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KAYTEX FABRICS LIMITED



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Corporate Identification Number: U18101PB1996PLC017639

Our company was incorporated as a private limited company under the name “*Kaytex Fabrics Private Limited*” under the provisions of the Companies Act, 1956 vide certificate of incorporation dated January 29, 1996 issued by the Registrar of Companies, Punjab, H.P. & Chandigarh. Thereafter, our company was converted from a private limited company to a public limited company, pursuant to a special resolution passed in the extraordinary general meeting of our shareholders held on December 05, 2024 and the name of our Company was changed to “*Kaytex Fabrics Limited*” with a fresh certificate of incorporation dated December 19, 2024, issued to our Company by the Assistant Registrar of Companies, Central Registration Centre. For further details on incorporation and registered office of our Company, see “*History and Certain Corporate Matters*” on page 248 of the Red Herring Prospectus dated July 21, 2025 filed with the ROC.

Registered & Corporate Office: Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India;

Contact Person: Rubina Mahajan, Company Secretary and Compliance Officer;

Telephone: 0183 – 400 9025 | **Email:** investor@kaytexfabrics.com | **Website:** https://kaytexfabrics.com/

OUR PROMOTERS : SANJEEV KANDHARI, AMIT KANDHARI, SHELLY KANDHARI AND PRITI KANDHARI

THE OFFER

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

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

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

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

The Company has not undertaken any pre-IPO placements. For further details of pre-IPO placements by the Company from the date of the DRHP, please refer to "Additional Information to investors" herein below.

PRICE BAND: ₹ 171/- to ₹ 180/- PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH
THE FLOOR PRICE AND CAP PRICE ARE 17.1 TIMES AND 18.0 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY

THE PRICE TO EARNING RATIO BASED ON DILUTED EPS FOR FISCAL 2025 AT THE FLOOR PRICE 11.63 TIMES AND AT THE CAP PRICE IS 12.24 TIMES
BIDS CAN BE MADE FOR A MINIMUM OF 1,600 EQUITY SHARES AND IN MULTIPLES OF 800 EQUITY SHARES THEREAFTER.

BID / OFFER PROGRAMME

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

*** Our Company in consultation with the BRLM, may consider closing the Bid / Offer Period for QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations.

The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Offer Closing Date.

BRIEF DESCRIPTION OF THE ISSUER COMPANY

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

The Offer is being made pursuant to Chapter IX of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time. (Initial Public Offer by Small and Medium Enterprise).

THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”). NATIONAL STOCK EXCHANGE OF INDIA LIMITED SHALL BE THE DESIGNATED STOCK EXCHANGE.

The Offer is being made through the Book Building Process in accordance with Regulation 229 (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Individual Bidder Portion: Not less than 35% of the Net Offer | Market Maker Portion 1,94,400 Equity Shares or 5.01% of the Offer. For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 325 of the RHP. For details of share reservation among QIBs, NIBs and IBs, see “Offer Structure” on page 343 of the RHP.

IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RED HERRING PROSPECTUS AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER.

In accordance with the recommendation in the meeting of Independent Directors of the Company, pursuant to their resolution dated July 16, 2025, the provided price band is justified based on quantitative factors/ KPIs disclosed in the “Basis for Offer Price” section on page 129 of the RHP.

RISKS TO INVESTORS

1. **Risk to Investors:** For details refer to section titled “Risk Factors” on page 39 of the RHP

a) **Significant concentration of our revenues in the Northern India region:** During Fiscals 2025, 2024, and 2023, we derived 89.68%, 94.81%, and 91.05% of our revenue from domestic sales to customers in Northern India, exposing us to region-specific risks. However, we have not faced any adverse impact from such risks during the last three financial years.

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

c) **We are exposed to business risks arising from fluctuations in demand and shifts in consumer preferences within the fast-fashion fabrics industry:** Our business is significantly influenced by consumer preferences and fashion trends, particularly in the Indian wear and fast-fashion fabrics market. The success of our products, including digitally printed fabrics, jacquard fabrics, corduroy fabrics, dobby fabrics, and ready-to-stitch garments, depends on our ability to anticipate, identify, and respond to evolving consumer demands and emerging fashion trends.

d) **We are exposed to operational risks associated with our recent adoption of digital textile printing technology, and any disruptions or inefficiencies in its implementation may adversely impact our business and financial performance:** Our digital textile printing segment is a key growth driver for our business, enabling us to offer customized, high-quality fabrics with modern designs and faster turnaround times, which align with the demand for fast-fashion products. We have recently adopted digital printing technology in 2020 as part of our efforts to diversify our product offerings and enhance production efficiency. However, as a recent entrant in the digital textile printing segment, we face additional risks related to limited operational experience, initial investments, and market acceptance of our digitally printed products.

e) **We are exposed to supply chain risks due to the absence of long-term agreements for procurement of raw materials, and our dependence on a limited number of key suppliers may impact our business and financial performance in case of supply disruptions or adverse pricing:** We are dependent on key suppliers for few of our primary raw materials, such as yarns, chemicals, dyes, inks and greige fabrics which are the primary raw materials used in the manufacture of our products. During Fiscals 2025, 2024 and 2023, we sourced raw materials from 222 suppliers, 210 suppliers and 202 suppliers, respectively. We procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability.

f) **We are exposed to financial risks arising from delays or defaults in customer payments:** Such delays may lead to increased working capital requirements and could affect our profitability and financial stability. For Fiscals 2025, 2024, and 2023, our trade receivables stood at ₹ 3,545.70 lakhs, ₹ 2,836.78 lakhs, and ₹ 2,569.16 lakhs, respectively. Our average receivable days were 85, 83, and 95 days in the respective periods. While we have not incurred any bad debts to date, continued reliance on timely customer payments remains critical to our cash flow and operations.

g) **Risk Related to the Offer for Sale:** The Company will not receive any funds from the Offer for Sale, and it will not contribute to the creation of value for the Company or your investment.
- h) **Our operations rely solely on our production facility in Amritsar:** Any disruption such as equipment failure, labour issues, or regional disturbances—could impact our business and profitability. For example, a two-month shutdown during the COVID-19 lockdown affected our operations. Due to this geographic concentration, we remain exposed to local risks that could adversely affect our performance.

i) **Expansion Risk:** Our growth depends on expanding into new geographies, international markets, and online channels. Failure to do so may limit revenue and market share. Challenges include local regulations, changing consumer preferences, logistical issues, and increased competition. Inability to scale our digital presence or adapt to new markets may adversely impact our business and financial performance.

j) **Our business significantly depends on the experience and leadership of our Promoters** who collectively have decades of industry experience. Their continued involvement is critical to our operations, customer relationships, and future growth. Any loss of their services could adversely affect our business.

k) The Price Band and Offer Price are based on various factors and assumptions determined in consultation with the Book Running Lead Manager. These may not reflect the market price upon listing, which will be influenced by market conditions beyond our control.

l) **The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders:**

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

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

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

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

^ Nil is the lowest price since bonus issue for 1,10,00,000 equity shares were made on September 04, 2024.

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

For further details see section titled “Risk Factors” on page 39 and the financials of the Company including profitability and return ratios, as set out in the section titled “Restated Financial Information” on page 273 of the RHP for a more informed view.

(Continued next page...)

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2. Details of suitable ratios such as price/ revenues, price/ earnings, enterprise value/ EBITDA, earnings per share, net asset value per share, return on equity, return on capital employed, of the company and its peer group for the latest full financial year

Particulars	CMP*	Face Value (₹)	Basic EPS (₹)	P / E Ratio (times)	EBITDA (₹ In lakh)	RoNW (%)	NAV (₹)	Return on capital employed	Return on equity
Kaytex Fabrics Limited	[●]	10.00	14.70	[●]	3,006.22	33.76%	43.54	33.24%	40.43%
Peer Group									
VeeKayem Fashion and Apparels Limited	246.10	10.00	13.01	18.92	2,331.11	13.76%	95.44	13.65%	15.71%
Banswara Syntex Limited	145.01	5.00	6.25	23.20	10,143.64	3.83%	163.11	5.52%	3.91%
Donear Industries Limited	107.73	2.00	6.13	17.57	8,269.37	13.59%	45.14	12.02%	14.52%

Source: www.nseindia.com and www.bseindia.com

Notes:

- (1) The figures for the listed industry peers are based on the Audited Standalone Financial Statements filed for the financial year ended March 31, 2025.
- (2) P / E Ratio has been computed based on their respective closing market price on July 18, 2025 as divided by the Basic EPS as on March 31, 2025.
- (3) CMP is the closing prices or the last traded price of respective scripts as on July 18, 2025.

3. Weighted average return on net worth for the last 3 FYs, and return on net worth for any interim period for the issuer company.

As derived from the Restated Financial Information:

Fiscal Year / period ended	RoNW (%)	Weights
March 31, 2025	33.76%	3
March 31, 2024	33.71%	2
March 31, 2023	26.45%	1
Weighted Average	32.53%	

Notes:

1. Return on net worth is calculated as restated profit/(loss) for the year divided by net worth.
2. For the purposes of the above, “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation each as applicable for the Company on restated basis.

4. Disclosures as per clause (9)(K)(4) of part a to Schedule VI, as applicable:

a) The price per share of our Company based on the primary/ new Offer of shares (equity / convertible securities), excluding shares issued under ESOP/ ESOS and issuance of bonus shares

There has been no issuance of Equity Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

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

c) Since there is no eligible transaction of our Company reported in (a) or (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on the Board, are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions

Primary transactions:

Except as disclosed below, there are no primary transactions in the last three years preceding where our Promoters, Promoter Group, Selling Shareholders, or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction, in the last three years preceding the date of the Red Herring Prospectus irrespective of the size of the transaction:

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

Secondary transactions:

Except as disclosed below, there have been no secondary transactions where our Promoters, Promoter Group, Selling Shareholders, or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction, in the last three years preceding the date of the Red Herring Prospectus:

S. No.	Name of Acquirer	Date of Transaction	Nature of Transaction	Acquisition Price per Specified securities (in ₹)	Number of Specified securities acquired
1	Sagar Kandhari	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	10
2	Devika Arora	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	10
3	Sweety Ahuja	November 18, 2024	Acquired by way of Gift from Sanjeev Kandhari	Nil	5
4	Sahil Kandhari	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	10
5	Chahat Kandhari	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	10
6	Sweety Ahuja	November 18, 2024	Acquired by way of Gift from Amit Kandhari	Nil	5

d) Weighted average cost of acquisition, Offer Price

Based on the disclosures in (c) above, the weighted average cost of acquisition of Equity Shares as compared with the Offer Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹171/-)	Cap price* (i.e. ₹180/-)
Weighted average cost of acquisition of primary issuances	Nil	Nil	Nil
Weighted average cost of acquisition for secondary transactions	Nil	Nil	Nil

e) Explanation for Offer Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 4 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2025, 2024 and 2023

Our company has shown consistent improvement over the Fiscals 2023, 2024, and 2025. Revenue has grown steadily, with EBITDA margins increasing from 12.89% in FY 2023 to 19.68% in FY 2025, signalling improved cost efficiency, while PAT margins climbed from 5.64% in FY 2023 to 11.06% in FY 2025, reflecting profitability. Return on Equity (ROE) improved from 30.48% in FY 2023 to 40.43% in FY 2025, while Return on Capital Employed (ROCE) increased from 25.81% in FY 2023 to 33.25% in FY 2025, indicating efficient utilization of shareholder and overall capital to generate returns. Efficiency ratios further highlight operational improvements. Total debt to equity ratio has improved from 1.28 times in FY 2023 to 0.76 times in FY 2025.

f) Explanation for Offer Price being [●] times of weighted average cost of acquisition of primary issuance price of Equity Shares (set out in 4 (d) above) in view of the external factors which may have influenced the pricing of the Offer

- The Indian textile industry market size projected to nearly double from USD 165 billion in CY 2023 to USD 350 billion by CY 2030F, reflecting a CAGR of 11.3%. Increasing disposable incomes and a growing middle class are driving demand for textile products. Government initiatives such as the Production Linked Incentive (PLI) scheme and Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA) are promoting modernization and enhancing global competitiveness. (Source: D&B Report)
- The total annual production of fabric (comprising of cotton woven fabrics and polyester/viscose blended fabric) in India is estimated to be nearly 508 million running metres in FY 2024. Between FY 2021-24, the production has increased at 16.7% CAGR, indicating a positive trend. (Source: D&B Report)
- The Indian textile printing market is a significant contributor to the country's economy, with revenues steadily increasing from USD 47.8 billion in 2020 to USD 56.9 billion in 2024, exhibiting a CAGR of 4.4%. The revenues are projected to reach USD 87.85 billion by CY 2030F, driven by a robust CAGR of 7.5% from CY 2024E to CY 2030F. This growth is attributed to factors such as rising domestic consumption, increasing exports, and a growing preference for branded and high-quality textiles. (Source: D&B Report)
- The Global Digital Textile Printing Market is on a strong growth trajectory, with revenues increasing from USD 3,884.3 million in CY 2020 to USD 5,670.2 million by CY 2024E at a CAGR of 9.92%. It is poised for a period of sustained growth, with revenues projected to reach USD 11.67 billion by CY 2030F, up from USD 5.67 billion in CY 2024E at a CAGR of 12.8%. (Source: D&B Report)
- The Indian digital textile printing market has been steadily growing, with revenues projected to reach USD 648.4 million in CY 2024E from USD 497.4 million in CY 2020 at a CAGR of 6.85%. It is poised for significant growth in the coming years, with revenues projected to reach USD 1,212.3 million by CY 2030F, up from USD 648.4 million in CY 2024E at a CAGR of 11.0%. (Source: D&B Report)
- This growth can be attributed to several factors, including increasing demand for personalized and customized fabrics, rapid advancements in digital textile printing technology, growing preference for sustainable and eco-friendly printing methods, rising popularity of fast fashion and e-commerce platforms, government's initiatives such as subsidies and incentives to promote skill development programs, growing influence of global fashion trends and the increasing exposure of Indian consumers to international brands are driving the demand for high-quality and innovative printing technologies. (Source: D&B Report)

The Offer Price of ₹ [●] has been determined by our company in consultation with the Book Running Lead Manager and justified by our company in consultation with the Book Running Lead Manager on the basis of the above information. Investors should also refer to “Our Business”, “Risk Factors”, “Restated Financial Information”, “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Other Financial Information” on pages 203, 39, 273, 277 and 274 of RHP, respectively, to get a more informed view before making an investment decision. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investment.

ADDITIONAL INFORMATION FOR INVESTORS

1. The Company had made no provision for Pre-IPO placement in the Draft Red Herring Prospectus (DRHP) and hence no Pre-IPO placement has been undertaken or completed from the date of filing of the DRHP till date.
2. There have been no transactions of shares aggregating 1% or more of the paid-up equity share capital by the Promoters or Promoter Group since the date of filing of the DRHP.
3. Shareholding of our Promoters and the members of our Promoter Group (other than our Promoters), the Selling Shareholders and Additional Top 10 shareholders as at allotment of our Company is set out below:

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

Notes:

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

2) Includes all options that have been exercised until date of Prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of Prospectus.

3) Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.

* Also, the Promoter Selling Shareholders.


The Offer Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10/- each and the Offer Price is 17.1 times the face value at the lower end of the Price Band and 18.0 times the face value at the higher end of the Price Band.

BASIS FOR OFFER PRICE	
<i>(The “Basis for Offer Price” on page 129 of the RHP has been updated as above. Please refer to the websites of the BRLM at https://socradamus.in/, and website of the Company at https://kaytextfabrics.com/, for the “Basis for Offer Price” updated for the above)</i>	
INDICATIVE TIMELINES FOR THE OFFER	

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid / Offer Closing Date	Thursday, July 31, 2025
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before Friday, August 01, 2025
Initiation of Refunds for Anchor Investors / unblocking of funds from ASBA Account*	On or before Monday, August 04, 2025
Credit of Equity Shares to demat account of the Allottees	On or before Monday, August 04, 2025
Commencement of trading of the Equity Shares on the Stock Exchange	On or before Tuesday, August 05, 2025

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/ deletion is placed in the Stock Exchange bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the investor shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding two Working Days from the Bid / Offer Closing Date, the investor shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The investor shall be compensated in the manner specified in the SEBI master circular and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable. The processing fees for Bids made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA *	Simple, Safe, Smart way of Application- Make use of it!!! *Application Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For further details check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted.
	UPI – Now available in ASBA for Individual Bidders and Non-Institutional Bidders applying for amount up to ₹ 5,00,000/- through Registered Brokers, DPs & RTAs. UPI Bidder also have the option to submit the Application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the Bank Account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, CBDT circular no. 7 of 2022 and press release dated June 25, 2021, read with press release dated September 17, 2021, March 30, 2022 and March 28, 2023.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in the Bid cum Application form and abridged prospectus and also please refer to the section “Offer Procedure” on page 347 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“AIBI”) and Stock Exchange and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the website of National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Kotak Mahindra Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For offer related queries, please contact the BRLM at their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll-free number: 18001201740 and mail id: ipo.upi@npci.org.in.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects of the Company, please see the section “History and Certain Corporate Matters” on page 248 of RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For details, see the section “Material Contracts and Documents for Inspection” on page 396 of the RHP

Liability of the Members of the Company: Limited by shares.

Amount of Share Capital of our Company and Capital Structure: As on the date of the RHP, the authorised capital of the Company is ₹1,800.00 Lakhs divided into 1,80,00,000 Equity Shares of face value of ₹10/- each. The issued, subscribed and paid-up share capital of the Company is ₹1,150.00 Lakhs divided into 1,15,00,000 Equity Shares of ₹10/- each. For details, see the chapter “Capital Structure” on page 96 of the RHP.

Names of Signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The initial signatory to Memorandum of Association of our Company was Sanjeev Kandhari, Amit Kandhari and Krishan Kumar Kandhari as our company was incorporated as private company who subscribed 300 equity shares of ₹10/- each. For details of the share capital history of our Company, please see the section titled “Capital Structure” on page 96 of the RHP.

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

Disclaimer Clause of The Securities and Exchange Board of India (“SEBI”): Since the Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended, the Draft Offer Document was not filed with SEBI and SEBI has not issued any observations on it. However, the investors are advised to refer to page 327 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE (Designated Stock Exchange): It is to be distinctly understood that the 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 certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the RHP for the full text of the “Disclaimer Clause of the NSE” on page 330 of the RHP.

General Risk: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 39 of RHP.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 SOCRADAMUS CAPITAL PRIVATE LIMITED Gala No. 303, Cama Industrial Estate, Sun Mill Compound, Delisle Road, Lower Parel (West), Mumbai – 400 013, Maharashtra, India Telephone: 022 – 4961 4235 Email: info@socradamus.in Website: https://socradamus.in/ Investor Grievance E-mail: investors@socradamus.in Contact Person: Kritika Rupda SEBI Registration Number: INM000013138	 BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India Telephone: 022 – 6263 8200 Email: ipo@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C SEBI Registration Number: INR000001385	 KAYTEX FABRICS LIMITED Rubina Mahajan Company Secretary and Compliance Officer. Address: Batala Road, Post Office Khanna Nagar, Amritsar – 143 001, Punjab, India Telephone: 0183 – 400 9025 Email: contact@kaytextfabrics.com Investor Grievance E-mail: investor@kaytextfabrics.com Website: https://kaytextfabrics.com/ Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-issue or post-issue related grievances including non-receipt of letters of allotment, non-credit of allotted equity shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all issue related queries and for redressal of complaints, investors may also write to the BRLM.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the section titled “Risk Factors” on page 39 of the RHP, before applying in the Offer. A copy of the RHP is available on website of SEBI at www.sebi.gov.in, website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com, respectively, and on the website of the Company at <https://kaytextfabrics.com/> and on the website of the BRLM, i.e. Socradamus Capital Private Limited at <https://socradamus.in/>.

AVAILABILITY OF ABRIDGED PROSPECTUS: A copy of the Abridged Prospectus will be available at the website of the Company at <https://kaytextfabrics.com/>, the BRLM at <https://socradamus.in/>, and Registrar to the Offer at www.bigshareonline.com.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered and Corporate office of **Kaytex Fabrics Limited**, Tel: 0183 – 400 9025, **BRLM: Socradamus Capital Private Limited**, Tel: 022 – 4961 4235; and at the select locations of the Sub-syndicate Members, SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the website NSE and the Designated Branches of SCSBs, the list of which is available at website of the Stock Exchange and SEBI.

SYNDICATE MEMBER: Gretex Share Broking Limited

SUB-SYNDICATE MEMBERS: Not Applicable

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: Kotak Mahindra Bank Limited.

UPI: UPI Bidders can also bid through UPI mechanism

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For Kaytex Fabrics Limited On behalf of the Board of Directors Sd/- Sanjeev Kandhari Chairman and Managing Director	
Date: July 22, 2025 Place: Amritsar, Punjab	

Kaytex Fabrics Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make initial public offering of its equity shares and has filed the RHP with the RoC. The RHP is available on the website of SEBI at www.sebi.gov.in, the website of the BRLM at <https://socradamus.in/>, website of the NSE at www.nseindia.com and website of the Company at <https://kaytextfabrics.com/>. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” on page 39 of the RHP. Potential Bidders should not rely on the DRHP filed with NSE for making any investment decision instead investors shall rely on RHP filed with the RoC.

This announcement is not an issue of securities for sale in the United States or elsewhere. This announcement has been prepared for publication in India only and is not for publication or distribution, directly or indirectly, in or into the United States. The Equity Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”) and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. There will be no offering of securities in the United States.