkata-700027, West Bengal, India Occupation: Professional Term: A period of five (05) years with effect from October 10, 2023 until October 9, 2028 Period of Directorship: Director since October 10, 2023 Nationality: Indian	42	Indian Companies / LLPs <ol style="list-style-type: none"> 1. Sri Gopal Investments Ventures Limited 2. Greenchip Trexim Pvt. Ltd 3. Ellenbarrie Chemicals Allied Pvt. Ltd. 4. DreamlightPlaza Private Limited. 5. Birla Tyres Limited 6. RBGJ Advisors Private Limited 7. BRC Financial Private Limited 8. Sumras ES Properti LLP 9. Sumras Trading LLP Foreign Companies NIL
Swati Singhania DIN: 03610903 Date of Birth: October 11, 1983 Designation: Independent Director	40	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
Address: Flat 19B Merlin Road, 209 Picnic Garden Road, Kushtia More, Kata Pulkur, Kolakata, South 24, Parganas - 700039, West Bengal, India Occupation: Service Term: A period of five (05) years with effect from October 10, 2023 until October 9, 2028 Period of Directorship: Director since October 10, 2023 Nationality: Indian		
Sriyans Lunia DIN: 08178507 Date of Birth: August 27, 1992 Designation: Independent Director Address: Flat - 4C, Block – 32, Diamond City North, 68 Jessore Road, Bangur A venue, North 24 Parganas, Kolkata -700 055, West Bengal, India. Occupation: Employment Term: A period of five (05) years with effect from November 1, 2023 until October 31, 2028 Period of Directorship: Director since November 1, 2023 Nationality: Indian	31	Indian Companies / LLPs Euphoria Infotech (India) Limited Foreign Companies NIL

Brief Biographies of our Directors

Rajiv Lakhotia, aged 42 years, is one of the Promoters of our Company. He is the Managing Director of our Company. He attended University of Calcutta to pursue a bachelor's degree in commerce. He is presently heading the customer development considering the changing need of the industry and has played a key role in the growth and development of the company. He has an experience of 16 years in the textile industry and is head of sales department.

Radhe Shyam Daga, aged 65 years, is one of the Promoters of our company. He is the Whole-time Director of our Company. He does not hold any education qualification. Mr. Daga is having more than 20 years of experience in textile industry. He is presently supervising the day-to-day operations of the company.

Manoj Kumar Karnani, aged 48 years, is a Promoter and Whole-time Director of our Company. He does not hold any education qualification. He used to work as an independent agent providing custom clearance consultancy to businesses engaged in import and export of goods. He is well versed with custom laws and have more than 20 years of experience in import and export handling. His role is to deal with customs department for the company.

Raj Kumar Agarwal, aged 39 years, is a Promoter and Whole-time Director of our Company. He attended Capital University to pursue bachelor's degree in commerce. He is well versed with Chinese market and understands Chinese language and has good knowledge of local market in China. He spends most of his time in China and is presently supervising all Chinese procurement for the Company which includes the sourcing of raw materials, machine parts, finished and semi-finished goods. He has an experience of 15 years in the textile industry.

Rashmi Bihani, aged 42 years, is an Independent Director of our Company. She is an fellow member of the Institute of Chartered Accountants of India and holds a certificate of practice issued by the Institute of Chartered Accountant of India. She is having more than 15 years of experience in the field of accounting, audit and taxation.

Swati Singhania, aged 40 years, is an Independent Director of our Company. She has passed final examination held by the Institute of Chartered Accountants of India. She is the proprietor at M/s. S Singhania & Associates. She is having more than 10 years of experience.

Sriyans Lunia, aged 31 years, is an Independent Director of our Company. He holds bachelor's degree in commerce from University of Calcutta. He also have cleared Group I of integrated professional competence examination of the Institute of Chartered Accountants of India and foundation program examination of the Institute of Company Secretaries of India. In the past he was associated with Genpact India Private Limited in the capacity of credit verification officer and currently working with Symbiosis Assistance Private Limited in the capacity of account manager. He is having working Experience of around 8 years in the field of accounting, finance, taxation and legal matters.

As on the date of this Red Herring Prospectus

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

Relationship between our Directors None of the Directors of the Company are related to each other.

Arrangements and Understanding with Major Shareholders

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

Payment or Benefit to officers of our Company

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

Service Contracts

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an special resolution passed at the Extraordinary General Meeting held on October 10, 2023, resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided

that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 10,000.00 lakhs.

Terms of appointment and remuneration of our Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on October 3, 2023 and approved by the Shareholders of our Company at the EGM held on October 10, 2023, Rajiv Lakhota was appointed as the Managing Director of our Company for a period of three (03) years with effect from October 10, 2023 along with the terms of remuneration, in accordance with Sections 196, 197, 203 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	₹. 8.00 lakhs per month
Perquisites	<ul style="list-style-type: none"> • Category A: <ul style="list-style-type: none"> i. Medical reimbursement for self and family as per the rules of the Company ii. Leave travel imbursement of domestic and foreign along with family as per the rules of the company. • Category B: <ul style="list-style-type: none"> i. Contribution to provident fund, superannuation fund, annuity fund or gratuity as per the rules of the Company ii. Encashment of leave as per the rules of the Company • Category C: <ul style="list-style-type: none"> i. Car, telephone at residence and mobile phone for use on Company's business
Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, during the currency of the term of the Managing Director, the company will pay remuneration to the Managing Director, within the maximum ceiling per annum as per Section II of Part 11 of Schedule V to the Companies Act, 2013, which lays down following limits for payment of managerial remuneration: Where effective capital is ₹ 5 crores and above but less than ₹ 100 crores, the maximum yearly permissible limit of Managerial Remuneration per person is ₹ 84 lakhs.

Remuneration details of our Directors

(i) Remuneration of our Executive Directors

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2023 is as follows:

S. No.	Name of the Director	Remuneration* (₹ in lacs)
1.	Rajiv Lakhota	7,20,000
2.	Radhe Shyam Daga	7,20,000
3.	Manoj Kumar Karnani	7,20,000
4.	Raj Kumar Agarwal	7,20,000

*The remuneration was paid as partners remuneration as the Company was a LLP in fiscal 2023.

Our Executive Directors were not paid sitting fee in Fiscal 2023 for attending meetings of the Board of Directors and its committees.

(ii) Sitting fee details of our Independent Directors and Non-Executive Directors

S. No.	Name of the Director	Remuneration (₹ in lacs)
1.	Rashmi Bihani	NIL
2.	Swati Singhania	NIL
3.	Sriyans Lunia	NIL

Our Board of Directors in their meeting held on December 12, 2023 have fixed ₹ 10,000/- as sitting fee for Independent Directors and Non-Executive Directors, for attending meetings of the Board of Directors and its committees.

Payment or benefit to Directors of our Company

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

Remuneration paid to our Directors by our Subsidiary

As on the date of this Red Herring Prospectus, our Company have one subsidiary namely i.e. IGK Technical Textiles LLP. No remuneration was paid by our subsidiary to our Director.

Loans to Directors

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

Shareholding of Directors in our Company

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

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1)	Manoj Kumar Karnani	12,50,000	24.04
2)	Raj Kumar Agarwal	12,50,000	24.04
3)	Rajiv Lakhota	12,50,000	24.04
4)	Radhe Shyam Daga	12,50,000	24.04

** Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.*

Interest of our Directors

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

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” beginning on Page Nos. 158 and 151, respectively of this Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information – Note 36 – Related party transactions*” from the chapter titled “*Restated Financial Information*” on Page No. 158 of this Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

Interest as to property

Except as mentioned in “*Our Business - Land and Property*” and “*Restated Financial Information – Note 36 – Related party transactions*” from the chapter titled “*Restated Financial Information*” on Page Nos. 135 and 158 of this Red Herring Prospectus our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Bonus or Profit Sharing Plan for our Directors

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

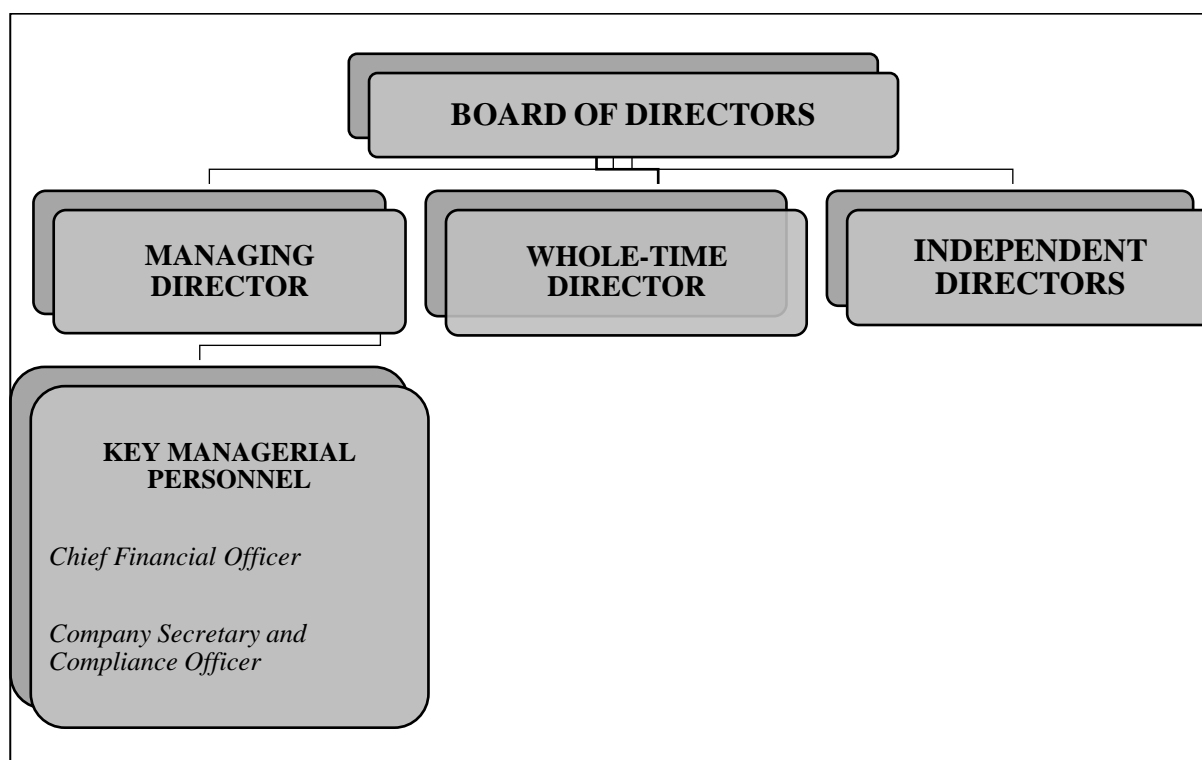
Changes in our Board during the Last Three Years

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

Name of Director	Date of Appointment	Date of Cessation	Reasons for Change/ Appointment
Rajiv Lakhota	October 10, 2023	-	Appointed as Managing Director
Radhe Shyam Daga	October 10, 2023	-	Appointed as Whole Time Director
Manoj Kumar Karnani	October 10, 2023	-	Appointed as Whole Time Director
Raj Kumar Agarwal	October 3, 2023	-	Appointed as Whole Time Director
Rashmi Bihani	October 10, 2023	-	Appointed as Independent Director
Swati Singhania	October 10, 2023	-	Appointed as Independent Director
Sriyans Lunia	November 1, 2023	-	Appointed as Independent Director

Management Organization Structure

Set forth is the management organization structure of our Company:



Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

Committees of our Board

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

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee; and
- Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated November 9, 2023 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Rashmi Bihani	Chairman	Independent Director
Swati Singhania	Member	Independent Director
Sriyans Lunia	Member	Independent Director
Raj Kumar Agarwal	Member	Whole-time Director

Our Company Secretary and Compliance officer acts as the secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. 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.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee enjoys following powers:

- 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

- e) The audit committee may invite such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit committee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
5. 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).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
6. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall meet at least two times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on November 9, 2023. As on the date of this Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Rashmi Bihani	Chairperson	Independent Director
Swati Singhania	Member	Independent Director
Sriyans Lunia	Member	Independent Director

Our Company Secretary and Compliance officer acts as the secretary of the Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Meetings of the Committee shall be held at such regular intervals as may be required. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at-least one independent director.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors, at the meeting held on November 9, 2023. As on the date of this Prospectus the Stakeholders' Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Rashmi Bihani	Chairman	Independent Director
Swati Singhania	Member	Independent Director
Sriyans Lunia	Member	Independent Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

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.

The Stakeholders' Relationship Committee is required to meet at-least once in a year.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted on November 9, 2023. The Corporate Social Responsibility Committee comprises of the following members:

Name of the Director	Designation in the Committee	Nature of Directorship
Swati Singhania	Chairperson	Independent Director
Sriyans Lunia	Member	Independent Director
Radhe Shyam Daga	Member	Whole-time Director

The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act 2013. The Company Secretary shall act as the secretary of the Corporate Social Responsibility Committee.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Compliance with SME Listing Regulations

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

Our Key Managerial Personnel

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

Jyoti Chitlangiya, aged 37 years, is the Company Secretary of our Company. She holds a bachelor's degree in science (Chemistry) and master's degree in business administration (Finance) from Veer Narmad South Gujarat University. She is an associate member of the Institute of Company Secretaries of India. In the past, she was in practice before joining the Company and has an experience of 5 years in the secretarial and compliance. She has been associated with our Company since November 9, 2023. She has not received remuneration in the Financial Year 2023. She is overseeing the compliance and secretarial related matters of our Company.

Arbind Kumar Lahoty, aged 31 years, is Chief Financial Officer of our Company. He attended Maharaja Ganga Singh University, Bikaner to pursue bachelor's degree in Commerce. In the past he was associated with KP Group and Agarwal A Kumar and Associates. He is an associate member of the Institute of Chartered Accountants of India. He is having more than 7 years of experience accounting and supply chain. Presently, he is overseeing finance, accounting, taxation and budgets including financial reporting and internal control system.

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

Our Whole-time Director is Designated Partner (nominee) of our Subsidiary, namely, IGK Technical Textiles LLP.

Our Senior Managerial Personnel

In addition to our Managing Director, Chief Financial Officer and Company Secretary and Compliance Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*' and '*Our Key Managerial Personnel*', there are no personnel who form part of the Senior Management as on the date of filing of this Red Herring Prospectus.

Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoters and / or other Key Managerial Personnel and Senior Management

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

Shareholding of the Key Managerial Personnel and Senior Management

None of the Key Management Personnel and Senior Management hold shareholding in our Company. **Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management**

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

Payment or benefit to Key Managerial Personnel and Senior Management of our Company

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management.

Interest of Key Managerial Personnel and Senior Management

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

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

Changes in Key Managerial Personnel and Senior Management in the Last Three Years

In addition to the changes specified under “- *Changes in our Board during the Last Three Years*”, set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Red Herring Prospectus:

Name	Designation	Date of change	Reason
Jyoti Chitlangiya	Company Secretary and Compliance Officer	November 9, 2023	Appointment
Arbind Kumar Lahoty	Chief Financial Officer	November 9, 2023	Appointment

The attrition of the Key Management Personnel and Senior Management is as per the industry standards.

Employees’ Stock Option Plan

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

Loans taken by Directors / Key Management Personnel and Senior Management

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

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are Manoj Kumar Karnani, Radhe Shyam Daga, Rajiv Lakhotia and Raj Kumar Agarwal.

The details of the shareholding of our Promoters, as on date of this Red Herring Prospectus has been provided below:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Manoj Kumar Karnani	12,50,000	24.04
2.	Raj Kumar Agarwal	12,50,000	24.04
3.	Rajiv Lakhotia	12,50,000	24.04
4.	Radhe Shyam Daga	12,50,000	24.04
Total		50,00,000	96.16

For details, please see “*Capital Structure – Build-up of Promoters’ shareholding, Minimum Promoters’ Contribution and lock-in – Build-up of the Equity Shareholding of our Promoters in our Company*” on page 71.

Details of our Promoters are as follows:

1. *Manoj Kumar Karnani*



Manoj Kumar Karnani, aged 48 years, is the Whole-time Director of our Company. He resides at Block 2, Flat 3E, Avani Oxford, 136 Jessore Road, PS Lake Town, Bangur Avenue, North 24, Parganas – 700 055, West Bengal, India.

The Permanent Account Number of Manoj Kumar Karnani is AHBPK3224A.

For complete profile of Manoj Kumar Karnani, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 139.

2. *Radhe Shyam Daga*



Radhe Shyam Daga, aged 65 years, is the Whole-time Director of our Company. He Resides at A-2, 502, Rudharaksh Avenue, Punagam, Surat – 395010, Gujrat, India.

The Permanent Account Number of Radhe Shyam Daga is AGWPD7773R.

For complete profile of Radhe Shyam Daga, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 139.

3. *Rajiv Lakhotia*



Rajiv Lakhotia, aged 42 years, is the Managing Director of our Company. He Resides at BG 166, Salt Lake City, Tank no. 7, Sector II, Bidhannagar, North 24, Parganas, Kolkata –700 091 , West Bengal, India.

The Permanent Account Number of Rajiv Lakhotia is ABAPL2572R.

For complete profile of Rajiv Lakhotia, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 139.

4. *Raj Kumar Agarwal*



Raj Kumar Agarwal, aged 39 years, is the Whole-time Director of our Company. He Resides at 508, Metro Garden Estate, Talatelnga Bazar, Cuttack – 753 009, Odisha, India.

The Permanent Account Number of Raj Kumar Agarwal is AFKPA7573B.

For complete profile of Raj Kumar Agarwal, along with details of his date of birth, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see “*Our Management*” on page 139.

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, aadhaar card numbers and driving license numbers of our Promoters, shall be submitted to the Stock Exchange at the time of filing the Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in the management or control of our Company during the last five years preceding the date of this Red Herring Prospectus.

Other ventures of our Promoters

Our Promoters are involved in other ventures and business activities in different capacities as listed below:

Manoj Kumar Karnani

S. No.	Name of the entity	Nature of interest / position
1.	Nakoda Hair Accessories Private Limited	Director and Shareholder
2.	DP Global Impex Private Limited	Director and Shareholder
3.	Lizo India Automobiles LLP	Designated Partner
4.	DP Global Trade (Partnership Firm)	Partner
5.	International Trade Link	Proprietor
6.	Manoj Kumar Karnani (HUF)	Karta

Radhe Shyam Daga

S. No.	Name of the entity	Nature of interest / position
1.	Textron Fabtech LLP	Designated Partner (As a nominee of our Company)
2.	IGK Technical Textiles LLP	Designated Partner (As a nominee of our Company)

Rajiv Lakhotia

S. No.	Name of the entity	Nature of interest / position
1.	Paropkar Estate Private Limited	Director and Shareholder
2.	Shree Karni Artha LLP	Designated Partner
3.	MLK Developers Private Limited	Shareholder

Raj Kumar Agarwal

S. No.	Name of the entity	Nature of interest / position
1.	Yiwu Qie Er Wo Trading Co Limited, China	Director and Shareholder
2.	Bright future Export (Hong Kong) Company	Director and Shareholder
3.	Canzghou Sikai Steel Pipe Company	Director and Shareholder

Except as stated above and except as disclosed in “– *Promoter Group*” below and in “*Our Management*” on pages 151 and 139, our Promoters are not involved in any other ventures.

Interests of Promoters

- (a) Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their shareholding in our Company; (iii) the dividends payable thereon; and (iv) any other distributions in respect of their shareholding in our Company. For further details, see “*Summary of Issue Document – Aggregate pre-Issue shareholding of our Promoters, Promoter Group, as a percentage of the pre-Issue Equity Share capital of our Company*” beginning on page 21.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) in which our Promoters are partners or designated partners or directors; or (iii) which are controlled by our Promoters. For further details of interest of our Promoters in our Company, see “*Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements – Note 36 – Related party transactions*” on page 158.

- (b) Further, Manoj Kumar Karnani, Radhe Shyam Daga, Rajiv Lakhota and Raj Kumar Agarwal, are also interested in our Company in the capacity of Directors, and may be deemed to be interested in the remuneration payable to them and the reimbursement of expenses incurred by them in the said capacity. For further details, see “*Our Management*” on page 139. For further details of interest of our Promoters in our Company, see “*Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements – Note 36 – Related party transactions*” on page 158.
- (c) Except as disclosed in “*Financial Statements*” and “*Financial Indebtedness*” on page 158 and 205, respectively in this Red Herring Prospectus, our Promoters and members of our Promoter Group have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company. Our Promoters have also advanced certain unsecured loans to our Company, for further details, please refer to the chapter titled “*Financial Indebtedness*” on page 205 of this Red Herring Prospectus.
- (d) Except for the interest held by our Promoters in the entities disclosed under “- *Other ventures of our Promoters*”, our Promoters do not have any interest in any venture that is involved in activities similar to those conducted by our Company.
- (e) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoter or otherwise for services rendered by the Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Payment or benefits to Promoter or Promoter Group

Except as disclosed above and as stated in “*Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements – Note 36 – Related party transactions*” on page 158, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Red Herring Prospectus.

S. No.	Name of Promoter	Name of the Company / LLP	Date of disassociation	Reason for disassociation
1.	Radhe Shyam Daga	Arihant Bags LLP	October 30, 2021	Due to pre-occupancy
2.		Textron Fabtech LLP	October 31, 2023	Stake acquired by the Company

3.	Rajiv Lakhotia	Arihant Bags LLP	October 30, 2021	Due to pre-occupancy
4.		IGK Technical Textiles LLP	October 31, 2023	Stake acquired by the Company
5.	Raj Kumar Agarwal	IGK Technical Textiles LLP	October 31, 2023	Stake acquired by the Company
6.	Manoj Karnani	IGK Technical Textiles LLP	October 31, 2023	Stake acquired by the Company

Material guarantees

As on the date of this Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

Other confirmations

Our Promoters are not Wilful Defaulters or a Fraudulent Borrowers.

Our Promoters are not Fugitive Economic Offenders.

Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past, promoters or directors of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

PROMOTER GROUP

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
Manoj Kumar Karnani		
1	Muralidhar Karnani	Father
2	Sushila Devi Karnani	Mother
3	Kiran Devi Karnani	Spouse
4	Binod Kumar Karnani	Brother
5	Ashok Kumar Karnani	Brother
6	Kanchan Daga	Sister
7	Krishna Karnani	Son
9	Bhavna Karnani	Daughter
10	Nandini Karnani	Daughter
11	Late Bhagwan Das Lahoti	Spouse's Father
12	Sita Devi Lahoti	Spouse's Mother
13	Saran Kumar Lahoti	Spouse's Brother
14	Radheyshyam Lahoti	Spouse's Brother
15	Kanchan Daga	Spouse's Sister
Radhe Shyam Daga		
1	Late Magniram Daga	Father
2	Late Kesar Devi Daga	Mother
3	Nirmala Devi Daga	Spouse
4	Narendra Kumar Daga	Brother
5	Saroj Devi Rathi	Sister
6	Bimala Devi Lahoty	Sister
7	Barju Devi Bhutra	Sister
8	Rukhma Devi Chandak	Sister
9	Durga Devi Bhutra	Sister
10	Ravi Shankar Daga	Son
11	Pankaj Kumar Daga	Son

S. No.	Name of member of our Promoter Group	Relationship with our Promoter
12	Madhu Rathi	Daughter
13	Late Surajmal Rathi	Spouse's Father
14	Late Chanda Devi Rathi	Spouse's Mother
15	Late Rajendra Kumar Rathi	Spouse's Brother
16	Ram Narayan Rathi	Spouse's Brother
17	Mamta Chandak	Spouse's Sister
18	Late Asha Devi Tawari	Spouse's Sister
19	Geeta Devi Daga	Spouse's Sister
20	Laxmi Devi Bhutra	Spouse's Sister
<i>Rajiv Lakhotia</i>		
1	Shankar Das Lakhotia	Father
2	Shriya Devi Lakhotia	Mother
3	Mukta Devi Lakhotia	Spouse
4	Ansh Lakhotia	Son
5	Hari Shankar Jhanwar	Spouse's Father
6	Prabhawatee Jhanwar	Spouse's Mother
7	Madhusudhan Jhanwar	Spouse's Brother
8	Suman Taparia	Spouse's Sister
9	Sarita Mohta	Spouse's Sister
<i>Raj Kumar Agarwal</i>		
1	Ramesh Chandra Agarwal	Father
2	Parwati Devi Agarwal	Mother
3	Santosh Agarwal	Spouse
4	Sooty Agarwal	Sister
5	Preety Agarwal	Sister
6	Sandhya Agarwal	Sister
7	Sarala Agrawal	Sister
8	Tanmay Agarwal	Son
9	Vidhi Agarwal	Daughter
10	Balulal Gupta	Spouse's Father
11	Annapurna Gupta	Spouse's Mother
12	Narayan Das Gupta	Spouse's Brother
13	Laxmi Devi Mahawar	Spouse's Sister
14	Sharda Mahawar	Spouse's Sister
15	Sweta Gupta	Spouse's Sister
16	Annapurna Gupta	Spouse's Sister

Bodies corporates, partnership firms forming part of the Promoter Group

S. No.	Name of entities
1.	Shree Karni Artha LLP
2.	Muralidhar Karnani (HUF)
3.	Krishna Trading
4.	Aaradhya Impex
5.	Prag Das Ishwar Das
6.	Shreeji Fabrics
7.	Krab International
8.	Cuttack Chandi Moulding Pvt Ltd
9.	M/s. International Trade Link
10.	Manoj Kumar Karnani (HUF)
11.	DP Global Trade
12.	Lizo India Automobiles LLP
13.	Nakoda Hair Accessories Private Limited
14.	DP Global Impex Private Limited
15.	Yiwu Qie Er Wo Trading Co Limited, China
16.	Bright Future Export (Hong Kong) Company
17.	Canzghou Sikai Steel Pipe Company

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered such companies (other than a subsidiary) with which there were related party transactions during the period for which Restated Financial Statements has been disclosed in this Red Herring Prospectus, as covered under the applicable accounting standards.

Accordingly, all such companies (other than a subsidiary) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the parameters outlined above, our Company does not have any group companies as on the date of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. As on the date of this Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the eight months period ended November 30, 2023 and the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, please refer section titled “*Risk Factors*” on Page No. 27 of this Red Herring Prospectus.

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SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Examination Report on Restated Consolidated Financial Statements for the eight months period ended November 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021	168
2.	Restated Consolidated Financial Statements for the eight months period ended November 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021	171

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL STATEMENTS OF SHREE KARNI FABCOM LIMITED

The Board of Directors

Shree Karni Fabcom Limited

(Formerly known as Shree Karni Fabcom LLP)

PLOT 188, 189, 190 BLOCK NO. 314, RAJHANS TEXPAVILLAGE BALESHVAR,
TALUKA PALSANA, Baleshwar, Surat, Palsana, Gujarat, India, 394317

Dear Sirs,

1. We have examined the attached Restated Consolidated Statement of Assets and Liabilities of **SHREE KARNI FABCOM LIMITED** (the "Company" or the "Issuer") as at 30th November 2023, 31st March 2023, 31st March, 2022 and 31st March 2021, the related Restated Consolidated Statement of Profit & Loss and the Restated Consolidated Cash Flow Statement for the Eight Months /year ended 30th November 2023, 31st March 2023, 31st March 2022 and 31st March 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Consolidated Summary Statements**" or "**Restated Consolidated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in EMERGE Platform of NSE.

2. These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

(iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

3. The Restated Consolidated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the Eight Months ended/year ended 30th November 2023, 31st March 2023, 31st March 2022 and 31st March, 2021 which has been approved by the Board of Directors.

4. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in the Significant Accounting Policies and Notes to Accounts as set out in Restated Consolidated Financial Information. The Board of Directors of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the company complies with the Act, ICDR Regulations and the Guidance Note.

5. We have examined such Restated Consolidated Financial Statements taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter;
- 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 Consolidated Financial Statement; 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.

In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

(i) The “**Statement of Assets and Liabilities as Restated**” as set out in this report, of the company as at 30th November 2023, 31st March 2023, 31st March 2022 and 31st March, 2021 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the 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 this Report.

(ii) The “**Statement of Profit and Loss as Restated**” as set out in this report, of the Company for the Eight Months /year ended 30th November 2023, 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the 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 this Report.

(iii) The “**Statement of Cash Flow as Restated**” as set out in this report, of the Company for the Eight Months /year ended 30th November 2023, 31st March 2023, 31st March 2022 and 31st March 2021 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the 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 this Report.

6. Based on the above, we are of the opinion that the Restated Consolidated Financial Statements have been made after incorporating:

- a) 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.
- b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
- c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
- d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the year ended on 31st March 2023, 31st March, 2022, 31st March, 2021 which would require adjustments in this Restated Financial Statements of the Company.
- e) These 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 this report.
- (f) The Company has not paid any dividend since its incorporation

7. The preparation and presentation of the Restated Consolidated Financial Statements referred to above are based on the Audited financial statements of the Company as per Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India for the year ended 31st March 2023 are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. In our opinion, the above financial information contained in Annexure of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

11. Audit for the Eight Months ended 30th November 2023 has been conducted by us and Audit for the financial year ended 31st March 2023 has been re-audited by us as per ICDR Regulations and audit for the year ended 31st March 2022 and 31st March, 2021 was conducted by M/s. Giriraj Bhutra & Co., Chartered Accountants, accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us.

12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For Baid Agarwal Singhi & Co.
Chartered Accountants
FRN No. 328671E

CA Dhruv N Agarwal
Partner
Mem No. 306940
Place: Surat
Date: 12th December, 2023
UDIN: 23306940BGTUNT5911

SHREE KARNI FABCOM LIMITED
Consolidated Restated Statement of Assets and Liabilities as at 30th November, 2023

		(Currency: Rs in Lakhs)			
	Note	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
EQUITY AND LIABILITIES					
1) Shareholder's Fund					
a) Shareholder's Capital	3	520.00	100.00	100.00	100.00
b) Reserves and Surplus	4	1,392.17	2,502.24	1,221.61	571.23
Total Shareholder's Fund		1,912.17	2,602.24	1,321.61	671.23
2) Minority Interest		80.45	-	-	-
Liabilities					
3) Non-Current Liabilities					
(a) Long Term Borrowings	5	2,342.71	2,313.26	1,903.29	952.20
(b) Deferred Tax liabilities	6	87.35	71.03	25.57	14.82
(c) Other Non-Current Liabilities	7	3.34	-	-	-
Total non-current liabilities		2,433.40	2,384.28	1,928.86	967.02
4) Current Liabilities					
(a) Short Term Borrowings	8	7,161.56	1,345.46	814.79	499.09
(b) Trade Payables	9				
i) Total Outstanding dues of Micro Enterprises and Small Enterprises		1,329.68	3,070.98	1,310.81	-
ii) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		720.50	318.01	499.24	588.05
(c) Other Current Liabilities	10	324.03	143.27	35.79	17.67
Current Tax Liabilities (Net)	11	162.59	-	-	-
Total Current Liabilities		9,698.36	4,877.73	2,660.63	1,104.81
Total Equity and Liabilities		14,124.38	9,864.25	5,911.11	2,743.05
ASSETS					
1) Non-current assets					
a) Property, Plant and Equipments and Intangible Assets	12				
i) Tangible Asset		5,176.13	2,302.90	1,495.18	446.73
ii) Intangible Asset		26.30	31.59	-	-
iii) Capital Work in Progress		308.58	96.55	75.91	75.91
b) Investments	13	249.20	186.99	102.24	33.10
c) Other Non-Current Assets	14	200.19	134.91	105.80	5.90
Total Non-Current Assets		5,960.40	2,752.94	1,779.14	561.64
2) Current Assets					
(a) Inventories	15	4,082.12	3,557.75	1,554.25	321.80

(b) Trade receivables	16	3,172.99	3,490.85	2,410.90	1,744.03
(c) Cash and cash equivalents	17	117.85	35.95	7.27	50.22
(d) Others	18	673.35	10.86	103.60	65.35
Other current assets	19	117.67	15.90	55.95	-
		8,163.98	7,111.31	4,131.96	2,181.41
Assets classified as held for sale		-	-	-	-
		8,163.98	7,111.31	4,131.96	2,181.41
Total Assets		14,124.38	9,864.25	5,911.11	2,743.05

Significant accounting policies 1&2

The accompanying notes form an integral part of the Consolidated financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.
Chartered Accountants
Firm's Registration No. with
ICAI:0328671E

For and on behalf of the Board
SHREE KARNI FABCOM LIMITED
 (Formerly known as Shree Karni Fabcom LLP)
CIN: U47820GJ2023PLC140106

(Dhruv Narayan Agarwal)

Partner

Membership No.: 306940

UDIN: 23306940BGTUNT5911

Date: December 12, 2023

Place : Surat

Rajiv Lakhotia

Managing Director

DIN: 02939190

Radhe Shyam Daga

Director

DIN: 07848061

Arbind Kumar Lahoty

CFO

Jyoti Chitlangiya

Company Secretary

SHREE KARNI FABCOM LIMITED
Consolidated Restated Statement of Profit and Loss for the period ended 30th November, 2023

(Currency: Rs in Lakhs)

		For the Period ended 30 November 2023	For the Year ended 31 March 2023	For the Year ended 31 March 2022	For the Year ended 31 March 2021
	Note				
Revenue					
Revenue from operations	20	7,572.22	12,694.65	8,357.36	3,287.42
Other Income	21	27.26	9.40	7.82	2.44
Total revenue		7,599.48	12,704.05	8,365.18	3,289.86
Expenses					
Cost of materials consumed	22	5,768.43	12,298.11	8,323.60	2,917.60
Changes in inventories of finished goods	23	(172.93)	(2,003.50)	(1,232.45)	(202.76)
Employee benefits	24	253.46	195.61	116.87	57.95
Finance costs	25	202.55	515.75	249.90	188.20
Depreciation and amortisation	26	145.98	152.48	52.64	24.01
Other expenses	27	310.26	694.66	329.02	136.56
Total expenses		6,507.75	11,853.12	7,839.58	3,121.56
Profit / Loss before exceptional item and tax		1,091.73	850.93	525.60	168.29
Exceptional Item		-	-	-	-
Profit / (Loss) before Tax		1,091.73	850.93	525.60	168.29
Income tax expense					
- Current tax		252.47	250.23	-	-
- Deferred tax		16.33	45.45	10.76	14.82
- Income tax for earlier years		9.49	-	-	-
		278.28	295.68	10.76	14.82
Profit/ (loss) for the period after tax		813.44	555.25	514.84	153.48
Less: Income from Minority		(13.79)			
Add: Income from Associate		14.17			
Profit/(Loss) attributable to owners of the company		813.83	555.25	514.84	153.48
Earnings per equity share (for continuing operation):					
(1) Basic		23.80	11.10	51.48	15.35
(2) Diluted		23.80	11.10	51.48	15.35
Earnings per equity share (for discontinued operation):					
(1) Basic		-	-	-	-
(2) Diluted		-	-	-	-
Earnings per equity share (for discontinued & continuing operations):					
(1) Basic		23.80	11.10	51.48	15.35
(2) Diluted		23.80	11.10	51.48	15.35

Significant accounting policies 1&2

The accompanying notes form an integral part of the Consolidated financial statements

As per our annexed report of even date

For Baid, Agarwal Singhi & Co.
Chartered Accountants
Firm's Registration No. with
ICAI:0328671E

For and on behalf of the Board
SHREE KARNI FABCOM LIMITED
(Formerly known as Shree Karni Fabcom LLP)
CIN: U47820GJ2023PLC140106

(Dhruv Narayan Agarwal)

Partner

Membership No.: 306940

UDIN: 23306940BGTUNT5911

Date: December 12, 2023

Place : Surat

Rajiv Lakhotia
Managing Director
DIN: 02939190

Radhe Shyam Daga
Director
DIN: 07848061

Arbind Kumar Lahoty
CFO

Jyoti Chitlangiya
Company Secretary

SHREE KARNI FABCOM LIMITED
CONSOLIDATED RESTATED STATEMENT OF CASH FLOWS AS AT 30TH NOVEMBER 2023

	(Currency: Rs in Lakhs)			
	For the Period Ended 30th November, 2023	For the Year Ended 31th March 2023	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A. CASH FLOW FROM OPERATION ACTIVITIES				
Net Profit/(Loss) before Tax and Extraordinary Items	1,091.71	850.93	525.60	168.29
Adjustments for:				
Depreciation	145.98	152.48	52.64	24.01
Finance Cost	202.55	515.75	249.90	188.20
Provision for Gratuity	3.34	-	-	-
(Profit)/Loss on Sale of Investments	(11.34)	-	-	-
(Profit)/Loss on Sale of Property, Plant and Equipment	-	1.00	1.76	0.18
Operating Profit/(Loss) before Working Capital Changes	1,432.25	1,520.16	829.90	380.68
Adjustments for:				
Decrease/(Increase) in Inventories	296.18	(2,003.50)	(1,232.45)	(202.76)
Decrease/(Increase) in Other Current Assets	(420.90)	35.14	(24.13)	23.20
Decrease/(Increase) in Trade and Other Receivables	1,029.20	(1,079.95)	(666.87)	87.15
Decrease/(Increase) in Other Non-Current Assets	(65.28)	(29.11)	(99.90)	(5.90)
Increase/(Decrease) in Trade and Other Payables	(3,121.10)	1,578.94	1,222.01	4.94
Increase/(Decrease) in Other Current Liabilities	171.03	107.48	18.12	17.67
Cash Generated from Operations	(678.62)	129.17	46.68	304.97
Adjustment for:				
Income Taxes Paid (Net)	170.29	152.59	5.31	31.43
NET CASH GENERATED/(USED IN) OPERATING ACTIVITIES (A)	(848.91)	(23.42)	41.37	273.54
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(824.66)	(1,022.35)	(1,104.68)	(228.31)
Increase/(Decrease) in minority interest	80.45			
Sale of Property, Plant & Equipment		6.90	1.00	
Sale of Investments	13.41			
Purchase of Investments	(50.12)	(84.74)	(69.15)	(5.14)
NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES (B)	(780.92)	(1,100.19)	(1,172.82)	(233.45)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Changes in Partner's Capital	(1,734.54)	727.41	71.61	(15.74)
Issue of Share Capital	20.00	-	-	-
Securities Premium on issue of Share Capital	274.00	-	-	-
Finance Cost	(202.55)	(515.75)	(249.90)	(188.20)
Increase/ (Decrease) in Long Term/Short Term Borrowings	3,291.69	940.63	1,266.79	213.24
NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES (C)	1,648.59	1,152.29	1,088.51	9.30
NET INCREASE/(DECREASE) IN CASH DURING THE YEAR (A+B+C)	18.76	28.68	(42.95)	49.71
Cash & Cash Equivalents at the beginning of the year	35.95	7.27	50.22	0.52
Opening Cash and Cash Equivalents on Acquisition of Subsidiary	63.14	-	-	-
Cash & Cash Equivalents at the end of the year	117.85	35.95	7.27	50.22

For Baid, Agarwal Singhi & Co.
Chartered Accountants
Firm's Registration No. with
ICAI:0328671E

For and on behalf of the Board
SHREE KARNI FABCOM LIMITED
(Formerly known as Shree Karni Fabcom LLP)
CIN: U47820GJ2023PLC140106

(Dhruv Narayan Agarwal)

Partner

Membership No.: 306940

UDIN: 23306940BGTUNT5911

Date: December 12, 2023

Place : Surat

Rajiv Lakhotia

Managing Director

DIN: 02939190

Radhe Shyam Daga

Director

DIN: 07848061

Arbind Kumar Lahoty

CFO

Jyoti Chitlangiya

Company Secretary

NOTE 1 & 2: SIGNIFICANT ACCOUNTING POLICIES

1. COMPANY INFORMATION

The Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 the Company was converted into a public limited company and consequently the name of the Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The Parent company is mainly engaged in trading and Manufacturing of technical textiles, knitted and coated fabrics.

The list of subsidiaries & associates, which are included in the consolidation and the company's holding therein is as under:

Sr. No	Name of LLP	Country of Incorporation	Proportion of ownership
1	Textron Fabtech LLP	India	45%
2	IGK Technical Textiles LLP	India	66.67%

2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements has been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act 2013 ("the 2013 Act").

The Restated Consolidated Financial Statements has been prepared by the Management to comply in all material respects with 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 (the "Guidance Note").

The Financial statements are presented in Indian Rupee (Rs.) & all the amounts included in the financial statements have been rounded off to the nearest Lakhs upto two decimals, as required by General instructions for preparation of Financial Statements in Division I of Schedule III of the Companies Act, 2013, except number of shares, face value of shares, earning per shares, or wherever otherwise stated. Wherever the amount represented Rs '0.00' construes value less than Rupees Five Hundred.

B. USE OF ESTIMATES

The preparation of financial statements is in conformity with GAAP which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Actual results could differ from this estimate. Difference between the actual result and estimates are recognized in the period in which result are known / materialized.

C. CLASSIFICATION OF ASSETS AND LIABILITIES

The Revised Schedule III to the Companies Act, 2013 requires assets and liabilities to be classified as either Current or Non-current.

(a) An asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, normal operating cycle of the company;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

(b) All assets other than current assets shall be classified as non-current.

(c) A liability shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the normal operating cycle of the company;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(c) All liabilities other than current liabilities shall be classified as non-current.

D. PROPERTY, PLANT & EQUIPMENT

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working condition for its intended use.

The cost of improvements to leasehold premises, if recognition criteria are met, are capitalized and disclosed separately under leasehold improvement.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal and retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset is recognized in Statement of profit and loss.

Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other subsequent cost are charged to Statement of profit and loss at the time of incurrence.

Depreciation

Depreciation on PPE is provided on the Straight-Line method computed on the basis of useful life prescribed in Schedule II to the Companies Act, 2013 ('Schedule II') on a pro-rata basis from the date the asset is ready to put to use.

The residual values, useful lives and methods of depreciation of property plant and equipment are reviewed by management at each reporting date and adjusted prospectively, as appropriate.

Amortization of Intangible Assets

The intangible assets having a definite life are amortized over the life of the asset.

E. INVENTORIES

Inventories of finished goods are valued at cost or net realizable value ('NRV'), whichever is lower. Costs of inventories has been determined using weighted average cost method and comprise all costs of purchase after deducting non-refundable rebates and discounts and all other costs incurred in bringing the inventories to their present location and condition. Provision is made for items which are not likely to be consumed and other anticipated losses wherever considered necessary. The comparison of cost and NRV for traded goods is made on at item Company level basis at each reporting date. However, there is no inventory of any products.

F. LEASES

Lease payments in respect of assets taken on operating lease are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases, if any. However, there is no lease payments during the period under consideration.

G. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is

suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

H. IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ('CGU').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in the Statement of profit and loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For other assets, an impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

I. PROVISIONS AND CONTINGENT LIABILITIES AND ASSETS

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

J. EMPLOYEE BENEFITS

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled. Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

Post Retirement Employee Benefits

Gratuity

(a) Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans is recognized in the Restated Consolidated Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

Defined Benefit plans are the plans for which the benefits has been defined for the eligible employees which are meant to be paid to then at the time of retirement.

K. INCOME TAXES

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any relating to income taxes. It is measured using tax rates enacted for the relevant reporting period. It is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Current Tax for the year

Current Tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

L. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction .

M. REVENUE RECOGNITION

Sales of services comprises of income arising from IT consulting contracts which includes software development, domain hosting services, other hosting services and reimbursement of expenses incurred on projects. Income is recognized on accrual basis based on the regular invoices raised on the clients as per the terms of Agreements or other arrangements as the case may be.

Revenue is measured at fair value of consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other Income

Other Income is accounted for on accrual basis except where the receipt income is uncertain.

N. INVESTMENTS

Long-term Investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

Current Investments are carried at lower of cost or market value. The cost of securities sold is determined on the first-in-first-out (FIFO) method.

O. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holder, by weighted average number of equity share outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss attributable to equity share holder by weighted average number of equity and equivalent diluted equity share outstanding during the year except where the result would be antidilutive.

P. CASH AND CASH EQUIVALENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly. Cash and cash equivalents in the cash flow comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

Q. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN RESTATED FINANCIALS

As in the reporting period of restated financials, the company was a Limited Liability Partnership and accordingly, was not following the provisions of Companies Act, 1956 or Companies Act, 2013, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in restated financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of Companies act, 1956 or Schedule II of Companies Act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly retrospective impact has been given in the restated financials.

SHREE KARNI FABCOM LIMITED
Notes forming part of the Consolidated Restated Statement of Assets and Liabilities as at 30th November, 2023
(Currency: Rs in Lakhs)

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
3 Share Capital				
a. <u>Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period :</u>				
Capital Account		100.00	100.00	100.00
<u>Authorised Share Capital :</u>	800.00			
(80,00,000 Equity Shares of Rs.10/- each)				
<u>Issued, Subscribed & Fully Paid-up Share Capital</u>				
:				
Opening Share Capital				
Additions During the year	120.00	-	-	-
Add: Bonus Issue of equity shares (40,00,000 Equity Shares of Rs.10/- each)	400.00	-	-	-
Total	520.00	100.00	100.00	100.00

The company was a limited liability partnership as on 31.03.2023, and later as on 11.04.2023 got converted into private limited company, subsequently into public limited company on 20.10.2023 and hence the company had no equity share capital in the previous years, it had partners' fixed capital which has been now reclassified under shareholder's equity.

The Board of Directors, at its meeting held on June 12, 2023, approved the Bonus issue of shares in the ratio of 4:1 to the existing shareholders of the company and accordingly the Board of Directors, at its meeting held on July 15, 2023 approved the allotment of equity bonus shares of 40,00,000 (Forty Lakhs Shares) Equity Shares of ₹ 10/- each which resulted in increase in paid-up, issued and subscribed equity shares capital of the Company from 10,00,000 equity shares to 50,00,000 equity shares face value of ₹ 10/- per share.

As in the reporting period of restated financials, the company was a Limited Liability Partnership and accordingly the provisions of companies' act, 1956 or companies act, 2013 were not applicable, as the case may be, in respect of rates of depreciation charged on fixed assets. However, in the current period financials, the company has adopted the method and rates of depreciation in terms of Schedule XIV of companies' act, 1956 or Schedule II of companies' act, 2013, as applicable in respective financial year. The company has recalculated the depreciation since financial year 2018-19 and accordingly, retrospective impact has been given in the financials, hence adjustments due to the change in accounting policy has been made.

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
4 Reserves and Surplus				
Securities Premium Account				
As per last Financial Statement				
Additions During the year	274.00	-	-	-
Less: Utilisation of Reserves for issue of Bonus Shares		-	-	-
	274.00	-	-	-
Retained earnings				
As per last Financial Statement	2,502.24	1,221.61	571.23	394.94
Add: Reserves of Subsidiary	28.86	-	-	-
Add: Transfer from Statement of Profit and Loss	813.83	555.25	514.84	153.48
Less: Adjustment for advance tax of previous years included in Capital	(94.75)	-	-	-
Add: Adjustment for change in Accounting Policy	2.52	41.68	(44.53)	38.54
Less: Transfer / Repayment of Capital to Partners	(1,734.54)	-	-	-
Less: Utilisation For Issue of Bonus Shares	(400.00)	-	-	-
Add: Other Changes in Capital	-	683.71	180.07	(15.74)
Total Reserves and Surplus	1,392.17	2,502.24	1,221.61	571.23

Note : Changes in capital includes changes in Current Capital structure because of interest on capital, remuneration etc.

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
5 LONG TERM BORROWINGS				
a. Secured Loan, considered good				
Term Loan from Bank	3,116.05	1,296.50	937.06	231.24
				-
Less: Current Maturity	(773.33)	(342.79)	(198.46)	(61.75)
	2,342.71	953.71	738.59	169.50
b. Unsecured Loan, considered good				
Related Parties	-	320.68	10.08	9.10
Others	-	1,038.87	1,154.62	773.61
	-	1,359.55	1,164.70	782.71
Total Long-Term Borrowings	2,342.71	2,313.26	1,903.29	952.20

	Name of the Lender	Rate if Interest	Nature of Loan	Amount as at 30th November, 2023	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	Standard Chartered Bank CC Account	10.50%	Cash Credit	744.44	On demand	750.00	Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 90 Days with 50% margin Charge on various residential and commercial properties, as well as Industrial Property. Ad Hoc Limit of 1.25 cr was availed during the current Financial Year
	HDFC Bank LTD	7.50%	Vehicle Loan	13.28	37 Months	23.33	Light Commercial Vehicle Loan
	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	9.36	39 Months	15.06	Auto Loan
	SCB ECL TL - 005318764	9.50%	Term Loan	78.00		78.00	Exclusive Second hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB ECL TL - IF005207146	9.25%	Term Loan	19.34	28 Months	80.12	
	SCB TL - IF005207137	10.06%	Term Loan	79.71	46 Months	147.16	Exclusive First hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB TL - IF005207121	10.06%	Term Loan	29.41	28 Months	110.30	
	SCB TL - IF005271918	10.43%	Term Loan	612.40	66 Months	19.08	
	SCB TL - IF005270317	10.43%	Term Loan		66 Months	107.80	
	SCB TL - IF005261146	10.43%	Term Loan		66 Months	172.48	
	SCB TL - IF005334527	10.43%	Term Loan		65 Months	199.42	
	SCB TL - IF005368653	10.43%	Term Loan		64 Months	300.00	

	Name of the Lender	Rate if Interest	Nature of Loan	Amount as at 30th November, 2023	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	SIDBI LOAN	8.85%	Term Loan	356.25	72 Months	436.00	All the movable properties of the Borrower pertaining to the project of the Borrower as described in this agreement and situated at Block no.314, Plot No. 193, 194 & 195, Rajhans Texpa, NH-8, Village- Baleshvar, Palsana, Surat, Gujarat-394317, India', including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future (save and except book debts)
	Tata Motors Finance Ltd	8.54%	Vehicle Loan	2.80	35 months	11.09	Vehicle Loan (Model SFC 407 PICKUP)
	Tata Motors Finance Ltd	7.98%	Vehicle Loan	6.41	35 months	16.07	Vehicle Loan (Model ULTRA T7)
	Axis Bank CC	9.00%	Cash Credit	1,708.33	On demand	1,375.00	Charge on various residential and commercial properties, as well as Industrial Property and personal guarantee of various individuals as per the sanction letter.
	Total Loan			3,659.72			

Loan Details for Subsidiary							
	Name of the Lender	Rate if Interest	Nature of Loan	Amount as at 30th November, 2023	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	ICICI- Overdraft Facility	9.00%	Overdraft	221.20	On Demand	250.00	Movable fixed assets (by IGKTECHNICALTEXTILES LLP) Immovable fixed assets- Plot no. 455 to 464, ,Rajhans Texpa Village baleshwar, Palsana ,Surat , Palsana , Gujrat ,India , 394317.(by IGK TECHNICALTEXTILES LLP) Plot no. 278,279 Rajhans; Texpa,Village baleshwar, Palsana,Surat,Surat,gujarat,India, 394317 (by shree karni fabcom LLP) Immovable fixed assets-Plot no. 1406. 1407, Aaditya awas,Bombay market Art silk co. operative soc,Surat,umarwada,Gujrat, India,394317 (by Raunak Lakhotia, Mukta Lakhotia) Current Assets (by IGK TECHNICALTEXTILES LLP) Fixed Deposit(by IGK TECHNICALTEXTILES LLP) Corporate Guarantee Given by Shree Karni Fabcom Limited Note: Exclusive charge
	ICICI- Overdraft Facility	11.00%		50.00	On Demand	50.00	
	LOAN A/C - 603090026234	9.00%	Term Loan	178.77	72 months	186.55	
	LOAN A/C- 603090026275	9.00%	Term Loan	178.45	72 months	186.21	
	LOAN A/C - 603090028724	9.00%	Term Loan	288.54	72 months	301.09	
	LOAN A/C- 603090028756	9.00%	Term Loan	95.83	72 months	100.00	
	LOAN A/C- 603090028784	9.00%	Term Loan	52.57	72 months	54.85	
	LOAN A/C- 603090028789	9.00%	Term Loan	44.93	72 months	46.88	
	LOAN A/C - 603090030864	9.00%	Term Loan	56.48	72 months	58.93	
	LOAN A/C ICICI BANK- 603090022919	9.00%	Term Loan	1,013.51	71 months	1,257.20	
	Total Loan			2,180.28			

	Name of the Lender	Rate if Interest	Nature of Loan	Amount as at 31st March, 2023	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	Standard Chartered Bank CC Account	10.50%	Cash Credit	1,003.05	On demand	1,000.00	Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 90 Days with 50% margin Charge on various residential and commercial properties, as well as Industrial Property.
	HDFC Bank LTD	7.50%	Vehicle Loan	18.14	37 Months	23.33	Light Commercial Vehicle Loan
	HDFC Bank LTD Car Loan	8.30%	Vehicle Loan	12.29	39 Months	15.06	Auto Loan
	SCB ECL TL - 005318764	9.50%	Term Loan	78.00		78.00	Exclusive Second hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB ECL TL - IF005207146	9.25%	Term Loan	41.44	28 Months	80.12	
	SCB TL - IF005207137	10.06%	Term Loan	104.23	46 Months	147.16	Exclusive First hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB TL - IF005207121	10.06%	Term Loan	58.83	28 Months	110.30	
	SCB TL - IF005271918	10.43%	Term Loan	17.17	66 Months	19.08	
	SCB TL - IF005270317	10.43%	Term Loan	97.02	66 Months	107.80	
	SCB TL - IF005261146	10.43%	Term Loan	155.23	66 Months	172.48	
	SCB TL - IF005334527	10.43%	Term Loan	179.48	65 Months	199.42	
	SCB TL - IF005368653	10.43%	Term Loan	270.00	64 Months	300.00	
	SIDBI LOAN	8.85%	Term Loan	249.14	72 Months	296.00	All the movable properties of the Borrower pertaining to the project of the Borrower as described in this agreement and situated at Block no.314, Plot No. 193, 194 & 195, Rajhans Texpa, NH-8, Village- Baleshvar, Palsana, Surat, Gujarat-394317, India', including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future (save and except book debts)
	Tata Motors Finance Ltd	8.54%	Vehicle Loan	5.45	35 months	11.09	Vehicle Loan (Model SFC 407 PICKUP)
	Tata Motors Finance Ltd	7.98%	Vehicle Loan	10.09	35 months	16.07	Vehicle Loan (Model ULTRA T7)
	Axis Bank CC		Cash Credit	(0.38)	On demand	1,375.00	Charge on various residential and commercial properties, as well as Industrial Property and personal guarantee of various individuals as per the sanction letter.
	Total Loan			2,299.17			

	Name of the Lender	Rate if Interest	Nature of Loan	Amount as at 31st March, 2022	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	Standard Chartered Bank CC Account	10.50%	Cash Credit Facility	616.33	On Demand	625.00	Hypothecation of Stock 25% margin Hypothecation of Receivables not more than 90 Days with 50% margin Charge on various residential and commercial properties, as well as Industrial Property.

	SCB ECL TL - IF005207146	7.60%	Term Loan	74.59	28 Months	80.12	Exclusive Second hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB TL - IF005207137	7.35%	Term Loan	141.02	46 Months	147.15718	Exclusive First hypothecation charge on the firm's entire current assets, Plant & Machinery both present and future. Charge on various residential and commercial properties, as well as Industrial Property.
	SCB TL - IF005207121	7.35%	Term Loan	102.95	28 Months	110.30	
	SCB TL - IF005271918	7.45%	Term Loan	19.08	66 Months	19.08	
	SCB TL - IF005270317	7.45%	Term Loan	107.80	66 Months	107.80	
	SCB TL - IF005261146	7.45%	Term Loan	172.48	66 Months	172.48	
	SIDBI LOAN	8.85%	Term Loan	294.74	72 Months	296.00	All the movable properties of the Borrower pertaining to the project of the Borrower as described in this agreement and situated at Block no.314, Plot No. 193, 194 & 195, Rajhans Texpa, NH-8, Village- Baleshvar, Palsana, Surat, Gujarat-394317, India', including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future (save and except book debts).
	Tata Motors Finance Ltd	8.54%	Vehicle Loan	9.14	35 months	11.09	Vehicle Loan (Model SFC 407 PICKUP)
	Tata Motors Finance Ltd	7.98%	Vehicle Loan	15.25	35 months	16.07	Vehicle Loan (Model ULTRA T7)
	Total Loan			1,553.38			

	Name of the Lender	Rate if Interest	Nature of Loan	Balance as at 31st March, 2021	Repayment Term	Loan Financed (Rs. In Lakhs)	Description
	Federal Bank Cc A/C - 2616	13.75%	Cash Credit Account	343	12 Months	375.00	Hypothecation of Stock 25% margin
				-			Hypothecation of receivables not more than 90 days with 50% margin
	Federal Bank Term Loan- 1	9.75%(One Year MCLR + 0.55%)	Term Loan	143	60 Months	185.00	Hypothecation of certain Property Plant and Equipment.
				-			Hypothecation of entire Receivables.
							Hypothecation of certain Plant and machinery
	Federal Bank Term Loan- 2	13%p.a. (Repo Rate +7.85%)	Term Loan	88	60 Months	176.00	Hypothecation of certain Property Plant and Equipment
				-			Hypothecation of certain Plant and machinery
	GECL loan		ECL	94			
	Total Loan			668.59			
	Note : The interest rate given above in respect of loans and Cash credit Account is as per the repayment schedule provided by banks and other financial institutions. In the cases where the interest rate are of fluctuating nature, the rates available in the schedule which are nearest to the year end has been mentioned.						

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
6 DEFERRED TAX LIABILITIES (NET)				
Deferred tax liabilities				
Depreciation and Amortization Expenses	87.35	71.03	25.57	14.82
	87.35	71.03	25.57	14.82
Deferred Tax Liabilities (Net)	87.35	71.03	25.57	14.82
7 OTHER NON-CURRENT LIABILITIES				
Provision For Gratuity**	3.34	-	-	-
Total Other Non-Current Liabilities	3.34	-	-	-

** Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
8 SHORT TERM BORROWINGS				
Secured Borrowings				
Cash Credit Accounts	2,723.96	1,002.67	616.33	343.35
Current Maturity of Term loan from banks	773.33	342.79	198.46	61.75
Unsecured Borrowings				
Loan payable on demand	1,241.20	-	-	94.00
Related Parties	2,423.07	-	-	-
	7,161.56	1,345.46	814.79	499.09
Total Short-Term Borrowings	7,161.56	1,345.46	814.79	499.09

Unsecured Loan includes the balance of partners capital account which is carried forwards from the Limited Liability Partnership

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
9 TRADE PAYABLES				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	1,329.68	3,070.98	1,310.81	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	720.50	318.01	499.24	588.05
Total Trade Payables	2,050.18	3,389.00	1,810.05	588.05

The above bifurcation has been done based on declarations received from the vendors regarding their status under the Micro, Small and Medium Enterprises (Development) Act, 2006.

Particulars	Ageing For Trade Payables Outstanding as at 30th November,2023				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	1,310.62	19.06	-	-	1,329.68
Others	720.51	-	-	-	720.51
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	2,031.13	19.06	-	-	2,050.18

Particulars	Ageing For Trade Payables Outstanding as at 31st March,2023				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	3,070.98	-	-	-	3,070.98
Others	318.01	-	-	-	318.01
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	3,389.00	-	-	-	3,389.00

Particulars	Ageing For Trade Payables Outstanding as at 31st March,2022				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	1,310.48	0.33	-	-	1,310.81
Others	499.24	-	-	-	499.24
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	1,809.72	-	-	-	1,809.72

Particulars	Ageing For Trade Payables Outstanding as at 31st March,2021				
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
MSME	507.44	-	-	-	507.44
Others	80.60	-	-	-	80.60
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
Total	588.05	-	-	-	588.05

	As at 30th November , 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
10 OTHER CURRENT LIABILITIES				
Provision for Gratuity**	0.01	-	-	-
Liability For Expenses	52.43	44.81	-	-
Advance from customers	34.06	84.25	-	-
Other Current Liabilities	7.57	1.00	19.75	1.77
Goods and Service Tax Payable	10.81	-	-	5.16
Professional Tax Payable*	0.71	-	-	-
Provident Fund Payable	0.49	-	-	-
TDS Payable	10.70	12.94	15.25	10.55
TCS Payable	-	0.27	0.79	0.18
Partners' Capital Account of Subsidiary	207.26	-	-	-
Total Other Current Liabilities	324.03	143.27	35.79	17.67

* As there is a dispute in Gram panchayat regarding number for Professional tax, the company has deducted professional tax for all the employees but it is unable to deposit the same.

** Gratuity has been calculated based on date of joining as 11th April 2023 which is the date of incorporation of the company for all the employees.

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
11 CURRENT TAX LIABILITIES (NET)				
Income Tax Liabilities (Net of Advance tax)	162.59	-	-	-
Total Current Tax Liabilities	162.59	-	-	-

* As the status of the company during the previous year's 2022-23, 2021-22 and 2020-21, was of a Limited Liability Partnership, the company has not made provision for income tax separately during FY 2020-21 and 2021-22 and the same were adjusted with the Partner's share at the time of payment of taxes.

12 PROPERTY, PLANT AND EQUIPMENTS

Notes forming part of the Consolidated Restated Statement of Assets and Liabilities as at 30th November, 2023

SCHEDULE OF PROPERTY PLANT AND EQUIPMENTS OF SHREE KARNI FABCOM LIMITED (STANDALONE) AS AT 30TH NOVEMBER 2023

(Rs. In Lakhs)

DESCRIPTION	Gross Block				Depreciation				Net Block	
		Additions	Adjustment/ Deduction during	As At		Depreciation	Adjustment/ Deduction during	As At	As At	As At
Property, Plant and	As At	During		As At	As At	During		As At	As At	As At
Equipments (PPE)	1st April, 2023	the year	the year	30th November, 2023	1st April, 2023	The Year	the Year	30th November , 2023	30th November, 2023	31st March, 2022
Plant & machinery	1,918.66	33.56	0.00	1,952.22	199.59	81.76	0.00	281.35	1,670.86	1,719.06
Computer & Peripherals	19.01	1.62	-	20.63	7.89	3.38	-	11.27	9.36	11.12
Motor Vehicles	82.37	-	-	82.37	14.21	6.21	-	20.42	61.95	68.16
Furniture & Fittings	27.97	10.00	0.00	37.97	4.50	2.21	0.00	6.71	31.26	23.48
Office equipment	82.50	28.14	-	110.65	20.70	11.44	-	32.14	78.50	61.81
Plot(non depreciable)	329.75	50.27	-	380.01	-	-	-	-	380.01	329.75
Building on Plot	93.30	-	-	93.30	3.77	1.98	-	5.74	87.55	89.53
Total	2,553.56	123.59	-	2,677.15	250.66	106.98	-	357.64	2,319.51	2,302.90
Intangible Asset	-	-	-	-	-	-	-	-	-	-
Water Treatment Right	31.00	-	-	31.00	3.78	5.10	-	8.88	22.12	27.22
Software	4.52	-	-	4.52	0.14	0.19	-	0.33	4.18	4.37
Total	35.52	-	-	35.52	3.92	5.30	-	9.22	26.30	31.59
Capital Work in Progress										
Building on Plot	96.55	94.56	0.00	191.11	0.00	0.00	0.00	0.00	191.11	96.55
Assembly Equipment		117.48		117.48					117.48	
Total	96.55	212.03	-	308.58	-	-	-	-	308.58	96.55
Grand Total	2,685.62	335.62	-	3,021.25	254.58	112.28	-	366.86	2,654.39	2,431.04

Note :

1) Assembly equipment refers to the individual pieces of assembly machinery that make up an assembly line. The overall function of the equipment in the assembly line is to work together, each machine doing one part of the production before the part being produced passes to the next machine. The machinery is not yet ready to put to use, as installation of certain parts is pending .

The title deeds of the Right of Use Assets are held in the name of the Company, except for as shown in table below:

Description Relevant line item in the Balance Sheet Gross carrying value	Title deeds held in the name of Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter / director	Property held since which date	Reason for not being held in the in the name of the company
Plot 280 admeasuring 162.13 sq.vaar namely 135.56 sq.mt located in Surat District, Palsana Sub District, Village Balweshwar	No	04-08-2022	The ownership of the said land is under. The sale deed of the same has not been currently executed in the name of the company although the company has paid the entire consideration for the land and also possesses the land. The company has also started construction of building on the said land.

SCHEDULE OF PROPERTY PLANT AND EQUIPMENTS OF SUBSIDIARY OF SHREE KARNI FABCOM LIMITED (IGK TECHNICAL TEXTILES LLP) AS AT 30TH NOVEMBER 2023

Block Of Assets	Rate %	Opening W.D.V.	Addition		Sale of Asset	Depreciation for the period ended 31.10.2023	Depreciation for the period ended 30.11.2023	Closing W.D.V.
			Before.	After Sep.				
Plant & Machinery	15%	2,311.07	290.26	39.93	-	247.58	247.58	2,393.69
Computer	40%	3.07	1.01	0.03	-	1.09	1.09	3.02
Furniture and Fittings	10%	6.56	4.64	-	-	0.75	0.75	10.46
Land & Building	0%	296.29	151.05	2.12	-	0.00	0.00	449.46
		2,617.00	446.96	42.08	-	249.42	249.42	2,856.63

SCHEDULE OF PROPERTY PLANT AND EQUIPMENTS OF SHREE KARNI FABCOM LIMITED AS AT 31ST MARCH 2023

(Rs. In Lakhs)

DESCRIPTION	Gross Block				Depreciation				Net Block	
		Additions	Adjustment/ Deduction during	As At		Depreciation	Adjustment/ Deduction during	As At	As At	As At
Property, Plant and	As At	During	during	As At	As At	During	during	As At	As At	As At
Equipments (PPE)	1st April, 2022	the year	the year	31st March, 2023	1st April, 2022	The Year	the Year	31st March, 2023	31st March, 2023	31st March, 2022
Plant & machinery	1,331.85	586.80	-	1,918.66	80.49	119.10	-	199.59	1,719.06	1,251.36
	-	-	-	-	-	-	-	-	-	-
Computer & Peripherals	6.08	12.94	-	19.01	3.80	4.10	-	7.89	11.12	2.28
	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	58.59	33.71	9.93	82.37	7.33	8.90	2.03	14.21	68.16	51.25
	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	16.02	11.95	-	27.97	2.11	2.39	-	4.50	23.48	13.91
	-	-	-	-	-	-	-	-	-	-
Office equipment	43.18	39.33	-	82.50	7.45	13.24	-	20.70	61.81	35.72
	-	-	-	-	-	-	-	-	-	-
Plot(non depreciable)	67.54	262.21	-	329.75	-	-	-	-	329.75	67.54
	-	-	-	-	-	-	-	-	-	-
Building on Plot	74.03	19.27	-	93.30	0.92	2.85	-	3.77	89.53	73.12
	-	-	-	-	-	-	-	-	-	-
Total	1,597.29	966.20	9.93	2,553.56	102.10	150.58	2.03	250.66	2,302.90	1,495.18
Intangible Asset										
Water Treatment Right	-	31.00	-	31.00	-	3.78	-	3.78	27.22	-
Software	-	4.52	-	4.52	-	0.14	-	0.14	4.37	-
Total	-	35.52	-	35.52	-	3.92	-	3.92	31.59	-
Capital Work in Progress										
Building on Plot	75.91	20.63	-	96.55	-	-	-	-	96.55	75.91
Total	75.91	20.63	-	96.55	-	-	-	-	96.55	75.91
Grand Total	1,673.20	1,022.35	9.93	2,685.62	102.10	154.50	2.03	254.58	2,431.04	1,571.10

SCHEDULE OF PROPERTY PLANT AND EQUIPMENTS OF SHREE KARNI FABCOM LIMITED AS AT 31ST MARCH 2022

(Rs. In Lakhs)

DESCRIPTION	Gross Block				Depreciation			Net Block	
		Additions	Adjustment/ Deduction during			Depreciation	Adjustment/ Deduction during		
Property, Plant and	As At	During		As At	As At	During		As At	As At
Equipments (PPE)	1st April, 2021	the year	the year	31st March, 2022	1st April, 2021	The Year	the Year	31st March, 2022	31st March, 2022
Plant & machinery	391.91	939.94	-	1,331.85	38.92	41.57	-	80.49	1,251.36
Computer & Peripherals	3.71	2.37	-	6.08	2.24	1.56	-	3.80	2.28
Motor Vehicles	19.49	42.69	3.59	58.59	4.09	4.07	0.82	7.33	51.25
Furniture & Fittings	6.25	9.77	0.00	16.02	1.45	0.67	0.00	2.11	13.91
Office equipment	7.30	35.88		43.18	2.76	4.69	-	7.45	35.72
Plot	67.54	-	-	67.54	-	-	-	-	67.54
Building on Plot (WIP depreciable)	-	74.03	-	74.03	0.00	0.92	-	0.92	73.12
Total	496.19	1,104.68	3.59	1,597.29	49.46	53.47	0.82	102.10	1,495.18

Capital Work in Progress

Building on Plot	75.91	-	-	75.91	-	-	-	-	75.91	75.91
Total	75.91	-	-	75.91	-	-	-	-	75.91	75.91
Grand Total	572.11	1,104.68	3.59	1,673.20	49.46	53.47	0.82	102.10	1,571.10	522.65

SCHEDULE OF PROPERTY PLANT AND EQUIPMENTS OF SHREE KARNI FABCOM LIMITED AS AT 31ST MARCH 2021

(Rs. In Lakhs)

DESCRIPTION	Gross Block				Depreciation			Net Block	
		Additions	Adjustment/ Deduction during			Depreciation	Adjustment/ Deduction during		
Property, plant and Equipment	As At	During		As At	As At	During		As At	As At
	1st April, 2020	the year	the year	31st March, 2021	1st April, 2020	The Year	the Year	31st March, 2021	31st March, 2021
Plant & machinery	259.83	132.66	0.58	391.91	19.84	19.17	0.08	38.92	352.99
									-
Computer & Peripherals	3.45	0.25	0.00	3.71	1.14	1.10	0.00	2.24	1.47
									-
Motor Vehicles	18.76	0.73	-	19.49	2.14	1.95	-	4.09	15.39
Furniture & Fittings	6.25	-	-	6.25	0.85	0.59	-	1.45	4.81
									-
Office equipment	5.81	1.48	-	7.30	1.47	1.29	-	2.76	4.53
Plot(non depreciable)	50.27	17.27	-	67.54	-	-	-	-	67.54
Total	344.38	152.40	0.58	496.19	25.45	24.10	0.08	49.46	446.73

Capital Work in Progress									
Building on Plot	-	75.91	-	75.91	-	-	-	-	75.91
Total	-	75.91	-	75.91	-	-	-	-	75.91
Grand Total	344.38	228.31	0.58	572.11	25.45	24.10	0.08	49.46	522.65

Note "13" - Investment

Particulars	As at 30 November 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
Quoted Shares				
ITC (10 equity shares)	-	-	0.03	0.03
Venture Capital and Angel Funds				
Artha Ventures	102.89	102.89	102.22	33.07
Artha Select Fund	20.10	20.10	-	-
Artha Venture Fund I	48.92	51.00	-	-
LV Angel Fund Flox F1	5.00	5.00	-	-
LV Angel Fund kaching li	4.00	4.00	-	-
LV Angel Fund Glampusa P I	4.00	4.00	-	-
INVSTT Seeders Bima Plan- I	5.12	-	-	-
Textron Fabtech LLP	59.17	-	-	-
Total	249.20	186.99	102.24	33.10

Note :

- 1) The price of investment in ITC Limited was Rs. 218.50 as on 31.03.2021.
- 2) The price of investment in ITC Limited was Rs. 250.65 as on 31.03.2022.

		As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
14	OTHER NON-CURRENT ASSETS				
	Security Deposit	4.53	5.75	-	-
	Fixed Deposits with Banks	195.66	129.16	105.80	5.90
	Total Other Non-Current Assets	200.19	134.91	105.80	5.90
15	INVENTORIES				
	(At lower of cost and net realisable value)				
	Closing Stock	4,082.12	3,557.75	1,554.25	321.80
	Total Inventories	4,082.12	3,557.75	1,554.25	321.80
16	TRADE RECEIVABLES				
	Trade receivables - unsecured, considered good (exceeding six months)				
	Related parties	-	-	-	-
	Others	105.05	149.06	23.27	247.95
	Trade receivables - unsecured, considered doubtful (exceeding six months)	-	-	-	-
		105.05	149.06	23.27	247.95
	Trade receivables - unsecured, considered good (less than six months)				
	Related parties	42.24	42.24	-	96.48
	Others	3,025.70	3,299.56	2,387.63	1,399.60
	Trade receivables - unsecured, considered doubtful (less than six months)	-	-	-	-
		3,067.94	3,341.79	2,387.63	1,496.08
	Total Trade Receivables	3,172.99	3,490.85	2,410.90	1,744.03

Particulars	Ageing For Trade Receivables Outstanding as at 30th November,2023					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed trade receivables- considered good	3067.94	105.05	-	-	-	3,172.99
Undisputed trade receivables- considered doubtful	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- considered doubtful	-	-	-	-	-	-

Particulars	Ageing For Trade Receivables Outstanding as at 31st March,2023					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed trade receivables-considered good	3,341.79	149.06	-	-	-	3,490.85
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

Particulars	Ageing For Trade Receivables Outstanding as at 31st March,2022					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed trade receivables-considered good	2,387.63	9.16	14.11	-	-	2,410.90
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

Particulars	Ageing For Trade Receivables Outstanding as at 31st March,2021					
	Less Than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
Undisputed trade receivables-considered good	1,496.08	133.95	114.00	-	-	1,744.03
Undisputed trade receivables-considered doubtful	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-
Disputed trade receivables-considered doubtful	-	-	-	-	-	-

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
17 CASH & CASH EQUIVALENTS				
Balance with banks				
in current accounts	14.02	4.11	6.36	50.08
Cash and stamps on hand	103.83	31.84	0.92	0.15
Total Cash & Cash Equivalents	117.85	35.95	7.27	50.22

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
18 CURRENT ASSETS -OTHERS				
(Unsecured, considered good)				
Capital advance	239.93	-	-	-
Advance Tax	-	3.86	101.50	31.43
Others - Advances Recoverable from				
(Unsecured, considered good)				
- Suppliers	53.12	-	-	-
- Other advances	114.07	7.00	2.10	33.92
Deposits & Other Receivables	266.23	-	-	-
Total Current Assets-Others	673.35	10.86	103.60	65.35

	As at 30th November, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
19 OTHER CURRENT ASSETS				
Balances with statutory/government authorities	117.67	15.90	55.95	-
Total Other Current Assets	117.67	15.90	55.95	-
	Period ended 30th November, 2023 (Rs. In lakhs)	Year ended 31st March, 2023 (Rs. In lakhs)	Year ended 31st March, 2022 (Rs. In lakhs)	Year ended 31st March, 2021 (Rs. In lakhs)
20 REVENUE FROM OPERATIONS				
a) Other operating revenues				
Sale of Goods	7,378.86	12,669.33	8,341.92	3,277.71
Job Work	112.73	25.32	15.43	9.71
High Sea Sales	80.63	-	-	-
	7,572.22	12,694.65	8,357.36	3,287.42
Total Revenue from operations	7,572.22	12,694.65	8,357.36	3,287.42
21 OTHER INCOME				
a) Interest Income				
Income From Investment	-	0.86	0.47	0.05
Discount Received	-	0.14	-	-
Interest from Security Deposit	-	0.13	-	-
Profit on sale of Capital Asset	11.34	0.00	-	-
Foreign Exchange Rate Difference	1.60	(1.61)	1.74	2.39
Dividend	-	0.00	0.00	-
Interest - Fixed Deposits	9.64	3.87	2.58	-
Rental Income	4.00	6.00	3.00	-
Other Miscellaneous Income	0.68	-	0.04	-
	27.26	9.40	7.82	2.44
Total Other Income	27.26	9.40	7.82	2.44
22 Cost of Materials Consumed				
Cost of Materials Consumed	5,768.43	12,298.11	8,323.60	2,918
Total Cost of Materials Consumed	5,768.43	12,298.11	8,323.60	2,917.60
23 CHANGES IN INVENTORIES OF FINISHED GOODS				
Opening stock	3,557.75	1,554.25	321.80	119.04
Less: Closing stock	3,721.28	3,557.75	1,554.25	321.80
Adjustment for subsidiary	(9.39)			
Total (increase)/decrease in inventories	(172.93)	(2,003.50)	(1,232.45)	(202.76)
24 EMPLOYEE BENEFITS EXPENSES				
Salary, wages, bonus and other benefits	89.88	88.69	35.13	12.93
Staff Welfare Expenses (Including PF and ESI)	2.32	-	-	-
Director Remuneration	112.00	28.80	20.00	20.00
Provision for Gratuity	3.34	-	-	-
Wages	40.69	78.12	61.75	25.02
Bonus	5.23	-	-	-
Total Employee Benefit Expenses	253.46	195.61	116.87	57.95
25 FINANCE COSTS				

Interest On Cash Credit Facility	124.07	61.63	29.22	20.64
Interest on Loans	68.89	263.83	144.49	118.07
Stamp Duty	0.12	10.26	21.36	-
Processing Charges	2.91	4.17	5.15	-
Interest On Partner's Capital	6.57	175.86	49.68	49.48
Total Finance cost	202.55	515.75	249.90	188.20

Interest subsidy amounting to Rs.114.71 lakhs has been recognised as income for the interest paid on term loans as the company is an MSME to follow the matching principle of accountancy which was not considered till date.

26 DEPRECIATION ON PROPERTY, PLANT & EQUIPMENTS

Tangible Assets	140.97	148.55	52.64	24.01
Intangible Assets	5.01	3.92	-	-
Total Depreciation on Fixed Assets	145.98	152.48	52.64	24.01

Note : Refer to Note No. 12

27 OTHER EXPENSES

Bank Charges	0.70	4.21	10.56	0.96
Transport Charges	21.32	86.07	28.10	9.50
Audit Fees	6.37	0.30	0.29	0.29
Brokerage Expense	8.73	32.90	22.98	-
Custom Duty Paid	8.40	92.29	37.08	32.30
Cha Expenses	4.51	17.68	8.89	10.32
Conveyance Expenses	6.67	13.85	8.99	2.55
Courier Expense	2.08	4.33	1.83	-
Computer Expenses	0.52	0.12	-	0.18
Discount & Commission Expenses	2.64	7.19	4.18	18.71
Donation	5.08	59.89	58.33	0.53
Electricity Expenses	39.16	46.91	17.81	5.27
Insurance Expenses	4.06	10.98	6.49	2.15
Legal and Consultancy Expenses	34.13	17.90	8.03	4.30
Loss on sale of Capital Asset	-	1.00	1.76	0.18
Office Expenses	22.20	45.24	37.15	9.95
Penalty On Late Filling	-	-	-	0.39
Postage & Telephones Expenses	0.04	-	0.53	1.81
Professional Tax	-	-	-	0.08
Rent Expenses	0.28	3.00	-	6.04
Repair And Maintenance	3.77	13.23	6.65	0.33
Stationary & Printing Expenses	0.45	2.69	0.48	0.19
Travelling Expenses	5.11	10.38	0.79	0.51
Vehicle Expenses	3.64	13.02	2.35	2.46
Freight Charges	0.55	0.39	0.12	-
Machinery expenses	6.30	9.41	7.64	2.08
Packing charges	53.25	120.21	55.18	24.98
Rates and Taxes	9.18	2.11	2.79	0.47
Advertisement Expenses	2.66	4.91	-	-
Interest / Penalty	10.50	0.52	-	-
Labour Charges	25.95	30.73	-	-
Security Expenses	3.56	3.97	-	-
Software Expenses	4.29	1.69	-	-
Internet Expenses	3.27	2.53	-	-
Water Treatment Expenses	7.31	34.03	-	-
Factory Expenses	1.33	0.96	-	-
General Expenses	2.26	0.03	-	-
Total Other Expenses	310.26	694.66	329.02	136.56

	Period ended 30th November, 2023	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021
28 Income taxes				
Income Tax Related To Items Charged or Credited Directly To Profit or Loss During The Year :	(Rs. In lakhs)	(Rs. In lakhs)	(Rs. In lakhs)	(Rs. In lakhs)
a) Statement of Profit and Loss				
(i) Current Income Tax	252.47	250.23	-	-
(ii) Deferred Tax Expense /(Benefit)	16.33	45.45	-	-
(iii) Income Tax Adjustment For Earlier Years	9.49	-	-	-
Total (a+b)	278.28	295.68	-	-

The reconciliation of estimated income tax (arrived at by multiplying accounting profit with India's domestic tax rate) to income tax expense is as follows.

Profit / (Loss) Before Taxes	1,091.73	850.93	-	-
Enacted Income Tax Rate In India	25.17	34.94	-	-
Income Tax Expense at Tax Rates Applicable	278.52	297.35	-	-
Adjustments ;			-	-
Tax effect of items that are deductible for tax purpose	45.54	102.01	-	-
Tax effect of items that are not deductible for tax purpose	27.80	53.28	-	-
Tax effect Income charged under special rates	1.18	-	-	-
Creation of Deferred Tax	16.33	45.45	-	-
Other Adjustments			-	-
Others	-	1.61	-	-
Income Tax Expense Reported	278.29	295.68	-	-
Effective Income Tax Rate (%)	25.49	34.75		

* As the status of the company during the previous year's 2021-22 and 2020-21 was a Limited Liability Partnership, the company has not made provision for income tax separately during FY 2020-21 and 2021-22 and the same were adjusted with the Partner's share at the time of payment of taxes.

29 Contingent Liabilities and Capital Commitments	30th November, 2023	31st March 2023	31st March 2022	31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	116.36	116.36	103.18	-
Other commitments relating to settlement of litigation disputes	-	-	-	-

Certain trade receivables ,loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

31 Earnings Per Share (EPS) as Per AS 20	30th November, 2023	31st March 2023	31st March 2022	31st March 2021
Calculation of weighted average number of equity shares of Rs 10 each fully paid up:				
Number of Equity Shares at the beginning of the year	10,00,000	10,00,000	10,00,000	10,00,000
Total number of equity shares outstanding at the end of the year-A	52,00,000	50,00,000	10,00,000	10,00,000

Weighted average number of equity shares outstanding during the year –B	34,18,884	50,00,000	10,00,000	10,00,000
Net profit attributable to equity shareholders for calculation of basic EPS – C(Rs. In Lakhs)	813.83	555.25	514.84	153.48
Basic and Diluted EPS (Rs.) (C/B)(Based on weighted average number of shares)	23.80	11.10	51.48	15.35
Basic and Diluted EPS (Rs.) (C/A)(Based on shares at the end of year)	15.65	11.10	51.48	15.35

32 Disclosure on Corporate Social Responsibility Expenses

Provisions of Section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the company.

33 Contingencies and Events occurring after the Balance Sheet Date

There were no events which occurred after the Balance Sheet date up to the date of approval of financial statements which required any adjustments/disclosure in the financial statements as per AS-4.

34 Foreign currency transactions

The company has made foreign currency transaction during the period under consideration.

Particulars		As at 30th November 2023		2022-23	
S. No.	Nature of Transactions	Amount (USD)	Amount(Rs. In Lakhs)	Amount (USD)	Amount(Rs. In Lakhs)
1	Purchase of Goods	3,49,119.00	290.14	8,01,026	655.88
2	Purchase of Machinery	-	-	6,40,000	491.52
Grand Total		3,49,119.00	290.14	14,41,026	1,147.40

Particulars		2021-22		2020-2021	
S. No.	Nature of Transactions	Amount (USD)	Amount(Rs. In Lakhs)	Amount (USD)	Amount(Rs. In Lakhs)
1	Purchase of Goods	3,05,364.17	231.12	2,25,006.00	171.62
2	Purchase of Machinery	12,52,000.00	947.27	1,70,000.00	127.84
Grand Total		15,57,364.17	1,178.39	3,95,006.00	299.46

Note : The foreign Currency figures have not been converted into Lakhs.

35 Segment Information

The company operates in a single reportable primary segment (Business segment) i.e. Trading and Manufacturing of technical textiles, knitted and coated fabrics.

No other operating segments have been aggregated to form the above reportable operating segments as per the criteria specified in the AS-17.

Business Segment wise / Geographical Segment wise revenue/results/assets/liabilities

Since there is Single Reportable Operating Segment hence disclosure of Operating Segment wise Assets, Liabilities, Revenue and Results are not applicable.

36 Related party transactions

a) Key management personnel ('KMP')

1. Manoj Kumar Karnani
2. Radhe Shyam Daga
3. Raj Kumar Agarwal

4. Rajiv Lakhotia
5. Arbind Kumar Lahoty

b) Entities in which KMP can exercise significant influence

Name of the KMP	Entities in which KMP exercise significant influence
1. Manoj Kumar Karnani	<i>a. IGK Technical Textiles LLP</i> <i>b. International Trade Link</i> <i>c. Lizo India Automobile LLP</i> <i>d. Nakoda Hair Accessories Private Limited</i> <i>e. DP Global Impex Private Limited</i> <i>f. Manoj Kumar Karnani HUF</i>
2. Radhe Shyam Daga	<i>a. Textron Fabtech LLP</i> <i>b. Radhe Shyam Daga HUF</i>
3. Raj Kumar Agarwal	<i>a. IGK technical Textiles LLP</i> <i>b. Raj Kumar Agarwal HUF</i>
4. Rajiv Lakhotia	<i>a. IGK technical Textiles LLP</i> <i>b. Textron Fabtech LLP</i> <i>c. Shree Karni Artha LLP</i> <i>d. Rajiv Lakhotia HUF</i>

Note: Mr. Arbind Kumar Lahoty was appointed as CFO of the company on 9th November, 2023 hence transactions for the month of November has been considered as Related Party Transactions. Since the company made investments in subsidiary and associate as on 31.10.2023, hence the figures post investment has been considered for Related Party Transactions.

<i>c) Transactions with related parties during the year have been set out below</i>	30th November 2023	31st March 2023	31st March 2022	31st March 2021
Remuneration				
Key management personnel ('KMP')	112.50	28.80	20.00	20.00
Interest expense	6.57	175.86	49.68	49.48
Key management personnel ('KMP')				
Interest expense				
Entities in which KMP can exercise significant influence	63.41	34.49	1.09	2.24
Purchases	1,670.42	966.75	17.25	58.25
Entities in which KMP can exercise significant influence				
Sales				
Entities in which KMP can exercise significant influence	16.83	44.02	5.55	196.67
Rental Income				
Entities in which KMP can exercise significant influence	4.00	6.00	3.00	-
Loan Taken	221.43	1,487.65	670.74	111.99
Entities in which KMP can exercise significant influence				
Loan Repaid	1,256.61	458.86	669.76	120.03
Entities in which KMP can exercise significant influence				
Loan Taken	2,432.43	-	-	-
Key management personnel ('KMP')				
Loan Repaid	21.13	-	-	-

Key management personnel ('KMP')

Loans given during the year	39.89	-	-	-
Entities in which KMP can exercise significant influence				
Loans realised during the year	25.00	-	-	-
Entities in which KMP can exercise significant influence				
d) Balances at the year end				
Loans given	14.89	-	-	-
Entities in which KMP can exercise significant influence				
Loan Taken	26.67	1,038.87	10.08	9.10
Entities in which KMP can exercise significant influence				
Loan Taken				
Key managerial Personnel	2,411.30	-	-	-
Rent Payable	0.54	-	0.54	-
Entities in which KMP can exercise significant influence				

There are no investments by the company other than those stated under Note No. 13 in the financial statements.

e) Guarantee given		30th November, 2023	2022-23	2020-2021 and 2021-22
To secure obligation of other related parties	There is Corporate Guarantee given to ICICI bank on behalf of IGK Technical Textiles LLP.	There is Corporate Guarantee given during the year 2022-23 to ICICI bank on behalf of IGK Technical Textiles LLP.		NA

f) Security given

The Property of Shree Karni Fabcom Limited mortgage to ICICI bank on behalf of Loan taken for IGK Technical Textiles LLP.

In the opinion of the Board of Directors and to the best of their knowledge and belief, the valuation on realisation of financial assets and other assets in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

37 Consolidated Statement of Accounting Ratios:

Particulars	30 th November, 2023	31 st March 2023	31 st March 2022	31 st March 2021
Restated PAT as per Profit and Loss Account(Rs. In lakhs)	813.83	555.25	514.84	153.48
EBITDA (Rs, In Lakhs)	1,440.27	1,519.16	828.14	380.51
Actual Number of outstanding equity shares at the end of the year	52,00,000	50,00,000	10,00,000	10,00,000
Weighted Number of outstanding equity shares at the end of the year	34,18,884	50,00,000	10,00,000	10,00,000
Net Worth	1,912.17	2,602.24	1,321.61	671.23
Current Assets	8,163.98	7,111.31	4,131.96	2,181.41
Current Liabilities	9,698.36	4,877.73	2,660.63	1,104.81
Number of shares	34,18,884	50,00,000	10,00,000	10,00,000
Earnings per share				
Basic EPS	23.80	11.10	51.48	15.35
Diluted EPS	23.80	11.10	51.48	15.35
Return on Net Worth (%)	42.56%	21.34%	38.96%	22.87%
Net Asset Value per share	36.77	260.22	132.16	67.12
EBITDA	1,440.27	1,519.16	828.14	380.51
Nominal Value per equity share(Rs.)	10	10	10	10

- 38 The Company was formed upon conversion of Limited Liability Partnership into Company vide certificate of incorporation dated April 11, 2023. The Company has been converted with paid up equity share capital of Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 10 each. The status of the Company prior to April 11, 2023 was of a Limited Liability Partnership. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of Limited Liability Partnership into Company, except for the EPS for the year ended 31.03.23 in which the number of shares has been restated because of Bonus Issue in the Current Year.
- 39 The certificate of Incorporation of the company is dated 11/04/2023. Since the previous audited figures were till 11.04.2023 there will be an overlapping of figures hence while auditing the figures, we have made the financial statements from 12.04.2023 till 30.11.2023. Also, no invoices were issued or documents were raised on the name of the company from 01.04.23 to 11.04.2023.

STATEMENT OF TAX SHELTER

Particulars	As at 30th November,2023	As at 31st March,2023	As at 31st March,2022	As at 31st March,2021
A Profit Before Tax as Restated	1091.71	850.93	525.60	168.29
-Taxable at Normal Rate	1080.37	850.93	525.60	168.29
-Taxable at Special Rate	11.34	-	-	-
B Normal Tax Rate Applicable	25.168% & 33%	34.94%	34.94%	34.94%
Special Tax Rate Applicable	10.00%	-	-	-
C Tax Impact	279.70	297.31	183.64	58.80
D Adjustments:				
Difference in Depreciations	(62.34)	(139.45)	(87.84)	(20.50)
Deduction	-11.34	-		
Disallowance	3.20	4.69		
Total	(70.48)	(134.76)	(87.84)	(20.50)
E Unabsorbed Loss/(Carried Forward Loss/Set off)	-	-	-	-
Net Adjustment (F) = (D+E)	(70.48)	(134.76)	(87.84)	(20.50)
Tax Expenses/ (Saving) thereon	(17.74)	(47.09)	(30.69)	(7.16)
Net Tax Expenses	261.96	250.23	152.95	51.64
Deferred Tax	16.33	45.45	10.76	14.82
Total tax expenses (H+I)	278.29	295.68	163.71	66.45

* As the status of the company during the previous years 2021-22 and 2020-21 was an LLP, the company has not made provision for income tax separately and the same were adjusted with the Partner's share at the time of payment of taxes. Due to this the amount for those years are not reflecting in the Financial Statements

1) Notes on material adjustments

The results of restatements made in the audited financial statements for the respective period/years and its impact on the profits /(losses) of the Company is as under.

	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net profit after tax as per audited financial statement	813.83	461.77	438.34	147.97
Restatement adjustment				
Add: Depreciation as per IT Act		291.93	140.48	44.51
Add/(Less): Adjustment for Loss on capital Asset		-0.53	-0.57	-0.18
Less: Depreciation as per Companies Act	-	-152.48	-52.64	-24.01
Add / (Less): Changes in Deferred Tax		-45.45	-10.76	-14.82
Total Adjustment	-	93.47	76.51	5.51
Restated net profit after tax	813.83	555.25	514.84	153.48

For Baid, Agarwal Singhi & Co.
Chartered Accountants
Firm's Registration No. with
ICAI:0328671E

For and on behalf of the Board
SHREE KARNI FABCOM LIMITED
(Formerly known as Shree Karni Fabcom LLP)
CIN: U47820GJ2023PLC140106

(Dhruv Narayan Agarwal)

Partner

Membership No.: 306940

UDIN: 23306940BGTUNT5911

Date: December 12, 2023

Place: Surat

Rajiv Lakhotia

Managing Director

DIN: 02939190

Radhe Shyam Daga

Director

DIN: 07848061

Arbind Kumar Lahoty

CFO

Jyoti Chitlangiya

Company Secretary

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	30 November, 2023	31 March 2023	31 March 2022	31st March 2021
Restated PAT as per Profit and Loss Account (Rs. In lakhs)	813.81	555.25	514.84	153.48
EBITDA (Rs. In lakhs)	1,440.27	1,519.16	828.14	380.51
Actual Number of outstanding equity shares at the end of the year	52,00,000	50,00,000	10,00,000	10,00,000
Weighted Number of outstanding equity shares at the end of the year	34,18,884	50,00,000	10,00,000	10,00,000
Net Worth (Rs. In lakhs)	1,912.15	2,602.24	1,321.61	671.23
Current Assets (Rs. In lakhs)	8,163.98	7,111.31	4,131.96	2,181.41
Current Liabilities (Rs. In lakhs)	9,698.36	4,877.73	2,660.63	1,104.81
Number of shares	34,18,884	50,00,000	10,00,000	10,00,000
Earnings per share				
Basic EPS (In Rs.)	23.80	11.10	51.48	15.35
Diluted EPS (In Rs.)	23.80	11.10	51.48	15.35
Return on Net Worth (%)	42.56%	21.34%	38.96%	22.87%
Net Asset Value per share (In Rs.)	36.77	260.22	132.16	67.12
EBITDA (Rs. In lakhs)	1,440.27	1,519.16	828.14	380.51
Nominal Value per equity share (Rs.)	10	10	10	10

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 209.

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and our Subsidiary for eight months period ended November 30, 2023 and for the Fiscals 2023, 2022 and 2021 (“**Audited Financial Statements**”), respectively, are available on our website at [www. www.skflindia.com](http://www.skflindia.com). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements of our Company and our Subsidiary and the reports thereon do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor 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.

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FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities in its ordinary course of business for the purposes of meeting its long term and working capital requirements Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

As on November 30, 2023, we have availed secured loans of which the total outstanding amount secured loan is ₹3,659.72 lakhs as of date, the details of which are as under :

Sr. No .	Nature of Facilities	Date of Sanction	Rate of interest	Sanctioned Amount (₹ In lakhs)	Amount outstanding as on November 30, 2023 (₹ In lakhs)	Tenure	Security
1	Axis Bank Ltd						
	Cash Credit - Fund Based	March 15, 2023	Repo + 2.50% p.a. at present 9%	1,375.00	1,708.33	12 months	Hypothecation of entire assets of the borrower, both present and future on Pari Passu basis.
	WCDL	March 15, 2023	Repo + 2.50% p.a. at present 9%	(1,000.00)	-		Hypothecation on entire movable fixed assets of Company both present and future on pari passu basis.
	Term Loan – 1 Fund Based	March 15, 2023	Repo + 2.50% p.a. at present 9%	1,270.00	-	89 Monthly Instalments	Hypothecation on entire movable fixed assets of Company financed by the Bank
	Term Loan – 2 Fund Based	March 15, 2023	Repo + 2.50% p.a. at present 9%	130.00	-		Hypothecation on entire movable fixed assets of Company both present and future on pari passu basis.
2	SIDBI						
	Term Loan	October 14, 2021	6.4% p.a.	296.00	356.25	72 months	First and Exclusive Charge by way of hypothecation of machineries to be purchased i.e., 4 set of Brand New PLC based LowPile Double Needle Bar Raschel Machine, Model no- SG RD5, E22 Gauge and 5 Bars with EBA, E, Single Needle type laser self-stopping 138” width including beam and all standard spare parts.

Sr. No.	Nature of Facilities	Date of Sanction	Rate of interest	Sanctioned Amount (₹ In lakhs)	Amount outstanding as on November 30, 2023 (₹ In lakhs)	Tenure	Security
	Term Loan	May 10, 2023	8.85% p.a.	140.00		54 months	First & Exclusive Charge by Way of Hypothecation of (1) Two Layer Lamination Machine and (1) MFA, Extension of charge over 4 set of Brand New PLC based Low Pile Double Needle Bar Raschel Machine, Model no- SG RD5 Hypothecation on 27/10/2021. All the unencumbered movables including the movables, plant, machinery, machinery spares, tools & accessories, office equipment, computers, furniture and fixtures, both present and future and whether installed or not and whether now lying loose or in cases or which are now lying or stored In or about or shall hereafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about all the Borrower's factories, premises, and godowns or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever in the possession of the Borrower and either by way of substitution or addition.
	HDFC Bank						
	Auto Loan	July 20, 2022	8.30% p.a.	15.05	9.36	39 months	Hypothecation of 1 New Vehicle - SKODA SLAVIA STYLE 1.
	Light Commercial Vehicle Loan	May 30, 2022	7.5% p.a.	23.33	13.27	37 months	Hypothecation of commercial vehicle
	ICICI Bank						
	Corporate Guarantee for IGK	August 29, 2022	9.5 p.a.	2,272.90	-	36 months	Corporate Guarantee for the loan availed by IGK Technical Textiles LLP
3	Standard Chartered Bank						
	Working Capital - Permanent - Adhoc	January 1, 2021	9.2% p.a.	625.00 125.00	744.00	Repayable on demand	First and exclusive charge on Immovable property or any interest therein together with all building or structure thereon - Commercial
	Term Loan	January 1, 2021	9.2%	1063.40	721.51	30 months	- Industrial Property located at plot no. 188, (block no. 314/188 as per K. J. P. – 170.03 sq. mtrs.), Plot no. 189 (block no. 314/189 as per K. J. P. – 190.53 sq. mtrs.) and plot no. 190 (block no. 314/190 as per K. J. P.- 208.09 sq. mtrs.) in Rajhans Texpa
	ECLGS	January 1, 2021 April 21, 2022	9.2%	165.10	97.34	13 months	

Sr. No.	Nature of Facilities	Date of Sanction	Rate of interest	Sanctioned Amount (₹ In lakhs)	Amount outstanding as on November 30, 2023 (₹ In lakhs)	Tenure	Security
							<p>situated on land bearing block nos. 266/A, 314 to 319, 321, 323, 324, 326 and 328 and consolidated block no. 314 of Baleshwar, Tal.: Palsana, Dist. Surat.</p> <p>- Industrial Property located at plot no. 193 (block no. 314/193 as per K. J. P. – 260.78 sq. mtrs.), plot no. 194 (block no. 314/194 as per K. J. P. – 235.23 sq. mtrs.) and plot no. 195 (block no. 314/195 as per K. J. P. 339.01 sq. mtrs.) in Rajhans Texpa situated on land bearing block nos. 266/A, 314 to 319, 321, 323, 324, 326 and 328 and consolidated block no. 314 of Baleshwar, Tal.: Palsana, Dist. Surat</p>
4	TATA MOTORS FINANCE*	March 1, 2022	8.54%	11.09	2.80	35 months	Vehicle Loan
			7.98%	16.07	6.41		

* The said loan were repaid as on December 8, 2023

UNSECURED BORROWINGS

As on November 30, 2023, we have availed secured loans of which the total outstanding amount unsecured loan is 2378.76 lakhs as of date, the details of which are as under:

Sr. No.	Nature of Facilities	Tenure	Rate of interest	Sanctioned Amount (₹ In lakhs)	Sanction Date	Amount outstanding as on November 30, 2023 (₹ In lakhs)
	Short Term Loans					
1	Manoj Kumar Karnani	Repayable on demand	Not carrying any interest	-	April 11, 2023	534.41
2	Radhe Shyam Daga	Repayable on demand	Not carrying any interest	-	April 11, 2023	760.94
3	Rajiv Lakhota	Repayable on demand	Not carrying any interest	-	April 11, 2023	919.56
4	Raj Kumar Agarwal	Repayable on demand	Not carrying any interest	-	April 11, 2023	163.84
	Total			-		2,378.76

SECURED BORROWINGS OF OUR SUBSIDIARY

ICICI Bank Limited has provided loan against machineries to our Subsidiary for the purpose of funding the procurement of machinery for the manufacturing. The outstanding amount as on November 30, 2023, is ₹2,180.28 lakhs, the details of which are as under:

Sr.No.	Nature of Facilities	Rate of interest	Sanctioned Amount (₹ In lakhs)	Amount outstanding as on	Tenure	Security
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				November 30, 2023 (₹ In lakhs)		
1.	Overdraft	Repo + 2.50% p.a. at present 9% p.a.	300.00	271.20	12 months	Plot no. 455 to 464, Rajhans Texpa Village Baleshwar Palsana- Surat, Gujarat India- 394317 Plot no. 278,279 Rajhans Texpa Village Baleshwar Palsana- Surat, Gujarat India- 394317 Plot no. 1406. 1407, Aaditya awas , Bombay market art silk cooperative society- Surat, Umarwada, Gujarat, India,394317 Corporate guarantee of our Company
2.	Rupee Term Loan		1257.20	1013.51	74 months	
3.	Rupee Term Loan 1		934.50	895.57	74 months	

UNSECURED BORROWINGS

The subsidiary have an outstanding unsecured loan of ₹1,300.31 lakhs as on November 30, 2023, carrying an interest @ 9.00 p.a. and repayable on demand.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the eight month period ended November 30, 2023 and for the financial years ended March 31, 2023, 2022 and 2021. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Statement" on page 158 of the Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 27 of this Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 20 of this Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Shree Karni Fabcom Limited, our Company and our Subsidiary, IGK Technical Textiles LLP. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for eight months ended November 30, 2023 and the financial years ended March 31, 2023, 2022 and 2021 included in this Red Herring Prospectus beginning on page 167 of this Red Herring Prospectus

BUSINESS OVERVIEW

Our Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. The corporate identification number of our Company is U47820GJ2023PLC140106.

We are engaged in the business of manufacturing of Technical Textile for the luggage, medical arch support, chairs, shoes and apparels industry. The process of production starts from the purchase of yarn and then weaving, coating, printing and finishing it to produce finished knitted and woven fabrics specially made to suit customized requirements of the customers we cater. We specialize in Woven Fabrics, Knitted Fabrics, Coated Fabrics, 100% polyester and recycled polyester fabric. We procure yarn, resin, acrylic and coating chemicals to manufacture specialized technical textile and sell them to various luggage, medical arch support, chairs, shoes and apparels manufacturers and other textile intermediaries. The fabric manufactured by us also has diverse applications for luggage, roofing, agriculture net, vehicle covers, tents, armed forces fabric, sports-kits, chairs, medical arch support, umbrella and rain coats amongst others.

Our current manufacturing units consists of three facilities - namely, knit facility, EVA lamination facility, and R&D facility. In addition to this, there are three more facilities in our subsidiary - woven facility, coating facility and embossing facility. We use the machineries installed to process and manufacture finished fabrics from yarn post processing and chemical treatment. To ensure that we supply quality products which meet the applicable standards, we have set up a Research and Development facility ("R&D facility"), which consists of our quality assurance and quality control teams who check and conduct various tests in our 'in-house laboratory' on the fabrics at various stages starting from grey cloth to the finished fabrics manufactured by us. All our facilities are supplemented by our utilities, such as water, power, effluent treatment plant, etc. which makes it an important link between all our facilities.

For detailed information on the business of our Company please refer to "Our Business" beginning on page numbers 116 of this Red Herring Prospectus.

Products Offered by our Company

Our products can be broadly classified as under:

Woven Fabrics	Use in manufacturing of
Interlining	Jackets, wallet and hard luggage
Tafeta	Back-packs, rain cover, umbrella, vehicle cover, soft and hard luggage
Matty	Soft and hard luggage, back-packs
Knitted Fabrics	
Air mesh	Back-packs, shoes, chairs, masks, helmets, medical arch support
Coated Fabrics	
PU Coated Matty	Back-packs
WR Coated lining	Back-packs, rain cover, umbrella, vehicle cover, soft and hard luggage
AF Coated lining	Back-packs, soft and hard luggage
PVC Lamination	Soft luggage
EVA Lamination	Soft luggage

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIALS

After the date of last Audited accounts i.e. November 30, 2023, the Directors of our Company confirm that, there have not been any significant material developments.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 27 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of raw material;
- Volatility in supply and pricing of products;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to attract and retain qualified personnel;
- Substantial capital expenditure & working capital requirements;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Economic and Demographic condition;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

DISCUSSION ON RESULT OF OPERATION

Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “*Restated Financial Statements*” beginning on page 158 of the Red Herring Prospectus.

Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

Revenues

◆ Revenue of operations

Our Company’s revenue is primarily generated from sale of Technical Textile used by the luggage, medical arch support, chairs, shoes and apparels industry.

◆ Other Income

Our other income mainly consists of profit on sale of Capital Asset, Profit of Foreign Exchange Rate fluctuation, Interest on fixed deposit, Interest Subsidy MSME, rental income and other miscellaneous income.

(₹ In Lakhs)

Particulars	For the period ended			
	November 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Income				
Revenue from Operations	7,572.22	12,694.65	8,357.36	3,287.42
% of total revenue	99.64%	99.93%	99.91%	99.93%
Other income	27.26	9.40	7.82	2.44
% of total revenue	0.36%	0.07%	0.09%	0.07%
Total Revenue	7,599.48	12,704.05	8,365.18	3,289.86

The increase in Revenue for the last 3 financial years is mainly attributed to higher sale volume with increase in installed capacity and shift to higher value product with higher margin. The increase in PAT in FY2022 compared with FY2021 is attributed to savings on the fixed cost components and shift in value chain producing higher margin products. The below table sets out the increase in installed capacity reflecting the increase in revenue:

Financial Year	Installed Capacity(meters)	Revenue(in lakhs)	PAT(in lakhs)
2020-21	1,80,000	3287.42	153.48
2021-22	4,80,000	8357.36	514.84
2022-23	9,45,000	12694.65	555.25

Further, in FY2023, our Company made a provision for tax of Rs.250.23lakhs. Since no such provision was made in FY2021 and FY2022, PAT of FY2023 appears to be stagnated when compared with PAT of FY2022. The Company's profit before tax increased from Rs. 525.60 lakhs in FY22 to Rs. 850.93 lakhs in FY2023.

Expenditure

Our total expenditure primarily consists of Cost of material consumed, Changes in inventories of finished goods, Employee Benefit Expenses, Depreciation and amortization Expenses, Finance Costs and Other Expenses.

◆ Employment Benefit Expenses

It includes salaries, wages, bonus and allowances, directors' remuneration, contributions to welfare funds, provision for gratuity and other expenses.

◆ Cost of materials Consumed

This relates to the cost of material consumed in manufacturing, cost of traded goods sold, change in inventory of raw material and cost of consumable consumed.

◆ Changes in Inventories of finished goods

This relates to the change in inventory of finished goods.

◆ Other Expenses

It includes Bank Charges; Transport Charges; Audit Fees; Brokerage Expense; Custom Duty Paid; CHA Expenses; Conveyance Expenses; Courier Expense; Computer Expenses; Discount & Commission Expenses; Donation; Electricity Expenses; Insurance Expenses; Legal and Consultancy Expenses; Loss on Sale of Capital Asset; Office Expenses; Postage & Telephones Expenses; Rent Expenses; Repair and Maintenance; Stationary & Printing Expenses; Travelling Expenses; Vehicle Expenses; Freight Charges; Machinery Expenses; Packing Charges; Rates And Taxes; Advertisement Expenses; Interest / Penalty; Labour Charges; Security Expenses; Software Expenses; Internet Expenses; Water Treatment Expenses; Factory Expenses; and General Expenses.

◆ Finance Costs

Our finance costs mainly include processing charges and interest on borrowings.

◆ Depreciation

Depreciation includes depreciation and amortization.

RESULTS OF OUR OPERATION

The revenue from operation, PAT and PAT margin for the past 3 years and the sub-period has been increased on account of increase in manufacturing of finished products and increased sale volume. The Company has increased its installed capacity over the said period from 10,40,000 meters p.a. to 1,05,25,000 meters p.a. for Woven Fabrics and from 1,80,000 metric tons p.a. to 10,80,000 metric tons p.a. for Knitted Fabrics. With the higher volume of production, our Company was able to achieve higher sales. Further, on account of higher revenue from operations and better utilisation of operational capacity, our Company has recorded higher PAT and PAT margin over the said period.

(₹ In Lakhs)

Particulars	30-Nov-23	31-Mar-23	31-Mar-22	31-Mar-21
Incomes:				
Revenue from Operations	7,572.22	12,694.65	8,357.36	3,287.42
% of total revenue	99.64%	99.93%	99.91%	99.93%
% Increase/(Decrease)	-	51.90%	154.22%	-
Other income	27.26	9.40	7.82	2.44
% of total revenue	0.36%	0.07%	0.09%	0.07%
% Increase/(Decrease)	-	20.08%	220.68%	-
Total Revenue	7,599.48	12,704.05	8,365.18	3,289.86
% Increase/(Decrease)	-40.18%	51.87%	154.27%	-
Expenses:				
Changes in inventories of finished goods	-172.93	-2,003.50	-1,232.45	-202.76
% of total revenue	-2.28%	-15.77%	-14.73%	-6.16%
% Increase/(Decrease)	-	62.56%	507.84%	-
Cost of material consumed	5,768.43	12,298.11	8,323.60	2,917.60
% of total revenue	75.91%	96.80%	99.50%	88.68%
% Increase/(Decrease)	-	47.75%	185.29%	-
Employee Benefit expenses	253.46	195.61	116.87	57.95
% of total revenue	3.34%	1.54%	1.40%	1.76%
% Increase/(Decrease)	-	67.36%	101.68%	-
Other Expenses	310.26	694.66	329.02	136.56
% of total revenue	4.08%	5.47%	3.93%	4.15%
% Increase/(Decrease)	-	111.13%	140.94%	-
Total Expense	6,159.23	11,184.89	7,537.04	2,909.35
% of total revenue	81.05%	88.04%	90.10%	88.43%
% Increase/(Decrease)	-	48.40%	159.06%	-
Profit before Interest, Depreciation and Tax	1,440.25	1,519.16	828.14	380.51
% of total revenue	18.95%	11.96%	9.90%	11.57%
Depreciation and amortization Expenses	145.98	152.48	52.64	24.01
% of total revenue	1.92%	1.20%	0.63%	0.73%
% Increase/(Decrease)	-	189.64%	119.21%	-
Profit before Interest and Tax	1,294.27	1,366.68	775.50	356.49
% of total revenue	17.03%	10.76%	9.27%	10.84%
Financial Charges	202.55	515.75	249.90	188.20
% of total revenue	2.67%	4.06%	2.99%	5.72%
% Increase/(Decrease)	-	106.39%	32.78%	-
Profit before Tax and Extraordinary Expenses	1,091.72	850.93	525.60	168.29
% of total revenue	14.37%	6.70%	6.28%	5.12%
Extraordinary Expenses	-	-	-	-

% of total revenue	-	-	-	-
% Increase/(Decrease)	-	-	-	-
Restated Profit/(Loss) before tax	1,091.72	850.93	525.60	168.29
% of total revenue	14.37%	6.70%	6.28%	5.12%
% Increase/(Decrease)	-	61.90%	212.31%	-
Tax expenses/(income)				
Current and prior years Tax (net)	261.96	250.23	-	-
Provisions for Deferred Tax	16.33	45.45	10.76	14.82
Total tax expenses	278.28	295.68	10.76	14.82
% of total revenue	3.66%	2.33%	0.13%	0.45%
Restated profit/(loss) after Tax	813.43	555.25	514.84	153.48
% of total revenue	10.70%	4.37%	6.15%	4.67%
% Increase/(Decrease)	-	7.85%	235.45%	-
Income from Minority and Associate	0.38	-	-	-
Profit/(Loss) attributable to owners of the company	813.83	555.25	514.84	153.48

Our income is dependent upon few major intermediaries, details of the same is as following:

(₹ in lacs)

Particulars	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Top 5 customers	4,444.69	60.30%	5,527.20	43.54%	4,252.40	50.88%	1,465.90	44.59%
Top 10 customers	5,471.21	74.23%	7,759.25	61.12%	5,726.59	68.52%	2,398.36	72.96%

REVIEW OF OPERATIONS FOR THE PERIOD ENDED NOVEMBER 30, 2023

Income from Operations

Our revenue from operations for the period ended November 30, 2023 was ₹ 7,572.22 Lakhs which was about 99.64% of the total revenue and which comprises of revenue from sale of finished product i.e. technical textile.

Other Income

Our other income for the period ended November 30, 2023 was ₹ 27.26 Lakhs which was about 0.36% of the total revenue and which includes profit on sale of Capital Asset, Profit of Foreign Exchange Rate fluctuation, Interest on fixed deposit, interest subsidy MSME, rental income and other miscellaneous income.

Expenditure

Cost of Material Consumed

The cost of material consumed for the period ended November 30, 2023 were ₹ 5,768.43 Lakhs which has about 75.91% of the total revenue.

Changes in Inventories of Finished Goods

The changes in inventories of finished goods for the period ended November 30, 2023 were ₹ (172.93) Lakhs.

Employee Benefits expenses

The employee benefits expenses for the period ended November 30, 2023 were ₹253.46 Lakhs which was about 3.34% of the total revenue and which includes salaries, wages, bonus and allowances, directors' remuneration, contributions to welfare funds, provision for gratuity and other expenses.

Other Expenses

Other Expenses for the period ended November 30, 2023 were ₹ 310.26 Lakhs which was about 4.08% of the total revenue and which includes Bank Charges; Transport Charges; Audit Fees; Brokerage Expense; Custom Duty Paid; CHA

Expenses; Conveyance Expenses; Courier Expense; Computer Expenses; Discount & Commission Expenses; Donation; Electricity Expenses; Insurance Expenses; Legal and Consultancy Expenses; Loss on Sale of Capital Asset; Office Expenses; Postage & Telephones Expenses; Rent Expenses; Repair and Maintenance; Stationary & Printing Expenses; Travelling Expenses; Vehicle Expenses; Freight Charges; Machinery Expenses; Packing Charges; Rates And Taxes; Advertisement Expenses; Interest / Penalty; Labour Charges; Security Expenses; Software Expenses; Internet Expenses; Water Treatment Expenses; Factory Expenses; and General Expenses.

EBIDTA

Our EBITDA for the period ended November 30, 2023 were ₹ 1,440.25 Lakhs.

Financial Costs

Financial costs for the period ended November 30, 2023 were ₹ 202.55 Lakhs which was about 2.67% of the total revenue and which consists of interest and other finance charges.

Depreciation

Depreciation for the period ended November 30, 2023 were ₹ 145.98 Lakhs which was about 1.92% of the total revenue and which consists of depreciation and amortization expenses.

Profit /(Loss) after Tax attributable to owners of the company

PAT for the period ended November 30, 2023 was ₹ 813.83 Lakhs.

REVIEW OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 2023

Income from Operations

Our revenue from operations for the fiscal year ended March 31, 2023 was ₹12,694.65 Lakhs which was about 99.93% of the total revenue and which comprises of revenue from sale of finished product i.e. technical textile.

Other Income

Our other income for the fiscal year ended March 31, 2023 was ₹9.40 Lakhs which was about 0.07% of the total revenue and which includes interest and profit on sale of Capital Asset, Profit of Foreign Exchange Rate fluctuation, Interest on fixed deposit, Interest Subsidy MSME, rental income and other miscellaneous income.

Expenditure

Cost of Materials Consumed

The cost of materials consumed for the period ended March 31, 2023 were ₹ 12,298.11 Lakhs which has about 96.80% of the total revenue.

Changes in Inventories of Finished Goods

The changes in inventories of finished goods for the period ended March 31, 2023 were ₹ (2,003.50) Lakhs.

Employee Benefits expenses

The employee benefits expenses for the fiscal year ended March 31, 2023 were ₹ 195.61 Lakhs which was about 1.54% of the total revenue and which includes salaries, wages, bonus and allowances, directors' remuneration, contributions to welfare funds, provision for gratuity and other expenses.

Other Expenses

Other Expenses for the fiscal year ended March 31, 2023 were ₹ 694.66 Lakhs which was about 5.47% of the total revenue and which includes Bank Charges; Transport Charges; Audit Fees; Brokerage Expense; Custom Duty Paid; CHA Expenses; Conveyance Expenses; Courier Expense; Computer Expenses; Discount & Commission Expenses; Donation;

Electricity Expenses; Insurance Expenses; Legal and Consultancy Expenses; Loss on Sale of Capital Asset; Office Expenses; Postage & Telephones Expenses; Rent Expenses; Repair and Maintenance; Stationary & Printing Expenses; Travelling Expenses; Vehicle Expenses; Freight Charges; Machinery Expenses; Packing Charges; Rates And Taxes; Advertisement Expenses; Interest / Penalty; Labour Charges; Security Expenses; Software Expenses; Internet Expenses; Water Treatment Expenses; Factory Expenses; and General Expenses.

EBIDTA

Our EBITDA for the fiscal year ended March 31, 2023 were ₹ 1,519.16 Lakhs.

Financial Costs

Financial costs for the period ended March 31, 2023 were ₹ 515.75 Lakhs which was about 4.06% of the total revenue and which consists of interest, processing charges and other finance charges.

Depreciation

Depreciation for the fiscal year ended March 31, 2023 were ₹152.48 Lakhs which was about 1.20% of the total revenue and which consists of depreciation and amortization expenses.

Profit /(Loss) after Tax

PAT for the fiscal year ended March 31, 2023 was ₹555.25 Lakhs.

FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022

Income

Total revenue has increased by ₹ 4,337.29 Lakhs and 51.90%, from ₹ 8,357.36 Lakhs in the fiscal year ended March 31, 2022 to ₹ 12,694.65 Lakhs in the fiscal year ended March 31, 2023. The increase in revenue was on account of increase in manufacturing of finished products and increased sale volume.

The increase in Revenue for the last 3 financial years is mainly attributed to higher sale volume with increase in installed capacity and shift to higher value product with higher margin. The below table sets out the increase in installed capacity reflecting the increase in revenue:

Financial Year	Installed Capacity(meters)	Revenue(in lakhs)	PAT(in lakhs)
2020-21	1,80,000	3287.42	153.48
2021-22	4,80,000	8357.36	514.84
2022-23	9,45,000	12694.65	555.25

Expenditure

Total Expenditure increased by ₹ 4,013.54 Lakhs and 51.20%, from ₹ 7,839.58 Lakhs in the fiscal year ended March 31, 2022 to ₹ 11,853.12 Lakhs in the fiscal year ended March 31, 2023. Overall expenditure was increased mainly due to increase in manufacturing of finished products.

Cost of materials Consumed

Cost of materials consumed increased by ₹ 3,974.51 Lakhs and 47.75%, from ₹ 8,323.60 Lakhs in the fiscal year ended March 31, 2022 to ₹ 12,298.11 Lakhs in the fiscal year ended March 31, 2023. Cost of Materials Consumed was increased mainly due to increase volume of production.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by ₹ 78.73 Lakhs and 67.36% from ₹116.87 Lakhs in the fiscal year ended March 31, 2022 to ₹ 195.61 Lakhs in the fiscal year ended March 31, 2023. Overall employee cost was increased due to increase in number of man-hours in manufacturing process, increase staff strength and general increment in salary and incentives to employees.

Other Expenses

Other Expenses in terms of value and percentage increased by ₹ 365.64 Lakhs and 111.13% from ₹ 329.02 Lakhs in the fiscal year ended March 31, 2022 to ₹ 694.66 Lakhs in the fiscal year ended March 31, 2023. Other Expenses was increased mainly due to increase in Bank Charges; Transport Charges; Audit Fees; Brokerage Expense; Custom Duty Paid; CHA Expenses; Conveyance Expenses; Courier Expense; Computer Expenses; Discount & Commission Expenses; Donation; Electricity Expenses; Insurance Expenses; Legal and Consultancy Expenses; Loss on Sale of Capital Asset; Office Expenses; Postage & Telephones Expenses; Rent Expenses; Repair and Maintenance; Stationary & Printing Expenses; Travelling Expenses; Vehicle Expenses; Freight Charges; Machinery Expenses; Packing Charges; Rates And Taxes; Advertisement Expenses; Interest / Penalty; Labour Charges; Security Expenses; Software Expenses; Internet Expenses; Water Treatment Expenses; Factory Expenses; and General Expenses.

EBIDTA

Profit before Interest, Depreciation and Tax has increased by ₹ 691.02 Lakhs and 83.44% from ₹ 828.14 Lakhs in the fiscal year ended March 31, 2022 to ₹ 1,519.16 Lakhs in the fiscal year ended March 31, 2023. Profit before Interest, Depreciation and Tax was increased due to increase manufacturing of finished products and increased sale volume.

Finance Costs

Finance Costs in terms of value and percentage increased by ₹ 265.86 Lakhs and 106.39% from ₹ 249.90 Lakhs in the fiscal year ended March 31, 2022 to ₹ 515.75 Lakhs in the fiscal year ended March 31, 2023. Finance Costs was increased mainly due to higher interest outgo and increased borrowings.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by ₹ 99.83 Lakhs and 189.64% from ₹ 52.64 Lakhs in the fiscal year ended March 31, 2022 to ₹ 152.48 Lakhs in the fiscal year ended March 31, 2023. Increase in depreciation is due to increase in assets and is general in nature.

Net Profit after Tax and Extraordinary items

Net Profit has increased by ₹ 40.40 Lakhs and 7.85% from profit of ₹ 514.84 Lakhs in the fiscal year ended March 31, 2022 to profit of ₹ 555.25 Lakhs in the fiscal year ended March 31, 2023. Net profit was increased due to increase in revenue from operations and sales volume.

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021

Income

Total revenue has increased by ₹ 5,069.94 Lakhs and 154.22%, from ₹ 3,287.42 Lakhs in the fiscal year ended March 31, 2021 to ₹ 8,357.36 Lakhs in the fiscal year ended March 31, 2022. The decrease in revenue was on account of higher production of finish product and higher sale volume with increase in installed capacity and shift to higher value product with higher margin.

Expenditure

Total Expenditure increased by ₹ 4,627.69 Lakhs and 159.06%, from ₹ 2,909.35 Lakhs in the fiscal year ended March 31, 2021 to ₹ 7,537.04 Lakhs in the fiscal year ended March 31, 2022. Overall expenditure was decreased mainly due to higher production of finished products.

Cost of Material Consumed

Cost of Material Consumed increased by ₹ 5,406.00 Lakhs and 185.29%, from ₹ 2,917.60 Lakhs in the fiscal year ended March 31, 2021 to ₹ 8,323.60 Lakhs in the fiscal year ended March 31, 2022. Cost of Material Consumed was increased mainly due to increase in material consumed on account of increased production of finish goods.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increase by ₹ 58.92 Lakhs and 101.68% from ₹ 57.95

Lakhs in the fiscal year ended March 31, 2021 to ₹ 116.87 Lakhs in the fiscal year ended March 31, 2022. Overall employee cost was increase in number of man-hours in manufacturing process, increase staff strength and general increment in salary and incentives to employees.

Other Expenses

Other Expenses in terms of value and percentage increase by ₹ 192.46 Lakhs and 140.94% from ₹ 136.56 Lakhs in the fiscal year ended March 31, 2021 to ₹ 329.02 Lakhs in the fiscal year ended March 31, 2022. Other Expenses was increased mainly due to Bank Charges; Transport Charges; Audit Fees; Brokerage Expense; Custom Duty Paid; CHA Expenses; Conveyance Expenses; Courier Expense; Computer Expenses; Discount & Commission Expenses; Donation; Electricity Expenses; Insurance Expenses; Legal and Consultancy Expenses; Loss on Sale of Capital Asset; Office Expenses; Postage & Telephones Expenses; Rent Expenses; Repair and Maintenance; Stationary & Printing Expenses; Travelling Expenses; Vehicle Expenses; Freight Charges; Machinery Expenses; Packing Charges; Rates And Taxes; Advertisement Expenses; Interest / Penalty; Labour Charges; Security Expenses; Software Expenses; Internet Expenses; Water Treatment Expenses; Factory Expenses; and General Expenses.

EBIDTA

Profit Before Interest, Depreciation and Tax has increased by ₹ 447.63 Lakhs and 117.64% from ₹ 380.51 Lakhs in the fiscal year ended March 31, 2021 to ₹ 828.14 Lakhs in the fiscal year ended March 31, 2022. Profit Before Interest, Depreciation and Tax was decreased due to increase in production of finished products.

Finance Costs

Finance Costs in terms of value and percentage increased by ₹ 61.70 Lakhs and 32.78% from ₹ 188.20 Lakhs in the fiscal year ended March 31, 2021 to ₹ 249.90 Lakhs in the fiscal year ended March 31, 2021. Finance Costs was increased mainly due to higher interest outgo and increased borrowings.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by ₹ 28.63 Lakhs and 119.21% from ₹ 24.01 Lakhs in the fiscal year ended March 31, 2021 to ₹ 52.64 Lakhs in the fiscal year ended March 31, 2022. Increase in depreciation is due to increase in assets and is general in nature.

Net Profit after Tax and Extraordinary items

Net Profit has increased by ₹ 361.37 Lakhs and 235.45% from profit of ₹ 153.48 Lakhs in the fiscal year ended March 31, 2021 to profit of ₹ 514.84 Lakhs in the fiscal year ended March 31, 2022. Net profit was increased due to increase in revenue from operations and sales volume.

The increase in PAT in FY2022 compared with FY2021 is attributed to savings on the fixed cost components and shift in value chain producing higher margin products. The below table sets out the increase in installed capacity reflecting the increase in revenue:

Financial Year	Installed Capacity(meters)	Revenue(in lakhs)	PAT(in lakhs)
2020-21	1,80,000	3287.42	153.48
2021-22	4,80,000	8357.36	514.84
2022-23	9,45,000	12694.65	555.25

Cash Flows

(Amount ₹ in lacs)

Particulars	For the eight months period ended November 30, 2023	For the year ended March 31,		
		2023	2022	2021
Net Cash from Operating Activities	(848.91)	(23.42)	41.37	273.54
Net Cash from Investing Activities	(780.92)	(1,100.19)	(1,172.82)	(233.45)
Net Cash used in Financing Activities	1,648.59	1,152.29	1,088.51	9.30

Cash Flows from Operating Activities

Net cash from operating activities for the eight months ended November 30, 2023 was ₹(848.91) lacs as compared to the Profit Before Tax at ₹ 1091.73 lacs. Net cash from operating activities for fiscal 2023 was at ₹ (23.42) lacs as compared to the Profit Before Tax at ₹ 850.93 lacs, while for fiscal 2022, net cash from operating activities was at ₹41.37 lacs as compared to the Profit Before Tax at ₹ 525.60 lacs. For fiscal 2021, the net cash from operating activities was ₹273.54 lacs compared to Profit before Tax of ₹ 168.29 lacs.

Cash Flows from Investment Activities

Net cash from investing activities for the eight months ended November 30, 2023 was ₹ (780.92) lacs. This high cash outflow is attributed to increase in Fixed Assets in relation to installation of new machines & investment in subsidiaries and investments. Net cash from investing activities for fiscal 2023 was at ₹ (1100.19) lacs due to additions in Fixed Assets, while for fiscal 2022, net cash from investing activities was at ₹(1172.82) lacs due additions in fixed assets. For fiscal 2021, the net cash from investing activities was ₹(233.13) lacs due to investment in fixed Assets.

Cash Flows from Financing Activities

Net cash from financing activities for the eight months ended November 30, 2023 was ₹ 1648.59 lacs. Net cash from financing activities for fiscal 2023 was at ₹ 1152.29 lacs due to increase in short term loans, while for fiscal 2022, net cash from financing activities was at ₹ 1088.51 lacs also due to increase in borrowings. For fiscal 2021, the net cash from financing activities was ₹ 9.30 lacs due to increase in borrowings.

OTHER MATTERS

1) Unusual or infrequent events or transactions

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

2) Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the Section titled “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on Page 158 and 199 respectively of this Red Herring Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

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

Other than as described in the chapter titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Result of Operations”, beginning on Page 27 and 199 respectively of this Red Herring Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the chapter titled “Risk Factors” beginning on Page 27 of this Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5) Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices

Our Company is engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Increases in revenues are by and large linked to number of orders received and completed by our company in timely manner.

6) Total turnover of each major industry segment in which the issuer company operated

Our Company is engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Our production process begins with yarn procurement and encompasses weaving, coating, printing, and finishing, resulting in knitted and woven fabrics crafted to meet our clients' customized specifications. Relevant Industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page no. 100 of this Red Herring Prospectus.

7) Status of any publicly announced new products or business segment

Our Company is engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Our production process begins with yarn procurement and encompasses weaving, coating, printing, and finishing, resulting in knitted and woven fabrics crafted to meet our clients' customized specifications. Our Company has not publicly announced any new products or business segment.

8) The extent to which business is seasonal

Our Company is engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Our production process begins with yarn procurement and encompasses weaving, coating, printing, and finishing, resulting in knitted and woven fabrics crafted to meet our clients' customized specifications, to that extent business of our company is not seasonal.

9) Any significant dependence on a single or few suppliers or customers

Our Company is engaged in the manufacturing of technical textiles tailored for diverse industries such as luggage, medical arch support, chairs, shoes, and apparels. Our income is not dependent on a single customer or supplier or a few customers or suppliers. Further, no foreign customer or supplier contributes to a significant portion of our business. Contribution of our customers and suppliers, as a percentage of total revenue and cost, respectively, for the periods indicated below:

Contribution to revenue from operations

Particulars	Rs. in Lakhs							
	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Top 5 customers	4,44	60.30	5,52	43.54	4,25	50.88	1,46	44.59
	4.69	%	7.20	%	2.40	%	5.90	%
Top 10 customers	5,47	74.23	7,75	61.12	5,72	68.52	2,39	72.96
	1.21	%	9.25	%	6.59	%	8.36	%

Contribution to purchases

Particulars	Rs. in Lakhs							
	Nov 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase	Amount	Percentage (%) of total purchase
Top 5 suppliers	2,14	37.16	4,17	33.94	3,45	41.53	1,44	49.37
	3.64	%	3.99	%	6.72	%	0.35	%
Top 10 suppliers	3,07	53.34	5,77	46.97			1,87	64.24
	6.63	%	6.52	%	4,30	51.67	4.15	%
					0.73	%		

10) Competitive conditions

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Statements for the eight month period ended November 30, 2023, and as adjusted for the Issue. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” on pages 209, 158 and 27, respectively.

(in ₹ lakhs)

Particulars	Pre-Issue as at November 30, 2023 (A)	Adjusted for the Proposed Issue* (B)
Total borrowings		
Current borrowings (A)	7,161.56	[●]
Non-current borrowings (B)	2,342.71	[●]
Total Borrowings (C)	9,504.27	[●]
Total equity		
Equity share capital	520.00	[●]
Other equity [#]	1,392.17	[●]
Total equity (D)	1,912.17	[●]
Total Capitalization (D+C)	11,416.42	[●]
Total non-current borrowings (including current maturities of long-term borrowings)/ Total equity (B)/(D)	1.63	[●]
Total borrowings/ total equity (C) / (D)	4.97	[●]

Notes:

1. As per Restated Financial Statements of the Company.
2. The corresponding post capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of Book building process and hence the same have not been provided in the above statement.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoter in the last five financial years, including any outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors, Promoter and Subsidiaries.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated November 9, 2023, any pending litigation / arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Red Herring Prospectus, if:

- a.) The aggregate monetary claim/ dispute amount/ liability made by or against our Company or our Subsidiary in any such pending litigation (individually or in aggregate), is equivalent to or above 5% of the restated consolidated turnover of our Company, as per the latest completed fiscal year of the Restated Financial Statements (amounting to ₹634.73 lakhs);*
- b.) Any such pending litigation / arbitration proceeding involving the Directors or Promoter of our Company or our Group Company, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and*
- c.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.*

Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding ₹ 250.00 lakhs as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on November 9, 2023. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation are for that particular litigation only.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lacs)		
Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL

Particulars	Number of cases	Amount involved*
Total	NIL	NIL
<i>Direct Tax</i>		
Cases filed against our Company	NIL	NIL
Cases filed by our Company	NIL	NIL
Total	NIL	NIL

*To the extent quantifiable

4. Other Material Litigations

Nil

5. Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals

Nil

ii. Litigation by our Company

1. Criminal Proceedings

A criminal miscellaneous application (the “**Application**”) was filed by our Company against Modsingh Javasingh Rajput (“**Accused**”) before the Court of Hon’ble Principal Judge and Judicial magistrate First Class at Palsana, under Section 406, 420, 114, 120(B) of the Indian Penal Code of 1860 (“**Complaint**”) on account of alleged breach of trust and failure to execute sale deed by the Accused. Pursuant to an informal arrangement for sale of land between our Company and the Accused, an amount of ₹ 34.25 lakhs was paid by our Company to the Accused, post which a sale deed was required to be executed by the Accused in favour of our Company. The Accused, post receiving the payment delayed the execution of sale deed and allegedly demanded an additional amount of ₹ 20 lakhs for completing the transaction. Our Company has pursuant to the Application prayed the Hon’ble Principal Judge and Judicial Magistrate First Class at Palsana to pass an order for *inter alia*, (i) punishing the Accused for criminal breach of trust; (ii) for aiding and abetting and (iv) for criminal conspiracy against our company for personal gain. The matter is currently pending.

2. Civil and other Material Litigations

Nil

2. LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

(₹ in lacs)

Particulars	Number of cases	Amount involved*
<i>Indirect Tax</i>		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL
Total	NIL	NIL
<i>Direct Tax</i>		
Cases filed against our Promoter	NIL	NIL

Particulars	Number of cases	Amount involved*
Cases filed by our Promoter	NIL	NIL
Total	NIL	NIL

**To the extent quantifiable*

4. Other Material Litigations

Nil

Cases filed by our Promoter

1. Criminal Proceedings

Nil

2. Other Material Litigations

Nil

Disciplinary action against our Promoter by SEBI or any stock exchange in the last five Fiscals

As on date of this Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoter in the last five Fiscals including any outstanding action.

3. LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Directors, specifying the number of cases pending and the total amount involved:

<i>(₹ in lacs)</i>		
Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL
Total	NIL	NIL
Direct Tax		
Cases filed against our Directors	NIL	NIL
Cases filed by our Directors	NIL	NIL
Total	NIL	NIL

**To the extent quantifiable*

3. Disciplinary action by SEBI or any stock exchange in the last five Fiscals

Nil

4. Other Material Litigations

Nil

Cases filed by our Directors**1. Criminal Proceedings**

Nil

2. Other Material Litigations

Nil

4. LITIGATION INVOLVING OUR SUBSIDIARY**Cases filed against our Subsidiary****1. Criminal Proceedings**

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

Below are the details of pending tax cases involving our Subsidiary, specifying the number of cases pending and the total amount involved:

<i>(₹ in lacs)</i>		
Particulars	Number of cases	Amount involved*
<i>Indirect Tax</i>		
Sales Tax/VAT	NIL	NIL
Central Excise	NIL	NIL
Customs	NIL	NIL
Service Tax	NIL	NIL
Total	NIL	NIL
<i>Direct Tax</i>		
Cases filed against our Subsidiary	NIL	NIL
Cases filed by our Subsidiary	NIL	NIL
Total	NIL	NIL

*To the extent quantifiable

4. Disciplinary action by SEBI or any stock exchange in the last five Fiscals

Nil

4. Other Material Litigations

Nil

Cases filed by our Subsidiary**1. Criminal Proceedings**

Nil

2. Other Material Litigations

Nil

5. LITIGATION INVOLVING OUR GROUP COMPANY

As on date of this Red Herring Prospectus, our Company does not have any group companies.

6. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy dated November 9, 2023, our Company has 1 (one) material creditor, as on date of this Red Herring Prospectus.

As on November 30, 2023, our Company has 48 (forty-eight) amount payable or outstanding towards small-scale undertakings. Details of amounts outstanding to material and other creditors is as follows:

Particulars	No. of Creditors	(₹ in lacs)
		Amount
Outstanding dues to material creditors	1	748.23-
Outstanding dues to small scale undertakings	48	910.74
Outstanding dues to other creditors	48	200.21
Total outstanding dues	97	1,859.18

Complete details of outstanding dues to our creditors as on November 30, 2023 are available at the website of our Company, www.skflindia.com. Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.skflindia.com, would be doing so at their own risk. For further details, refer to the section titled "*Financial Information*" on page 167 of this Red Herring Prospectus.

7. MATERIAL DEVELOPMENT SINCE NOVEMBER 30, 2023

There have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 209 of this Red Herring Prospectus.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We are required to obtain consents, licenses, registrations, permissions and approvals for carrying out our present business activities. Our Company has obtained the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please refer the chapter “Key Industrial Regulations and Policies” on page 136 of this Red Herring Prospectus. The main objects clause of the Memorandum of Association and objects incidental to the main objects of our Company and our Subsidiary enable our Company and our Subsidiary to carry out its respective activities.

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

I. Issue related Approvals

For the approvals and authorizations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Disclosures – Authority for the Issue” on page 219 of this Red Herring Prospectus.

II. Approvals from the Stock Exchanges

- a) Our Company has received an in-principle approval from Emerge Platform of National Stock Exchange of India Limited dated February 23, 2024 for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is INE0S4Y01010.

A. Licenses and Approvals required to be obtained by our Company

I. General Approvals

- a) Certificate of incorporation dated March 7, 2018, issued to Shree Karni Fabcom LLP under the Limited Liability Partnership Act, 2008 by the Registrar of Companies, Ahmedabad at Gujarat.
- b) Certificate of incorporation dated April 11, 2023, issued under the Companies Act, 2013 by the Registrar of Companies, Central Registration Centre, consequent upon conversion of Shree Karni Fabcom LLP into a private company.
- c) Fresh certificate of incorporation dated October 20, 2023, issued under the Companies Act, 2013 by the Registrar of Companies, Gujarat at Ahmedabad consequent upon conversion of our Company from a private limited company into a public limited company.
- d) Letter dated April 20, 2023 bearing number 10001195709SRT issued by the Employees’ Provident Fund Organization under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 for allotting code number SRSRT2903243000 to our Company.
- e) Certificate of Importer- Exporter Code issued on May 11, 2023 by the office of the Joint Director General of Foreign Trade, Surat, Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India for the purpose of allotting ABKCS5559A as the code number to our Company.
- f) Udyog Aadhaar registration certificate dated May 10, 2023 bearing udyam registration number UDYAM-GJ-22-0254138 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.
- g) Certificate issued by LEI Register India Private Limited for the purpose of allotting 984500470E6987CAE448 as the Legal entity identifier code number to our Company. The certificate and the LEI code are valid until September 29, 2024.

II. Tax Related Approvals

- a) Our Company's permanent account number dated April 11, 2023 issued by the Income Tax Department is ABKCS5559A.
- b) Our Company's tax deduction and collection certificate dated December 8, 2023 issued by the Income Tax Department for allotment of tax deduction account number being, SRTS29356F.
- c) Registration certificate dated November 08, 2023 bearing registration number 24ABKCS5559A1ZC (Gujarat) issued under the Goods and Services Tax Act, 2017.


III. Business Related Approvals

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

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory issued under Factories Act, 1948	Joint Director, Industrial Safety and Health, Surat region.	License no. – 51390 Registration no. – 6190/13911/2023	June 7, 2023 Date of certificate: July 3, 2023	December 31, 2027
2.	Certificate of registration issued to certify that the management systems of our Company have found to be compliant under ISO 9001:2015	Intertek Certification Limited	0157685	October 6, 2023	October 3, 2026
3.	Lean basic certificate issued under the MSME Competitive (Lean) Scheme – 2022	Ministry of Micro, Small and Medium Enterprises, Government of India	LB_20230806_67	August 6, 2023	August 5, 2026
4.	PROFORMA 15 – Electricity Load Sanction for upto 30KV for plot no. 188 to 190	Dakshin Gujrat Vij Co. Ltd.	25997	July 20, 2022	Perpetual
5.	PROFORMA 15 – Electricity Load Sanction for upto 99KV for plot to 193 to 195	Dakshin Gujrat Vij Co. Ltd.	1955	June 7, 2021	Perpetual
6.	PROFORMA 15 – Electricity Load Sanction for upto 99KV for plot to 278 and 279	Dakshin Gujrat Vij Co. Ltd.	51339	October 19, 2023	Perpetual

IV. Intellectual Property Related Approvals

Registered Trademarks:

Sr. No	Particulars of the Mark	Trademark No.	Class	Date of Certificate of Registration
1.		5512689^	24	June 30, 2022

[^]This trademark is registered under the name of the erstwhile Shree Karni Fabcom LLP. The erstwhile Shrikarni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited', pursuant a certificate of incorporation dated April 11, 2023, issued under the Companies Act, 2013 by the Registrar of Companies, Central Registration Centre.

V. Licenses/ Approvals for which applications have been made by our Company and are pending:

Our Company has applied for changing its name on its licenses and approvals post its conversion from a private limited company into a public limited company.

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

Sr. No.	Type of License/Approval	Issuing Authority	Application No.	Date of application
1.	Registration under Payment of Gratuity Act, 1972	Assistant Labour Commissioner, Surat	Form – A	December 11, 2023
2.	Professional Tax	Baleshvar Isroli Gram Panchayat, Taluka Palsana, Dist. Surat	NA	December 11, 2023
3.	Consent to operate	Gujarat Pollution Control Board	10001389312	December 15, 2023

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

Nil

B. Material Licenses and Approvals obtained by our Subsidiary

IGK Technical Textiles LLP

Certificate of incorporation dated December 4, 2020 under the Limited Liability Partnership Act, 2008 issued by the Asst. Registrar Of Companies, Registrar of Companies, Central Registration Centre.

Tax Related Approvals

- Permanent Account Number dated December 4, 2020, issued by the Income Tax Department is AAIFI5033K.
- Tax Deduction Account Number dated February 8, 2022, issued by the Income Tax Department is SRTI01439E.
- Our Subsidiary's GST registration certificate dated May 16, 2021 issued by the Government of India is 24AAIFI5033K1ZE (Gujarat).

Business Related Approvals

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
1.	License to work a factory issued under Factories Act, 1948	Director, Industrial Safety and Health, Surat region.	License no. – 49889 Registration no. – 5845/13999/2023	December 2, 2022 Date of certificate: February 17, 2023	December 31, 2026
2.	Certificate of stability	Shreeji Associates, Chartered Engineers	IGKTTL/Stability/2023	January 12, 2023	January 11, 2028
3.	Certificate of Importer-Exporter Code	Joint Director General of Foreign Trade, Surat, Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.	AAIFI5033K	May 26, 2021	Perpetual
4.	Certificate of Legal Entity Identifier	LEI Register India Private Limited	335800UYNFNUPDD1ZJ68	-	February 4, 2024

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/Renewal	Valid up to
5.	Letter issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	10001110920SRT	December 13, 2022	Perpetual
6.	Udyog Aadhaar registration certificate	The Ministry of Micro, Small and Medium Enterprises, Government of India	UDYAM-GJ-22-0029651	December 25, 2020	Perpetual
7.	Provisional Consent Order issuing consent to operate under the Water (Prevention and Control of Pollution) Act-1974, the Air Act-1981 and the Environment (Protection) Act-1986	Gujarat Pollution Control Board, Gandhinagar	CTE-130321	Granted on: November 7, 2023	September 21, 2030
8.	Provisional Consent Order issuing Consolidated Consent and Authorization (CC&A) 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 3(c)& 5(5) of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under the E(P) Act-1986	Gujarat Pollution Control Board, Surat	WH-68888	Granted on: December 14, 2023	November 22, 2024
9.	Membership certificate for Common Effluent Treatment Plant Facility	Gujrat Eco Textile Park Limited	4400000243	April 8, 2021	March 31, 2026

Licenses / approvals which have expired and for which renewal applications have been made by our Subsidiary.

Sr. No.	Type of License/Approval	Issuing Authority	Application No.	Date of application
1.	Professional Tax	Baleshvar Isroli Gram Panchayat, Taluka Palsana, Dist. Surat	NA	December 11, 2023

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on November 9, 2023 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EGM held on December 8, 2023 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Company has received an In-Principle Approval letter dated February 23, 2024 from NSE for using its name in this Red Herring Prospectus for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoter, our Directors and our Promoter's Group, person(s) in control of the promoter or issuer, have not been 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 regulators in any other jurisdiction or any other authority/court.

CONFIRMATIONS

1. Our Company, our Promoter, Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI in the past five years.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter, nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

ELIGIBILITY FOR THE ISSUE

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- Neither our promoters, nor any directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our directors, are Wilful Defaulters or a fraudulent borrower.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital shall be upto ₹ 707.50 lakhs can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder:

1. *The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.*

Our Company is incorporated under the Companies Act, 2013.

2. *The post issue paid up capital of the company shall not be more than ₹ 25.00 Crore.*

The present paid-up capital of our Company is ₹ 520.00 lakhs and we are proposing issue upto 18,72,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share,

aggregating up to ₹ [●] lakhs. Hence, our Post Issue Paid up Capital will be upto ₹ 707.50 lakhs. So, the company has fulfilled the criteria of post issue paid up capital prescribed under Regulation 229(1) of the SEBI ICDR Regulations.

3. Track Record

A. *The company should have a track record of at least 3 years.*

Our Company was originally formed as a limited liability partnership under the name 'Shree Karni Fabcom LLP', bearing LLP identification number AAM-1759 pursuant to a certificate of incorporation dated March 7, 2018 issued by the Registrar of Companies, Gujarat at Ahmedabad. Subsequently, pursuant to a resolution passed in the meeting of the partners held on November 26, 2022, Shree Karni Fabcom LLP was converted into a private limited company under the name 'Shree Karni Fabcom Private Limited' and a certificate of incorporation dated April 11, 2023 was issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a resolution passed by our Board of Directors in their meeting held on October 3, 2023 and by the Shareholders at an extra-ordinary general meeting held on October 10, 2023 our Company was converted into a public limited company and consequently the name of our Company was changed to 'Shree Karni Fabcom Limited' and a fresh certificate of incorporation dated October 20, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad.

B. *The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.*

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating profit (earnings before interest, depreciation and tax and other income) from operations	1,519.16	828.14	380.51
Net Worth as per Restated Financial Statement	2,602.24	1,321.61	671.23

4. Other Requirements

We confirm that:

- The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

5. The Company has a website: www.skflindia.com

6. Disclosures

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 Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting companies of the Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting Company(ies) during the past three years.
- There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies).
- There are no criminal cases/investigation/offences filed against the director of the company.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

- In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting, please refer to Section titled "General Information" beginning on page no. 59 of this Red Herring Prospectus.

2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled “**General Information**” beginning on page no. 59 of this Red herring Prospectus.
3. 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 fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) 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 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. 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.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Red Herring Prospectus through the BRLM immediately upon registration of this Red Herring Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on this Red Herring Prospectus.

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, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

SEBI DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS 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 RED HERRING PROSPECTUS. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. 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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HORIZON MANAGEMENT PRIVATE LIMITED SHALL FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 26, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GUJARAT AT AHMEDABAD, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, has been included in this Red Herring Prospectus:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2826 dated October 20, 2023, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are

proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance 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 (Horizon Management Private Limited) and our Company on December 14, 2023, and the Underwriting Agreement dated February 26, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated February 26, 2024 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 Entity, 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 Entity, and our affiliates or associates, for which they have received and may in future receive compensation.

Note:

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM 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 Issue, 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 BRLM 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 Equity Shares of our company.

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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Surat 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, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

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 Regulation S of 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 (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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 BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus was not filed with SEBI, nor did SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of this Red Herring Prospectus shall be furnished to the Board. Pursuant to SEBI Master Circular, a copy of this Red Herring Prospectus is being filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of the Draft Red Herring Prospectus, was filed with the Emerge Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of this Red Herring Prospectus, along with the material contracts and documents is also being filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>

LISTING

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated February 23, 2024 from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company 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.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within Six Working Days from the Issue Closing Date.

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 –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b) 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
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the BRLM to the Issue, Registrar to the Issue, Market Maker, Banker to the Issue and Underwriter to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of this Red Herring Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, our Company has received written consent dated December 12, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Red Herring Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated December 12, 2023 on our restated consolidated financial information; and (ii) its report dated December 12, 2023 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

EXPERT OPINION

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Our Company has not made public issue in the past. For details of right issue please refer chapter titled “*Capital Structure*” beginning on page no. 71 of this Red Herring Prospectus.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

CAPITAL ISSUE DURING THE LAST THREE YEARS

For details of the capital issued of our Company in past three years, please refer chapter titled “*Capital Structure*” beginning on page no. 71 of this Red Herring Prospectus. Our Subsidiary has not made any capital issuances during the three years preceding the date of this Red Herring Prospectus. Our Company does not have any associates or listed group company, as of the date of this Red Herring Prospectus.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM

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

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing*	
1.	Cosmic CRF Limited	57.21	314	June 30, 2023	251.20	3.54%	2.80%	(1.83%)	1.71%	[•]	[•]
2.	Baba Food Processing (India) Limited	32.88	76	November 15, 2023	76.00	(11.58%)	7.66%	NA	NA	NA	NA

Main Board:

The BRLM has not undertaken any main board issues in the past.

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 th calendar day from listing day*			Nos. of IPOs trading at premium - 30 th calendar day from listing day*			Nos. of IPOs trading at discount - 180 th calendar day from listing day*			Nos. of IPOs trading at premium - 180 th calendar day from listing day*		
			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 %
2023-24	2	90.09	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Break -up of past issues handled by Horizon Management Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2023-24	2	Nil

Notes:

1. In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

2. Source: www.bseindia.com and www.nseindia.com

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	Horizon Management Private Limited	www.horizonmanagement.in

PERFORMANCE VIS-A-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 71 of this Red Herring Prospectus, our Company has not undertaken any previous public or rights issue. None of the Entities or associates of our Company are listed on any stock exchange.

PERFORMANCE VIS-À-VIS OBJECTS –PUBLIC/ RIGHTS ISSUE OF SUBSIDIARIES/ LISTED PROMOTERS

As on the date of this Red Herring Prospectus, our Company does not have any listed subsidiary or listed promoters.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). 'T' being issue closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline prescribed under the SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and complied with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Rashmi Bihani	Chairman	Independent Director
Swati Singhania	Member	Independent Director

Sriyans Lunia	Member	Independent Director
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Our Company has appointed Jyoti Chitlangiya the Company Secretary and Compliance Officer, who may be contacted in case of any pre-issue or post-issue related problems at the following address:

Jyoti Chitlangiya

Plot 188,189,190, Block No. 314,
Rajhans Texpa, Village Baleshvar,
Taluka Palsana, Surat- 394 317,
Gujarat, India.

Telephone: +91 262 235 0900

Facsimile: Not Applicable

E-mail: cs@skflindia.com

Till date of this Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 71 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

LISTED VENTURES OF PROMOTER

There are no listed ventures of our Company as on date of filing of this Red Herring Prospectus.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Red Herring Prospectus.

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

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') 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 laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 18,72,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 9, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on December 8, 2023 in accordance with the provisions of Section 62 (1) (c) 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 Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled **“Description of Equity Shares and terms of the Articles of Association”** beginning on Page No. 281 of this 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 recommended 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. For further details, please refer to chapter titled **“Dividend Policy”** beginning on Page No. 166 of this Red Herring Prospectus.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- 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 Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. 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 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 Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis of Issue Price*” beginning on page 96 of this Red Herring Prospectus.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. 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:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- 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, 2018 and the Memorandum and Articles of Association of our Company.

Minimum Application Value, Market Lot and Trading Lot

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated December 5, 2023.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated December 1, 2023.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited 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 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

The minimum number of allottees in the Issue shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being

issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 Registered Office of our Company or to the Registrar and Transfer Agent 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:

- To register himself or herself as the holder of the Equity Shares; or
- 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.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 71 of this Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 281 of this Red Herring Prospectus.

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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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 or regulations.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of this Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing

Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

ISSUE PROGRAM

Event	Indicative Dates
Anchor Portion Issue Opens/Closes On*	Tuesday, March 5, 2024
Bid/Issue Opening Date	Wednesday, March 6, 2024
Bid/Issue Closing Date**	Monday, March 11, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Tuesday, March 12, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before Wednesday, March 13, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, March 13, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, March 14, 2024

*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

****In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay 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.

The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids

Bid/Issue Period (except the Bid/Issue Closing Date)

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))

Bid/Issue Closing Date

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

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 limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve 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 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

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 this Red Herring 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 four 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.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through this Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Migration to Main Board

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"> The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies. The company has not received any winding up petition admitted by a NCLT. The net worth* of the company should be at least 50 crores <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"> The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner. Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. Redressal mechanism of Investor grievance PAN and DIN no. of Director(s) of the Company Change in Control of a Company/Utilization of funds raised from public

Market Making

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “**General Information**” beginning on page 59 of this 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 one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

Restrictions, if any, 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 Promoter's minimum contribution in the Issue as detailed in the chapter “**Capital Structure**” beginning on page 59 of this Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. 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 Book Running Lead Manager do not accept any responsibility for the completeness and

accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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 or regulations.

Application by Eligible NRIs, FPIs or VCFs 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.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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.

Option to receive securities in Dematerialized Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital will be upto ₹ 707.50, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of Issue*” and “*Issue Procedure*” on page no. [●] respectively of this Red Herring Prospectus.

This public issue comprises of upto 18,72,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating up to ₹ [●] lakhs (“the issue”) by our Company. The Issue and the Net Issue will constitute 26.47% and 25.15% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process (1):

Particulars of the Issue (2)	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to 93,600 Equity shares	Not more than 8,88,600 Equity Shares.	Not less than 2,67,000 Equity Shares	Not less than Equity Shares 6,22,800
Percentage of Issue size available for allocation	5.00% 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 may 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 Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment(3)	Firm Allotment	Proportionate as follows, excluding Anchor Portion a) Up to 18,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	Proportionate	Proportionate
		b) Up to 3,37,800 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above		

Particulars of the Issue (2)	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	93,600 Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (excluding the UPI Mechanism).	Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	Only through the ASBA process (including the UPI Mechanism)

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (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) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the

Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.

- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled “Issue Procedure” beginning on page 239 of this Red Herring Prospectus

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to 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 all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located), each with wide circulation.

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 approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus with RoC.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Surat.

BID/ ISSUE PROGRAMME:

Event	Indicative Dates
Anchor Portion Issue Opens/Closes On*	Tuesday, March 5, 2024
Bid/Issue Opening Date	Wednesday, March 6, 2024
Bid/Issue Closing Date**	Monday, March 11, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Tuesday, March 12, 2024
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before Wednesday, March 13, 2024
Credit of Equity Shares to Demat accounts of Allottees	On or before Wednesday, March 13, 2024
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Thursday, March 14, 2024

**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*

Note - 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.

Bids 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 at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.

- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, 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 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 any public holiday).

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular were applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall close this Issue in accordance with the timeline provided under the aforementioned circular.

ISSUE PROCEDURE

All Bidders should read 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, the 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 Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its 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, 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 RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue has been undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

BOOK BUILDING PROCEDURE:

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the 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. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, 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 BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of this Red Herring Prospectus together with the Application Forms and copies of this Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. www.nseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the 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.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c) Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

- d) SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline provided under the aforementioned circular.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company 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 Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White

Category	Colour of Application Form*
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited (www.nseindia.com).

**** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.**

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (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 this 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 stock broker 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)

Retails investors 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.
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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 this Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

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 RHP 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 Karta. 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 Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 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 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 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 Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located) 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 may be 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 Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located) each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) 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.
- c) 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”.
- d) 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.
- e) 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.
- f) 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.
- g) 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.
- h) 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 the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If 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 the 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. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

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.

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 Issue Opening Date and Issue Closing Date in this Red Herring Prospectus to be registered with the RoC and also publish the same in all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located) each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file this Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of this 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 this 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 Retail Individual Applicants 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 SCSB's 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 HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

BIDS BY MUTUAL FUNDS

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

BIDS BY ELIGIBLE NRIS

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through

the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) 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. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% 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, on a repatriation or non- repatriation basis, 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 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see **“Restrictions on Foreign Ownership of Indian Securities”** beginning on page 267. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

BIDS BY FPIS

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

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. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **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 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which finalise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI

FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that finaliz the multi- investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) 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.

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.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank’s 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, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company’s interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company’s paid up share capital engaged in non-financial services. However, this cap doesn’t apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in

financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see **“Key Regulations and Policies”** beginning on page 136.

BIDS BY SCSBS

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such applications.

BIDS BY SYSTEMICALLY IMPORTANT NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%* of the outstanding equity shares (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;
- b) 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
- c) the industry sector in which the investee company operates: 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 (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with 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 attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

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) One-third 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) Equity Shares Allotted in the Anchor Investor Portion will 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 byes.

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 UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500lakhs (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, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

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 the terms and conditions that our Company, in consultation with the BRLM may deem fit.

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 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- Retail Bidders 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, Retail Individual Investors 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.

- a) 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: — “Shree Karni Fabcom Limited - Anchor R Account”
- b) In case of Non-Resident Anchor Investors: — “Shree Karni Fabcom Limited - Anchor NR Account”
- c) Anchor Investors 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 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - i. the applications accepted by them,
 - ii. the applications uploaded by them
 - iii. the applications accepted but not uploaded by them or
 - iv. 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 Issue 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 Bakers, 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 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-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in this 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 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 1.00 p.m. on the next working day after 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 centers during the Bid/ Issue Period.

Withdrawal of Bids

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII 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 finalize the 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 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 Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

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.

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
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 (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA 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;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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 or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying

their PAN for transacting in the securities market, and (iii) 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;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to 269inalized blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of www.sebi.gov.in); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. 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 a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. 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;
14. 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);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
23. Do not Bid if you are an OCB; and
24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled ***“General Information”*** and ***“Our Management”*** beginning on pages 59 and 139.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page 59.

GROUND FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “**General Information**” beginning on page 59.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). ‘T’ being issue closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section 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 RHP. 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 Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor 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. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual 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 6,22,800 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 6,22,800 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares 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 Retail 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 2,67,000 Equity Shares 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 2,67,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. 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. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - 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.

d. For QIBs

Bids received from QIBs Bidding in the QIB Category 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:

- i. In the first instance, allocation to Mutual Funds for 5.00% of the QIB Portion shall be determined as follows:
 - In the event that Bids by Mutual Fund exceeds 5.00% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5.00% of the QIB Portion.
 - In the event that the aggregate demand from Mutual Funds is less than 5.00% 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;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
 - In the event of 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 and in multiples of [●] Equity Shares 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 and in multiples of [●] Equity Shares 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 8,88,600 Equity Shares.

iii. Basis of Allotment for QIBs 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 National Stock Exchange of India Limited Emerge (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 the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; 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, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- 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, 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 RHP.

Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited – 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 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 4 working days of the Issue Closing date. The Issuer also ensures that 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 transfer 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 4 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 website of National Stock Exchange of India Limited 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 RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited 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 NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) 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 6 (Six) days of the Issue Closing Date;

2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) 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.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall follow the timeline provided under the aforementioned circular.

BASIS OF ALLOTMENT

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. 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 over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants 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).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted [●] equity shares; and
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl 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 (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the 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, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialised Form with NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on December 5, 2023.

- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on December 1, 2023.
- c) The Company's Equity shares bear an ISIN No. INE0S4Y01010 .

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing of this Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of Business Standard (a widely circulated English national daily newspaper), Hindi editions of Business Standard (a widely circulated Hindi national daily newspaper) and Surat edition of Gujarat Guardian, a regional language newspaper (a Gujarati regional language newspaper, Gujarati being the regional language of Surat, where our Registered Office is located).

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The 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 ICDR Regulations.

SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- a) Our Company and the Underwriter have entered into an Underwriting Agreement dated February 26, 2024.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus has been filed with the RoC in accordance with applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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 for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending

up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers 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 the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh 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;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

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, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to *inter-alia*, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, *inter-alia* with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company. The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. 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 offer, 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 2017, 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 Schedule 1, 2, , 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India)

Regulations, 2017. 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.

i. 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 paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent 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.

ii. 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 Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference 373 shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis:

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – 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.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Article No.	Articles	Particulars
1.	Table F Applicable.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.
CAPITAL		
3.	Authorized Capital.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
4.	Increase of capital by the Company how carried into effect	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.
5.	New Capital same as existing capital	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6.	Non-Voting Shares	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
7.	Redeemable Preference Shares	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.
8.	Voting rights of preference shares	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
9.	Provisions to apply on issue of Redeemable Preference Shares	On the issue of redeemable preference shares under the provisions of Article hereof, the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount

Article No.	Articles	Particulars
		<p>of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>
10.	Reduction of capital	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
11.	Debentures	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>
12.	Issue of Sweat Equity Shares	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>
13.	ESOP	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>
14.	Buy Back of shares	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 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.</p>
15.	Consolidation, Sub-Division And Cancellation	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.</p>
16.	Issue of Depository Receipts	<p>Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.</p>
17.	Issue of Securities	<p>Subject to compliance with applicable provision 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 and rules framed thereunder.</p>
MODIFICATION OF CLASS RIGHTS		
18.	Modification of rights	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a</p>

Article No.	Articles	Particulars
		separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.
	New Issue of Shares not to affect rights attached to existing shares of that class.	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.
19.	Shares at the disposal of the Directors.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.
20.	Power to issue shares on preferential basis.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.
21.	Shares should be Numbered progressively and no share to be subdivided.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
22.	Acceptance of Shares.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.
23.	Directors may allot shares as full paid-up	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or 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 in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
24.	Deposit and call etc.to be a debt payable immediately.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.
25.	Liability of Members.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.
26.	Registration of Shares.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.
RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT		

Article No.	Articles	Particulars
27.		The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act
CERTIFICATES		
28.	Share Certificates.	<p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>
29.	Issue of new certificates in place of those defaced, lost or destroyed.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Article No.	Articles	Particulars
		Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
30.	The first named joint holder deemed Sole holder.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.
	Maximum number of joint holders.	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.
31.	Company not bound to recognise any interest in share other than that of registered holders.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
32.	Installment on shares to be duly paid.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.
UNDERWRITING AND BROKERAGE		
33.	Commission	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
34.	Brokerage	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.
CALLS		
35.	Directors may make calls	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.
36.	Notice of Calls	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
37.	Calls to date from resolution.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.
38.	Calls on uniform basis.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.
39.	Directors may extend time.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may

Article No.	Articles	Particulars
		deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
40.	Calls to carry interest.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
41.	Sums deemed to be calls.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
42.	Proof on trial of suit for money due on shares.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
43.	Judgment, decree, partial payment motto proceed for forfeiture.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
44.	Payments in Anticipation of calls may carry interest	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>
LIEN		
45.	Company to have Lien on shares.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

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46.	As to enforcing lien by sale.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
47.	Application of proceeds of sale.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.
FORFEITURE AND SURRENDER OF SHARES		
48.	If call or installment not paid, notice may be given.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.
49.	Terms of notice.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
50.	On default of payment, shares to be forfeited.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
51.	Notice of forfeiture to a Member	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.
52.	Forfeited shares to be property of the Company and may be sold etc.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.
53.	Members still liable to pay money owing at time of forfeiture and interest.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
54.	Effect of forfeiture.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and

Article No.	Articles	Particulars
		all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
55.	Evidence of Forfeiture.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles 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 shares.
56.	Title of purchaser and allottee of Forfeited shares.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.
57.	Cancellation of share certificate in respect of forfeited shares.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
58.	Forfeiture may be remitted.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.
59.	Validity of sale	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
60.	Surrender of shares.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.
TRANSFER AND TRANSMISSION OF SHARES		
61.	Execution of the instrument of shares.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.
62.	Transfer Form.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;
63.	Transfer not to be registered except on production of instrument of transfer.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

Article No.	Articles	Particulars
64.	Directors may refuse to register transfer.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
65.	Notice of refusal to be given to transferor and transferee.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.
66.	No fee on transfer.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.
67.	Closure of Register of Members or debenture holder or other security holders.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
68.	Custody of transfer Deeds.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.
69.	Application for transfer of partly paid shares.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
70.	Notice to transferee.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
71.	Recognition of legal representative.	<p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
72.	Titles of Shares of deceased Member	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India

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		provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.
73.	Notice of application when to be given	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.
74.	Registration of persons entitled to share otherwise than by transfer. (transmission clause).	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
75.	Refusal to register nominee.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
76.	Board may require evidence of transmission.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
77.	Company not liable for disregard of a notice prohibiting registration of transfer.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.
78.	Form of transfer Outside India.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.
79.	No transfer to insolvent etc.	No transfer shall be made to any minor, insolvent or person of unsound mind.
NOMINATION		
80.	Nomination	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p>

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		<p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>
81.	Transmission of Securities by nominee	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>
DEMATERIALIZATION OF SHARES		
82.	Dematerialisation of Securities	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.
JOINT HOLDER		
83.	Joint Holders	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.
84.	Joint and several liabilities for all payments in respect of shares.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
	Title of survivors.	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;
	Receipts of one sufficient.	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and
	Delivery of certificate and giving of notices to first named holders.	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.
SHARE WARRANTS		
85.	Power to issue share warrants	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

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86.	Deposit of share warrants	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>
87.	Privileges and disabilities of the holders of share warrant	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>
88.	Issue of new share warrant coupons	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
CONVERSION OF SHARES INTO STOCK		
89.	Conversion of shares into stock or reconversion.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>
90.	Transfer of stock.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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.
91.	Rights of stock holders.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
92.	Regulations.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.
BORROWING POWERS		
93.	Power to borrow.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.
94.	Issue of discount etc. or with special privileges.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption,

Article No.	Articles	Particulars
		surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
95.	Securing payment or repayment of Moneys borrowed.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.
96.	Bonds, Debentures etc. to be under the control of the Directors.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
97.	Mortgage of uncalled Capital.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
98.	Indemnity may be given.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.
MEETINGS OF MEMBERS		
99.	Distinction between AGM & EGM.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
100.	Extra-Ordinary General Meeting by Board and by requisition	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members
	When a Director or any two Members may call an Extra Ordinary General Meeting	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
101.	Meeting not to transact business not mentioned in notice.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.
102.	Chairman of General Meeting	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Vice Chairman of the Company so shall take the chair and preside the meeting. In the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting.
103.	Business confined to election of Chairman or Vice Chairman whilst chair is vacant.	No business, except the election of a Chairman or Vice Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.
104.	Chairman with consent may adjourn meeting.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

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		<p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) 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.</p>
105.	Chairman's casting vote.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.
106.	In what case poll taken without adjournment.	Any poll duly demanded on the election of Chairman or Vice Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.
107.	Demand for poll not to prevent transaction of other business.	The demand for a poll except on the question of the election of the Chairman or Vice Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
VOTES OF MEMBERS		
108.	Members in arrears not to vote.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.
109.	Number of votes each member entitled.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
110.	Casting of votes by a member entitled to more than one vote.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
111.	Vote of member of unsound mind and of minor	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.
112.	Postal Ballot	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.
113.	E-Voting	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
114.	Votes of joint members.	<p>a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose</p>

Article No.	Articles	Particulars
		<p>name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
115.	Votes may be given by proxy or by representative	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles
116.	Representation of a body corporate.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.
117.	Members paying money in advance.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.
	Members not prohibited if share not held for any specified period.	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.
118.	Votes in respect of shares of deceased or insolvent members.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 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 satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
119.	No votes by proxy on show of hands.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.
120.	Appointment of a Proxy.	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.
121.	Form of proxy.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
122.	Validity of votes given by proxy notwithstanding death of a member.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.
123.	Time for objections to votes.	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.
124.	Chairperson of the Meeting to be the judge of validity of any vote.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Article No.	Articles	Particulars
DIRECTORS		
125.	Number of Directors	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution
126.	Qualification shares.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.
127.	Nominee Directors.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>
128.	Appointment of alternate Director.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
129.	Additional Director	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.
130.	Directors power to fill casual vacancies.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, 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, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
131.	Sitting Fees.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.
132.	Travelling expenses Incurred by Director on Company's business.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
PROCEEDING OF THE BOARD OF DIRECTORS		
133.	Meetings of Directors.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>

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134.	Chairman and Vice Chairman	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board as well as a Vice Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, to the Vice Chairman shall preside at the meeting and in the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>
135.	Questions at Board meeting how decided.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman or the Vice Chairman, as the case may be will have a second or casting vote.
136.	Continuing directors may act notwithstanding any vacancy in the Board	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.
137.	Directors may appoint committee.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
138.	Committee Meetings how to be governed.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
139.	Chairperson of Committee Meetings	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) 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.</p>
140.	Meetings of the Committee	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>b) 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 shall have a second or casting vote.</p>
141.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.
RETIREMENT AND ROTATION OF DIRECTORS		
142.	Power to fill casual vacancy	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold

Article No.	Articles	Particulars
		office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
POWERS OF THE BOARD		
143.	Powers of the Board	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
144.	Certain powers of the Board	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say
	To acquire any property , rights etc.	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.
	To take on Lease.	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.
	To erect & construct.	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.
	To pay for property.	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
	To insure properties of the Company.	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
	To open Bank accounts.	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.

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	To secure contracts by way of mortgage.	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.
	To accept surrender of shares.	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.
	To appoint trustees for the Company.	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
	To conduct legal proceedings.	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.
	Bankruptcy & Insolvency	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.
	To issue receipts & give discharge.	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.
	To invest and deal with money of the Company.	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.
	To give Security by way of indemnity.	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;
	To determine signing powers.	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.
	Commission or share in profits.	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.

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	Bonus etc. to employees.	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.
	Transfer to Reserve Funds.	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.
	To appoint and remove officers and other employees.	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.
	To appoint Attorneys.	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and

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		any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
	To enter into contracts.	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
	To make rules.	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.
	To effect contracts etc.	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.
	To apply & obtain concessions licenses etc.	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.
	To pay commissions or interest.	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.
	To redeem preference shares.	(26) To redeem preference shares.
	To assist charitable or benevolent institutions.	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.
		(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.
		(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or

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		contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.
		<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>
MANAGING AND WHOLE-TIME DIRECTORS		
145.	Powers to appoint Managing/ Whole-time Directors.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p>

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		b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.
146.	Remuneration of Managing or Whole-time Director.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
147.	Powers and duties of Managing Director or Whole-time Director.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER		
148.	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer	<p>a) Subject to the provisions of the Act,—</p> <p>i. 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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by</p>

Article No.	Articles	Particulars
		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.
THE SEAL		
149.	The seal, its custody and use.	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>
150.	Deeds how executed.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
DIVIDEND AND RESERVES		
151.	Division of profits.	<p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p>
152.	The company in General Meeting may declare Dividends.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.
153.	Transfer to reserves	<p>a) 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
154.	Interim Dividend.	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.
155.	Debts may be deducted.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
156.	Capital paid up in advance not to earn dividend.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.
157.	Dividends in proportion to amount paid-up.	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 dividends as from a particular date such share shall rank for dividend accordingly.

Article No.	Articles	Particulars
158.	Retention of dividends until completion of transfer under Articles .	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.
159.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
160.	Effect of transfer of shares.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
161.	Dividend to joint holders.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
162.	Dividends how remitted.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
163.	Notice of dividend.	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.
164.	No interest on Dividends.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.
CAPITALIZATION		
165.	Capitalization.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) 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; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
166.	Fractional Certificates.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p>

Article No.	Articles	Particulars
		<p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>
167.	Inspection of Minutes Books of General Meetings.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>
168.	Inspection of Accounts	<p>a) 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.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
FOREIGN REGISTER		
169.	Foreign Register.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.
DOCUMENTS AND SERVICE OF NOTICES		
170.	Signing of documents & notices to be served or given.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
171.	Authentication of documents and proceedings.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.
WINDING UP		
172.		<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(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.</p> <p>(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.</p>

Article No.	Articles	Particulars
		(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 if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
INDEMNITY		
173.	Directors' and others right to indemnity.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.
174.	Not responsible for acts of others	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.
SECRECY		
175.	Secrecy	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
	Access to property information etc.	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION X - 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 our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Red Herring Prospectus, will be delivered to the ROC for registration/submission of this Red Herring Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company and on our website at www.skflindia.com, from date of filing of this Red Herring Prospectus with ROC on all Working Days until the Bid/Issue Closing Date.

1. Material Contracts for the Issue

- (i). Issue Agreement dated December 14, 2023 entered into between our Company and the Book Running Lead Manager.
- (ii). Registrar Agreement dated December 14, 2023 entered into amongst our Company and the Registrar to the Issue.
- (iii). Tripartite Agreement dated December 5, 2023 between our Company, NSDL and the Registrar to the Issue.
- (iv). Tripartite Agreement dated December 1, 2023 between our Company, CDSL and the Registrar to the Issue.
- (v). Syndicate Agreement dated February 26, 2024 executed between our Company, Book Running Lead Manager and Syndicate Member.
- (vi). Banker to the Issue Agreement dated February 26, 2024 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (vii). Market Making Agreement dated February 26, 2024 between our Company, Book Running Lead Manager and Market Maker.
- (viii). Underwriting Agreement dated February 26, 2024 amongst our Company and the Underwriters.

2. Material Documents

- (i) Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
- (ii) Certificate of Incorporation dated April 11, 2023 under the Companies Act, 1956 issued by Registrar of Companies, Central Registration Centre.
- (iii) Certificate of incorporation dated October 20, 2023 issued under the Companies Act, 2013 by the Registrar of Companies, Gujarat at Ahmedabad, pursuant to conversion of our Company into a public limited company.
- (iv) The resolution passed by the Board of Directors at its meeting held on November 9, 2023 and the resolution passed by the Shareholders of the Company in EGM held on December 8, 2023, authorizing the Issue.
- (v) Resolution of the Board of Directors of the Company dated December 15, 2023, taking on record and approving the Draft Red Herring Prospectus.
- (vi) Resolution of the Board of Directors of the Company dated February 26, 2024, taking on record and approving this Red Herring Prospectus.
- (vii) The examination reports dated December 12, 2023 issued by the Statutory Auditor, on our Company's Restated Financial Statements, included in this Red Herring Prospectus.
- (viii) Copies of the Audited Financial Statements of our Company for the Fiscals 2023 and 2022 and 2021.
- (ix) Consent of the Promoter, Directors, the Book Running lead Manager, Legal Counsel, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Banker to the Issue, Market Maker, Underwriter and Syndicate Members as referred to in their specific capacities.
- (x) Consent letter dated December 12, 2023 of the Statutory Auditor to include their names as experts in relation to their report dated December 12, 2023 on the Restated Financial Information and the Statement of Tax Benefits dated December 12, 2023 included in this Red Herring Prospectus.
- (xi) In principle listing approval dated February 23, 2024 issued by National Stock Exchange of India Limited.
- (xii) Due Diligence Certificate dated February 26, 2024, issued by the BRLM.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajiv Lakhotia
Managing Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Radhe Shyam Daga
Whole-time Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Manoj Kumar Karnani

Whole-time Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Raj Kumar Agarwal
Whole-time Director

Place: Surat

Date: February 26, 2024

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR COMPANY

Rashmi Bihani
Independent Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Swati Singhania
Independent Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sriyans Lunia
Independent Director

Place: Surat

Date: February 26, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Arbind Kumar Lahoty
Chief Financial Officer

Place: Surat

Date: February 26, 2024