(Please scan this QR code to view the Draft Red Herring Prospectus and the Draft Abridged Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated September 17, 2026
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

THREAD OF LIFE

RUDRA COTTEX LIMITED
CORPORATE IDENTITY NUMBER: U13111GJ2016PLC086570

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, 380 060, India	Survey No. 808 & 836 to 843, Village - Kadjodra Devkaran Na Muwada Road, Bayad Road, Dehgam, Gandhinagar, Gujarat – 382315, India.	Jotaniya Sahul Natvarbhai, Company Secretary and Compliance Officer	**E-mail:** cs@rudracottex.com **Tel:** +91 99099 59541	https://rudracottex.com

OUR PROMOTERS: RAHULKUMAR ABJI DHOLU, RADHESHYAM PARSHOTTAMBHAI POKAR AND PATEL NILESH KUMAR BABUBHAI

DETAILS OF THE ISSUE TO THE PUBLIC

TYPE	SIZE OF FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs AND RIBs
Fresh Issue	Up to 12,500,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million#	Not Applicable	Up to 12,500,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million	The Issue is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures—Eligibility for the Issue"* on page 405. For details in relation to share reservation among Qualified Institutional Buyers ("**QIBs**"), Non- Institutional Bidders ("**NIBs**") and Retail Individual Bidders ("**RIBs**") see "*Issue Structure"* on page 421.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Shares is ₹ 10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager ("**BRLM**"), on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance of SEBI ICDR Regulations, as stated under "*Basis for Issue Price*" on page 153 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 of face value of ₹ 10 each in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 24.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of face value of ₹ 10 each to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", together with BSE, the "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Issue, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO		CONTACT PERSON	E-MAIL AND TELEPHONE
BEELINE	Beeline Capital Advisors Private Limited	Nikhil Shah	**E-mail**: mb@beelinemb.com **Tel**: +91 79 4918 5784

REGISTRAR TO THE ISSUE

NAME AND LOGO OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE

KFINTECH	KFIN Technologies Limited	M Murali Krishna	**E-mail**: rudra.ipo@kfintech.com **Tel**: +91 40 6716 2222

BID / ISSUE PERIOD					
ANCHOR INVESTOR BIDDING DATE[(1)]	[●]	**BID / ISSUE OPENS ON**	[●]	**BID / ISSUE CLOSES ON**[(2)(3)#]	[●]

(1) *Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Date shall be 1 (one) Working Day prior to the Bid/Issue Opening Date.*
(2) *Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Issue Period for QIBs 1 (one) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*
(3) *UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Issue Closing Date.*

[#]*Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement (as defined hereinafter) prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (regulation) Rules, 1957, as amended ("**SCRR**"). The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilization of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or the Issue may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus and intimated to the Stock Exchanges, in accordance with the SEBI ICDR Regulations.*

RUDRA COTTEX LIMITED

Our Company was incorporated as 'Rudra Cottex Private Limited' as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 23, 2016, issued by the Assistant Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted from private limited company to a public limited company pursuant to a resolution passed by Board of Directors of our Company on July 18, 2026 and a special resolution passed by the Shareholders of our Company on August 14, 2026, consequent to which the name of our Company was changed to its present name 'Rudra Cottex Limited' and a fresh certificate of incorporation dated September 02, 2026 was issued to our Company by the Registrar of Companies, Central Processing Centre. For details in relation to changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 279.

Corporate Identity Number: U13111GJ2016PLC086570
Registered Office: 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, 380060, India
Corporate Office: Survey No. 808 & 836 to 843, Village: - Kadjodra Devkaran Na Muwada Road, Bayad Road, Dehgam, Gandhinagar, Gujarat – 382315, India
Telephone: +91 99099 59541; **Website**: https://rudracottex.com/
Contact Person: Jotaniya Sahul Natvarbhai, Company Secretary and Compliance Officer; **E-mail**: cs@rudracottex.com

OUR PROMOTERS: RAHULKUMAR ABJI DHOLU, RADHESHYAM PARSHOTTAMBHAI POKAR AND PATEL NILESH KUMAR BABUBHAI

INITIAL PUBLIC OFFERING OF UP TO 12,500,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF RUDRA COTTEX LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY CONSIDER A PRE-IPO PLACEMENT PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLM. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SCRR. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. THE UTILIZATION OF THE PROCEEDS RAISED PURSUANT TO THE ALLOTMENT OF THE EQUITY SHARES ISSUED PURSUANT TO THE PRE- IPO PLACEMENT WILL BE DONE TOWARDS THE OBJECTS IN COMPLIANCE WITH REQUIREMENTS PRESCRIBED UNDER THE COMPANIES ACT AND OTHER APPLICABLE LAW. PRIOR TO THE COMPLETION OF THE ISSUE, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE ISSUE OR THE ISSUE MAY BE SUCCESSFUL AND WILL RESULT IN LISTING OF THE EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ON THE STOCK EXCHANGES. OUR COMPANY SHALL REPORT ANY PRE-IPO PLACEMENT TO THE STOCK EXCHANGES, WITHIN 24 HOURS OF SUCH PRE-IPO PLACEMENT (IN PART OR IN ENTIRETY). FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS AND INTIMATED TO THE STOCK EXCHANGES, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. 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 [•], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [•], A HINDI NATIONAL DAILY NEWSPAPER, AND ALL EDITIONS OF [•], A GUJARATI REGIONAL DAILY NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least 3 additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of 1 Working Day, 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 Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and at the terminals of the Syndicate Members and by intimation to the Self-Certified Syndicate Banks and other Designated Intermediaries and the Sponsor Banks, as applicable.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company may, in consultation with the BRLM, allocate up to 60% of the Net QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"). 40% of the Anchor Investor Portion shall be reserved as follows: (i) 33.33% shall be reserved for domestic Mutual Funds; and (ii) 6.67% shall be reserved for life insurance companies registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938 and pension funds registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Any undersubscription in reserved category specified in clause (ii) above may be allocated for domestic Mutual Funds in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion (other than Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to domestic Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹1.0 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price; and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders using the UPI Mechanism (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For further details, see "*Issue Procedure*" on page 425.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public offering of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and in accordance of SEBI ICDR Regulations, as stated under "*Basis for Issue Price*" on page 153 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 RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 of face value of ₹ 10 each in the Issue have not been recommended or approved by 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 24.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of face value of ₹10 each to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE and NSE. For the purposes of the Issue, [●] is the Designated Stock Exchange. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 463.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
BEELINE Capital Advisors Pvt. Ltd.	KFINTECH EXPERIENCE TRANSFORMATION
Beeline Capital Advisors Private Limited B 1311-1314 Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad Gujarat 380 054 India. Tel: +91 79 4918 5784 E-mail: mb@beelinemb.com Website: www.beelinemb.com Investor grievance ID: ig@beelinemb.com Contact person: Nikhil Shah SEBI registration no.: INM000012917	**KFIN Technologies Limited** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400 070, Maharashtra, India Tel: +91 40 6716 2222 E-mail: rudra.ipo@kfintech.com Website: www.kfintech.com Investor grievance ID: einward.ris@kfintech.com Contact person: M Murali Krishna SEBI registration no.: INR000000221

BID/ ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE[(1)]:	[●]	**BID/ISSUE OPENS ON:**	[●]	**BID/ISSUE CLOSES ON[(2)(3)]:**	[●]

(1) *Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Date will be 1 Working Day prior to the Bid/Issue Opening Date.*

(2) *Our Company, in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs 1 Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*

(3) *UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Issue Closing Date.*

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SECTION I: GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies or unless otherwise specified, shall have the meanings as provided below. References to any legislations, acts, regulations, rules, guidelines, policies, circulars, notifications or clarifications shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, updated, modified, 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 thereunder. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meanings ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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

Notwithstanding the foregoing, the terms used in "Objects of the Issue", "Basis for Issue Price", "Statement of Special Tax Benefits", "Industry Overview", "Our Business", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Financial Information", "Other Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Issue Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 119, 153, 164, 170, 242, 271, 279, 308, 361, 307, 361, 363, 397, 404, 425 *and 443, respectively, shall have the respective meanings ascribed to them in the relevant sections.*

General Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Rudra Cottex Limited (formerly known as Rudra Cottex Private Limited), a public limited company incorporated under Companies Act, 2013 and having its registered office situated at 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat 380060, India.
"We" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company.

Company Related Terms

Term	Description
"Articles of Association" or "Articles" or "AOA"	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board constituted in accordance with the Companies Act and the SEBI Listing Regulations and as described in "*Our Management - Committees of Our Board - Audit Committee*" on page 291.
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, namely M/s Mistry & Shah LLP, Chartered Accountants, Firm Registration Number: 122702W/ W100683.
"Board" or "Board of Directors"	The board of directors of our Company and where applicable or implied by context, includes or a duly constituted committee thereof as described in "*Our Management - Board of Directors*" on page 285.
Chairman & Managing Director	The chairman of the Board of Directors and managing director, Mr. Rahulkumar Abji Dholu. For details, see "Our Management - *Board of Directors*" on page 285.
"Chief Financial Officer" or "CFO"	Our Company's chief financial officer, Patel Utsavkumar Arvindbhai. For details, see "*Our Management— Key Managerial Personnel*" on page 297.
Committee(s)	Duly constituted committee(s) of our Board. For further details, see "*Our Management* – Committees of Our Board" on page 290.
Company Secretary and Compliance Officer	Our Company's company secretary and compliance officer, Jotaniya Sahul Natvarbhai. For details, see "*Our Management—Key Managerial Personnel*" on page 297.
Corporate Office	Survey No. 808 & 836 to 843, Village: Kadjodra Devkaran Na Muwada Road, Bayad Road, Dehgam, Gandhinagar, Gujarat – 382315, India.
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act and as described in "*Our Management - Committees of Our Board - Corporate Social Responsibility Committee*" on page 295.
Director(s)	The director(s) on our Board, as appointed from time to time and as described in "*Our Management - Board of Directors*" on page 285.

Term	Description
Equity Shares	Equity shares of face value of ₹10 each of our Company, unless otherwise stated.
Executive Director(s)	The executive director(s) of our Company. For details, see "*Our Management — Board of Directors*" on page 285.
Group Companies	The group companies of our Company, identified in accordance with Regulation 2(1)(t) of the SEBI ICDR Regulations. For details, see *"Our Group Companies"* on page 305
Independent Directors(s)	The independent Director(s) on our Board appointed as per the Companies Act and the SEBI Listing Regulations. For details of our Independent Directors, see "*Our Management— Board of Directors*" on page 285.
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act. For details, see "*Our Management—Key Managerial Personnel*" on page 297.
Materiality Policy	The materiality policy of our Company adopted pursuant to a resolution of our Board dated September 17, 2026 for the identification of (a) material outstanding litigations; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
"Memorandum of Association" or "Memorandum" or "MOA"	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the Companies Act and SEBI Listing Regulations and as described in "*Our Management — Committees of our Board—Nomination and Remuneration Committee*" on page 293.
Non-Executive Directors	A Director, not being an Executive Director. For details, see "*Our Management — Board of Directors*" on page 285.
Promoters	Our Company's Promoters, Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai. For details, see "*Our Promoters and Promoter Group*" on page 300.
Promoter Group	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 300.
Registered Office	403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat – 380060, India.
Registrar of Companies or RoC	The Registrar of Companies, Gujarat at Ahmedabad.
"Restated Financial Information" or "Restated Standalone Financial Information"	Restated standalone financial information of the Company comprising the restated standalone statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated standalone statements of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity, and the restated standalone cash flow statement for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, notes to the restated standalone financial information, including material accounting policy information and other explanatory information, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended.
"Senior Management" or "SMP"	The senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see "*Our Management—Senior Management*" on page 297.
Shareholders	The holders of Equity Shares of our Company, from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act and SEBI Listing Regulations and as described in "*Our Management - Committees of the Board - Stakeholders' Relationship Committee*" on page 294.

Issue Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form.
"Allotment" or "Allot" or "Allotted"	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue to the successful Bidders.

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100.00 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be Allotted to the Anchor Investors during the Anchor Investor Bid Period in terms of the Red Herring Prospectus and the Prospectus, which shall be determined by our Company in consultation with the BRLM.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus.
"Anchor Investor Bid/Issue Date" or "Anchor Investor Bid/Issue Period"	The day being 1 Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay-In Date	With respect to the Anchor Investor(s), the Anchor Investor Bid/Issue Date, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, no later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 40% of the Anchor Investor Portion shall be reserved as under: (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above, may be allocated to domestic Mutual Funds.
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by UPI Bidders using UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder in which the Bid Amount is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	All Bidder(s), except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account Bank(s), the Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Issue as described in "*Issue Procedure*" on page 425.
Bid(s)	An indication to make an offer during the Bid/Issue Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations, the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares of face value ₹ 10 each Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon

Term	Description
	submission of such Bid.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares of face value ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation. Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs 1 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, by issuing public notice, and shall by indicating change on the websites of the BRLM and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the 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 any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation.
Bid/Issue Period	Except in relation to Anchor Investors, 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 in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of 3 Working Day for all categories of Bidders, other than Anchor Investors. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLM, may for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of 1 Working Day, subject to the Bid/Issue Period not exceeding 10 Working Days. Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for the QIB Portion 1 Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
"Bidder" or "Applicant" or "Investor"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	The 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.
"Book Running Lead Manager" or "BRLM"	The book running lead manager to the Issue, namely, Beeline Capital Advisors Private Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, using the UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares of face value ₹10 each sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/Issue Date.

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Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement to be entered among our Company, the BRLM, the Syndicate Members, the Registrar to the Issue, and the Banker(s) to the Issue for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars.
Chartered Engineer	An independent chartered engineer appointed by our Company for the purpose of the Issue, namely, Babulal A Ughreja, registered with The Institution of Engineers (India) bearing registration number 115758/7.
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialized account.
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEB RTA Master Circular (to the extent applicable) and UPI Circulars issued by the SEBI, as per the list available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Cost Vetting Report	The report dated September 17, 2026 issued by Dun & Bradstreet in respect of the capital expenditure proposed to be funded from the Net Proceeds.
Cut-off Price	Issue Price finalized by our Company, in consultation with the BRLM, which may be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
D&B Report	The Industry Report titled "*Industry Report on Cotton Yarn Industry in India*" of September, 2026 prepared and issued by Dun & Bradstreet.
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable.
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time, or any such other website as may be prescribed by the SEBI.
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Accounts(s) to the Public Issue Account(s) or the Refund Account(s), as the case may be, and instructions are given to the SCSBs (in case of UPI Bidders using UPI Mechanism, instructions through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares of face value of ₹ 10 each will be Allotted in the Issue to the successful Bidders.
Designated Intermediaries	Collectively, the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders in relation to the Issue. In relation to ASBA Forms submitted by Retail Individual Bidders bidding in Retail Portion and Non-Institutional Bidders Bidding with an application size of up to ₹0.50 million (not using the UPI Mechanism) by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs

Term	Description
	In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
Designated Stock Exchange	[●]
Document Repository Platform	The online platform set up by the stock exchanges to upload and maintain documents electronically as required in terms of SEBI Merchant Bankers Regulations and SEBI circular number SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/170 dated December 5, 2024.
Dun & Bradstreet	Dun & Bradstreet Information Services India Private Limited
Draft Abridged Prospectus	The memorandum dated September 17, 2026 containing such salient features of this Draft Red Herring Prospectus as may be specified by SEBI in this regard.
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 17, 2026 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue including any addenda or corrigenda thereto.
Eligible FPIs	FPI(s) that are eligible to participate in the Issue in terms of applicable laws and from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby.
Eligible NRI(s)	NRI(s) that are eligible to participate in this Issue in terms of applicable laws and are from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby.
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favor the Bidders (excluding ASBA Bidders) will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) shall be opened, in this case being [●].
"First Bidder" or "Sole Bidder"	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares at or above which the Issue Price and the Anchor Investor Issue Price will be finalized and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fresh Issue	The issue of up to 12,500,000 Equity Shares aggregating up to ₹ [●] million by our Company. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under the applicable law, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

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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" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, modified and updated pursuant to the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM.
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company.
Issue	The initial public offer of up to 12,500,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] each), aggregating up to ₹ [●] million comprising the Fresh Issue. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under the applicable law, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.
Issue Agreement	The agreement dated September 17, 2026 entered into among our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price (within the Price Band) at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price which will be decided by our Company in consultation with the BRLM in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLM, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency.
Monitoring Agency	[●]
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares of face value ₹ 10 each, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and Securities and Exchange Board of India (Mutual Funds) Regulations, 2026.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue related expenses, see "*Objects of the Issue"* on page 119.
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors.
"Non-Institutional Bidders" or "Non-Institutional Investors" or "NIBs" or "NIIs"	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹0.20 million (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue comprising of [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above Issue price, out of which (a) one-third shall be reserved for NIBs with application size of more than ₹0.20 million

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	and up to ₹1.00 million; and (b) two-thirds shall be reserved for NIBs with application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.
"Non-Resident Indians" or "NRI(s)"	Person resident outside India, as defined under FEMA and includes NRIs, FPIs, VCFs and FVCIs.
Practicing Company Secretary	The practicing company secretary appointed by our Company namely, M/s. M Lalwani & Associates, bearing firm registration number S2019RI661800.
Pre-IPO Placement	Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under the applicable law, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus, in accordance with the SEBI ICDR Regulations.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat 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 Exchanges for the purpose of uploading on their respective websites. Provided that the Cap Price shall be the minimum 105% of the Floor Price and shall not exceed than 120% of the Floor Price.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The prospectus for the Issue to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act 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	'No-lien' and 'non-interest-bearing' bank account to be opened in accordance with Section 40 of the Companies Act, with the Public Issue Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date.
Public Issue Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with which the Public Issue Account shall be opened, in this case being [●].
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Issue consisting of [●] Equity Shares of face value of ₹ 10 each, which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price or the Anchor Investor Issue Price, as applicable.
"Qualified Institutional Buyers", "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of

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	the Issue Price, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least 3 Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 2026, as amended and having nationwide terminals, other than the Members of the BRLM an Syndicate and eligible to procure Bids in terms of SEBI ICDR Master Circular and UPI Circulars.
Registrar Agreement	The agreement dated September 17, 2026 entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI RTA Master Circular and the UPI Circulars, as per the lists available on the websites of the BSE and NSE.
"Registrar to the Issue" or "Registrar"	KFin Technologies Limited.
Resident Indian	A person resident in India, as defined under FEMA.
"Retail Individual Bidders" or "Retail Individual Investors" or "RIBs" or "RIIs"	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹0.20 million in any of the bidding options in the Issue (including HUFs applying through the karta and Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Issue, or [●] Equity Shares, which 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.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of 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
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35,as applicable and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the Members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on the SEBI website

Term	Description
	(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. The said list shall be updated on the SEBI website from time to time.
Specified Locations	Bidding Centres where the Syndicate will accept Bid cum Application Forms from the Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
Sponsor Bank(s)	[●] and [●], being Bankers to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders into UPI and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by BRLM and Syndicate Members, to collect ASBA Forms and Revision Forms.
"Syndicate" or "Members of the Syndicate"	Together, the BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among our Company, the BRLM and the Syndicate Members in relation to the collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of SEBI ICDR Regulations, in this case being, [●].
Underwriters	[●].
Underwriting Agreement	The agreement to be entered into among our Company and the Underwriters on or after the Pricing Date but prior to the filing of the Prospectus with the RoC.
"Unified Payments Interface" or "UPI"	An instant payment mechanism developed by the NPCI.
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) individuals applying as Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circular	Collectively, SEBI circular number SEBI/HO/DEPA-II/DEPAII_SRG/P/CIR/2025/86 dated June 11, 2025, SEBI RTA Master Circular (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular (to the extent that such circulars pertain to the UPI Mechanism), along with the circulars issued by the Stock Exchanges in this regard, including the NSE circular bearing reference no. 23/2022 dated July 22, 2022 and bearing reference no. 25/2022 dated August 3, 2022, and the BSE circular bearing reference no. 20220722- 30 dated July 22, 2022 and bearing reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
UPI ID	An ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Issue.
Wilful Defaulter	A wilful defaulter as defined under Regulation 2(1)(lll) of SEBI ICDR Regulations
Working Day	All days on which commercial banks in Ahmedabad are open for business. In respect of announcement of Price Band and Bid/Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad, Gujarat are open for business. In respect of the time period between the Bid/ Issue Closing Date

Term	Description
	and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars.

Industry/Business Related Terms

Term	Description
AICRP	All India Coordinated Research Project
AgroTech	Agricultural Textiles
ATUFS	Amended Technology Upgradation Fund Scheme
BCI	Better Cotton Initiative
BIS	Bureau of Indian Standards
BITS	Bale Identification and Traceability System
Bt	Bacillus thuringiensis
BuildTech	Construction Textiles
CAGR	Compound Annual Growth Rate
CEPA	Comprehensive Economic Partnership Agreement
CETA	Comprehensive Economic and Trade Agreement
CCI	Cotton Corporation of India
CIS	Capital Investment Subsidy
CITI	Confederation of Indian Textile Industry
ClothTech	Clothing Textiles
CMIA	Cotton Made in Africa
CMIE	Centre for Monitoring Indian Economy
COC	Chain of Custody
COCPC	Committee on Cotton Production & Consumption
CPI	Consumer Price Index
CPSE	Central Public Sector Enterprise
CSIR	Council of Scientific and Industrial Research
CSIR-NBRI	Council of Scientific and Industrial Research – National Botanical Research Institute
CY	Calendar Year
D&B	Dun & Bradstreet
D-U-N-S	Data Universal Numbering System
DCH-32	Dharwad Cotton Hybrid-32
DFC	Dedicated Freight Corridor
DGFT	Directorate General of Foreign Trade
DGCIS	Directorate General of Commercial Intelligence and Statistics
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ELS	Extra Long Staple
ESG	Environment, Social and Governance

EXIM	Export-Import
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry
FSC	Forest Stewardship Council
FRE	First Revised Estimate
FTA	Free Trade Agreement
FY	Financial Year
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GeoTech	Geotechnical Textiles
GL-11	Gulf-Levant 11
GNDI	Gross National Disposable Income
GOTS	Global Organic Textile Standard
GRS	Global Recycled Standard
GVA	Gross Value Added
HCES	Household Consumption Expenditure Survey
HomeTech	Home Textiles
HSN	Harmonized System of Nomenclature
ICAR	Indian Council of Agricultural Research
IEA	International Energy Agency
IEEPA	International Emergency Economic Powers Act
IIP	Index of Industrial Production
IMF	International Monetary Fund
InduTech	Industrial Textiles
INR	Indian Rupee
IPDS	Integrated Processing Development Scheme
ISDS	Integrated Skill Development Scheme
ISI	Indian Standards Institution
IT	Information Technology
KPI	Key Performance Indicator
LC	Letter of Credit
LNG	Liquefied Natural Gas
MedTech	Medical Textiles
MMF	Man-Made Fiber

MNRE	Ministry of New and Renewable Energy
MobilTech	Automotive / Mobility Textiles
MOSPI	Ministry of Statistics and Programme Implementation
MPC	Monetary Policy Committee
MSP	Minimum Support Price
MSME	Micro, Small and Medium Enterprises
NBRI	National Botanical Research Institute
NGS	Next Generation Sequencing
NSO	National Statistics Office
NSWS	National Single Window System
NTTM	National Technical Textiles Mission
OBBBA	One Big Beautiful Bill Act
OCS	Organic Content Standard
OECD	Organization for Economic Co-operation and Development
OekoTech	Ecological / Environmental Textiles
PackTech	Packaging Textiles
PE	Provisional Estimates
PFCE	Private Final Consumption Expenditure
PIB	Press Information Bureau
PLI	Production Linked Incentive
PLFS	Periodic Labor Force Survey
PM MITRA	PM Mega Integrated Textile Region and Apparel
ProTech	Protective Textiles
PV	Photovoltaic
QCO	Quality Control Order
QR	Quick Response
R&D	Research and Development
RA	Regional Authority
RBI	Reserve Bank of India
RC	Registration Certificate
RCS	Recycled Claim Standard
RDF	Refuse Derived Fuel
RE	Revised Estimates
REIT	Real Estate Investment Trust

RMG	Ready-Made Garments
ROA	Return on Assets
ROCE	Return on Capital Employed
SEDEX	Supplier Ethical Data Exchange
SITP	Scheme for Integrated Textile Parks
SporTech	Sports Textiles
SSI / S.S.I.	Small Scale Industries
TFO	Two-For-One
TEXPROCIL	The Cotton Textiles Export Promotion Council
TRACE	Trade Regulations, Accreditation & Compliance Enablement
UHMWPE	Ultra-High Molecular Weight Polyethylene
UN	United Nations
UNEP	United Nations Environment Programme
US	United States
USDA	United States Department of Agriculture
USD	United States Dollar
WEO	World Economic Outlook
WPI	Wholesale Price Index

Key Performance Indicators

KPI	Explanation
Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Profit before Tax	The amount that remains after the Company has paid off all of its operating and non-operating expenses. It provides information regarding the profitability before tax of our Company.
Profit/ (Loss) after tax	The amount that remains after a company has paid off all of its operating and non-operating expenses and taxes. It provides information regarding the profitability of our Company.
Net Worth	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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. This is helpful in evaluating current financial standing of the Company
Growth in revenue from operations (%)	Growth in Revenue from Operations provides information regarding the growth of the business for the respective period.
Profit/ (Loss) after tax margin (%)	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
EBITDA	Earnings before interest, tax, depreciation and amortization is calculated as the restated profit before tax for the period, finance cost, depreciation and amortization expenses less other income. EBITDA provides information regarding operational profitability and efficiency of our Company.
EBITDA Margin (%)	EBITDA Margin (%) is computed as EBITDA divided by revenue from operations. This metric helps in benchmarking the operating profitability against the historical performance of our Company.
EBIT	Earnings before interest and tax is calculated as the restated profit before tax for the period or year plus finance cost less other income.

KPI	Explanation
EBIT Margin (%)	EBIT Margin (%) helps in keeping track of the operational efficiency of our company after the depreciation and amortization expenses calculated as EBIT as a percentage of revenue from operations.
RoE (%)	Return on Equity is calculated on the basis of net profit after tax divided by shareholder's equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company's ability to turn equity investments into profits.
RoCE (%)	Return on Capital Employed provides us information on efficiency of our capital deployment and utilization.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Operating Cash Flows	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Installed Capacity (Spinning- in MT)	Installed Capacity of the Spinning Division provides an indication of the production capacity and scale of operations of the Company's Spinning Division. It is useful in evaluating the Company's manufacturing capacity and potential to scale its production.
Utilised Capacity (Spinning- in MT)	Utilised Capacity of the Spinning Division provides an indication of the actual production levels achieved by the Company during the respective period. It is useful in evaluating the Company's production performance and utilisation of its manufacturing infrastructure.
Utilised Capacity (Spinning- in %)	Utilised Capacity of the Spinning Division (%) provides an indication of the extent to which the Company's installed production capacity is being utilised. It is useful in evaluating operational efficiency and capacity utilisation of the Spinning Division.
Number of Employees	Nos. of Employees provides an indication of the size of the Company's permanent human resources deployed across its operations. It is useful in evaluating the scale of the Company's operations and workforce requirements.
Cotton Yarn Sales Volume (MT)	Cotton Yarn Sales Volume provides an indication of the volume of Cotton Yarn sold by the Company during the respective period. It is useful in evaluating the Company's sales performance, market demand and scale of its Cotton Yarn business.
Spindle Capacity (in numbers)	Spindle Capacity provides an indication of the installed production infrastructure and scale of the Company's spinning operations. It is useful in evaluating the Company's production capacity and potential for future growth in spinning operations.

Conventional and General Terms/Abbreviations

Term	Description
₹/ Rs. / Rupees/ INR/ ₹ in million	Indian Rupees
AGM	Annual general meeting
AIFs	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
Banking Regulation Act	The Banking Regulation Act, 1949
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate.
Calendar Year	Unless stated otherwise, the period of 12 months ending December 31 of that particular year
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPI(s)	FPIs who are registered as 'Category I foreign portfolio investors' under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as 'Category II foreign portfolio investors' under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act/ Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder.
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPITT file number 5(2)/2020-FDI Policy

Term	Description
	dated October 15, 2020, and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
'DP' or 'Depository Participant'	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade
EBITDA	Earnings before interest, taxes, depreciation, and amortization.
EBITDA Margin	EBITDA / Revenue from Operations
EGM	Extraordinary General Meeting
EMDE(s)	Emerging Markets and Developing Economies
EPS	Earnings per Share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year	Financial year as defined under Regulation 2(1)(oa) of the SEBI ICDR Regulations
'Fiscal', 'fiscal', 'Fiscal Year' or 'FY'	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
'GoI' or 'Government'	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS / Indian Accounting Standards	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, Small & Medium Enterprises
'N.A.' or 'NA'	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
No.	Number
NPCI	National Payments Corporation of India
'NR' or 'Non-Resident'	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NRE Account	Non-Resident External Accounts
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India Cardholder' within the meaning of Section 7(A) of the Citizenship Act, 1955

Term	Description
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
‘OCB’ or ‘Overseas Corporate Body’	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of 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. OCBs are not allowed to participate in the Issue
PAT	Profit After Tax
PAT Margin	PAT / Revenue from operations
PBT	Profit Before Tax
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on Equity
RoNW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCORES	Securities Exchange Board of India Complaints Redressal System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	SEBI Master Circular bearing number HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 updated upto February 9, 2026.
SEBI NCS Regulations	SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021
SEBI RTA Master Circular	SEBI Master Circular bearing number HO/38/12/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026, to the extent applicable
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI Stock Brokers Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/MIRSDPoD/P/CIR/2025/90 dated June 17, 2025
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 2026
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations
Stock Exchanges	Together, BSE and NSE
TAN	Tax deduction account number
‘U.S.’ or ‘USA’ or ‘United States’	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
‘USD’ or ‘US$’	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WACA	Weighted Average Cost of Acquisition

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft 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.

All references to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions. Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year. Unless indicated otherwise, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time ("**IST**").

Financial Data

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from the Restated Standalone Financial Information of our Company, comprising the restated standalone statement of assets and liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the restated standalone statements of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity, and the restated standalone cash flow statement for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 notes to the restated standalone financial information, including material accounting policy information and other explanatory information, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time, which have been approved by the Board of Directors at their meeting held on September 17, 2026. For further information, see "*Financial Information*" on page 307.

There are significant differences between Ind-AS, U.S. GAAP and IFRS. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with accounting standards in India, the Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify or identify the impact of the differences between the financial data (prepared under Ind AS and IFRS/ U.S. GAAP), nor have we provided a reconciliation thereof. We urge you to consult your own advisors regarding such differences and their impact on our financial data included in this Draft Red Herring Prospectus.

For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factor 65 - Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("**IFRS**"), which investors may be more familiar with and consider material to their assessment of our financial condition.*" on page 62.

All figures, including financial information, in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 242 and 365, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Standalone Financial Information.

Non-GAAP Measures

Certain measures included and presented in this Draft Red Herring Prospectus, for instance Revenue from Operations Growth in Revenue from Operations, Profit After Tax Margin, Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA), EBITDA Margin, Earnings Before Interest and Taxes (EBIT), EBIT Margin, Return on Equity (ROE), Return on Capital Employed (ROCE), Debt to Equity Ratio and Operating Cash Flows (collectively, '**Non-GAAP Measures**'), are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. In addition, Non-GAAP Measures used are not a standardised term or measure of performance calculated in accordance with applicable accounting standards, hence a direct comparison of Non-GAAP Measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. See "*Risk Factor 59 – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the spinning and textile industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*." on page 60.

For further information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 369.

Currency and Units of Presentation

In this Draft Red Herring Prospectus all references to "₹" or "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India.

In this Draft Red Herring Prospectus all references to:

"US$" or "USD" are to United States Dollars, the official currency of the United States of America.

"EUR" or "€" are to Euro, the official currency of Eurozone.

"JPY" or "Yen" are to Japanese Yen, the official currency of Japan.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information in 'million' units, or in absolute number where the number have been too small to present in million unless as stated otherwise, as applicable. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations or rounded-off to such number of decimal points as provided in their respective sources.

Exchange Rates

This Draft 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.

Unless stated otherwise, the table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	Exchange Rate as of* (*in ₹*)		
	March 31, 2026	March 31, 2025	March 31, 2024
USD	94.65	85.58	83.37
EUR	109.01	92.32	90.22
YEN	59.25	56.75	55.09

Source : www.fbil.org.in
Note: Exchange rate is rounded off to two decimal places
** In case March 31 or any date of any of the respective years is a public holiday, the previous working day, not being a public holiday, has been considered."*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources such as a report of September, 2026 and titled "Industry Report on Cotton Yarn Industry in India" that has been prepared by Dun & Bradstreet (the "**D&B Report**". The D&B Report has been commissioned and paid for by our Company and has been exclusively prepared for the purpose of the Issue pursuant to an engagement letter dated June 25, 2026. Pursuant to their consent letter dated September 17, 2026, Dun &

Bradstreet has accorded their no objection and consent to use the D&B Report, in full or in part, in relation to the Issue. Dun & Bradstreet has confirmed that it is an independent agency and is not a related party (in terms of Companies Act and SEBI Listing Regulations) of our Company, our Promoters, our Promoter Group, Directors, Key Managerial Personnel, members of the Senior Management or the Book Running Lead Manager. References to segments in "*Industry Overview*" on page 170 and information derived from the D&B Report are in accordance with the presentation, analysis and categorisation in the D&B Report.

The D&B Report is available on the website of our Company at https://rudracottex.com/investor-relations/ from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date and has also been included in "*Material Contracts and Documents for Inspection—Material Documents*" on page 463. For details in relation to risks involving in this regard, see "*Risk Factor 42 — Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 51.

The D&B Report is subject to the following disclaimer.

"This study has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet ("Dun & Bradstreet") and its assumptions are based on varying levels of quantitative and qualitative analysis including industry journals, company reports and information in the public domain.

Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics, and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

These industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business. Methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in section "*Risk Factors*" on page 24. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations, see "*Basis for the Issue Price*" on page 153 includes information relating to our peer group companies, which has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

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FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate" "intend", "may", "objective", "plan", "project", "propose", "seek to", "shall", "likely", "will", "will continue", "seek to", "will achieve", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans, future events or goals of our Company are also forward-looking statements. Similarly, statements that describe our Company's expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue, and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exhaustive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 242 and 365, respectively. 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 in the future could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Draft 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Promoters, our Promoter Group, our Directors, our KMPs, member of Senior Management, the Syndicate or any of their respective affiliates has 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 and the BRLM will ensure that investors are informed of material developments from the date of this Draft Red Herring Prospectus until the grant of listing and trading permission by the Stock Exchanges for this Issue.

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SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us, our business or our Equity Shares, and there could be other risks emanating from the industry and segments in which we currently operate. Additional risks and uncertainties not presently known to us or that we currently deem not material may also adversely impact our business, results of operations, financial condition and cash flows. If any of the following risks, or a combination of risks, or other risks that are not currently known or are currently deemed not material, actually occur, our business, results of operations, financial condition and cash flows could be adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of us and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Information" on pages 170, 242, 365 and 307, respectively, as well as other financial, operational and statistical information contained in this Draft Red Herring Prospectus. An investment in the Equity Shares involves certain risks. Prospective investors should independently evaluate our Company, our business and the terms of the Issue, including the risks and merits associated with an investment, and consult their own tax, legal, financial and other professional advisers before making an investment decision. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains certain 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 elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 23.

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless stated, or the context requires, otherwise, the financial information of our Company has been derived from the Restated Financial Information included in this Draft Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report on Cotton Yarn Industry in India" dated September 2026 (prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B Report**"), which has been exclusively commissioned and paid for by us in connection with the Issue, pursuant to an engagement letter dated June 25, 2026. A copy of the D&B Report is available on the website of our Company at https://rudracottex.com/. The data included herein includes excerpts from the D&B Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information relevant for the proposed Issue, that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factor 42 – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 51. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 20.*

INTERNAL RISKS

1. ***Our largest customer, top five customers, and our top ten customers contributed 42.26%, 86.56% and 96.17%, respectively, of our revenue from operations for Fiscal 2026, 27.50%,75.43% and 89.58% respectively, for Fiscal 2025, and 27.40%, 66.65% and 73.60%, respectively, for Fiscal 2024. Any reduction in orders, loss of business, or adverse change in the relationship with one or more of these key customers could materially and adversely affect our business, financial condition, results of operations and cash flows.***

Our Company's largest customer, top five customers and top ten customers collectively, contributed 42.26%, 86.56% and 96.17%, respectively, of our revenue from operations for Fiscal 2026, 27.50%75.43% and 89.58%, respectively, for Fiscal 2025, and 27.40%,66.65% and 73.60% respectively, for Fiscal 2024 respectively, as shown in the following table:

Particulars	Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Largest customer	1,459.30	42.26%	759.42	27.50%	609.30	27.40%

Particulars	Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
Top 5 customer	2,989.08	86.56%	2,083.00	75.43%	1,482.16	66.65%
Top 10 customer	3,320.96	96.17%	2,473.55	89.58%	1,636.89	73.60%

(1) The largest customer, top five customers and top ten customers refer to the customers contributing the largest, five highest and ten highest revenues, respectively, during the relevant Fiscal and may not necessarily be the same across all three Fiscals.

(2) For the Fiscal year ended March 31, 2025 and March 31, 2024 our top 10 customers included Surya Future Tradewing LLP, which is a member of our Promoter Group, and our sales to such entity represented approximately 13.52%, and 7.80%, of our total revenue from operations in those Fiscals, respectively. For the Fiscal year ended March 31, 2025 our top 10 customers also included Shree Ram Twistex Limited.

(3) Names of other customers not included due to commercial sensitivities and lack of receipt of consent.

Since this concentration means that a material proportion of our Company's revenue from operations for each of the periods indicated above has been dependent on a limited number of customers, there can be no assurance that any of our top ten customers will continue to place orders with our Company at the same levels, or at all, in the future.

While there have been no major instances of reduction in orders from, loss of business from, or material adverse change in our Company's relationship with any of our top ten customers during Fiscal 2026, Fiscal 2025 and Fiscal 2024, the composition of our top ten customers has varied across these periods, and there can be no assurance that no such instance will arise in the future. Accordingly, any reduction in orders from, loss of business from, or adverse change in our Company's relationship with, one or more of these key customers, whether on account of such customers' internal business decisions, financial difficulties, any default or delay in payments by a key customer or the insolvency or financial distress of such customers, a shift to alternative suppliers, or otherwise, could materially and adversely affect our Company's business, financial condition, results of operations and cash flows.

2. ***We are primarily dependent upon our largest supplier and top ten suppliers for our principal raw material cotton bales, packing material, stores and spares and stock-in-trade. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, these top ten suppliers contributed 60.40%, 45.46% and 57.68% respectively of our total purchases. Further, a majority of our purchases of cost of material consumed and stock-in-trade is made from suppliers based in Gujarat. Any disruption, delay, or inability of these suppliers to fulfil their commitments may materially and adversely affect our production, financial performance, and growth prospects.***

As a part of our operations, we procure raw materials, stores and spares, packing materials and stock-in-trade for our manufacturing operations and trading operations from third party suppliers and manufacturers. We do not manufacture raw materials on our own and are entirely dependent on third party suppliers and manufacturers of raw materials for procurement. Our suppliers are identified by our Promoters and our management on the basis of their commercial relationships in the cotton trade and their knowledge of the grades and staple lengths of cotton held by particular suppliers and of the regions from which such cotton is sourced. Since our procurement is accordingly dependent on relationships personal to our Promoters and management, the discontinuance of any such relationship, or the unavailability of the persons in whom it subsists, may impair our ability to procure cotton bales of the requisite grade at competitive prices

Further, a substantial portion of the raw materials, stores and spares, packing materials and stock-in-trade required for our manufacturing and trading operations is sourced from our top 10 suppliers. Purchases from these suppliers represented 60.40%, 45.46% and 57.68% of our total purchases of raw material, stores and spares, packing material and stock-in-trade for Fiscals 2026, 2025 and 2024, respectively, as shown in the following table:

Particulars	Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	Amount (₹ in million)	% of total purchases	Amount (₹ in million)	% of total purchases	Amount (₹ in million)	% of total purchases
Largest supplier	319.20	12.12%	220.88	10.98%	499.09	26.97%
Top 5 suppliers	1,083.77	41.15%	576.82	28.67%	841.09	45.44%
Top 10 suppliers	1,590.71	60.40%	914.32	45.46%	1,067.46	57.68%

(1) The largest supplier, top five supplier and top ten supplier refer to the suppliers contributing the largest, five highest and ten highest suppliers, respectively, during the relevant Fiscal and may not necessarily be the same across all three Fiscals.

(2) For the Fiscal year ended March 31, 2026 March 31, 2025 and March 31, 2024 our top 10 suppliers included Surya Future Tradewing LLP, which is a member of our Promoter Group, has been among our ten largest suppliers of cotton bales in each of Fiscal 2026, Fiscal 2025 and Fiscal 2024, and purchases from such entity represented approximately 9.80%, 4.11% and 7.01% of our total purchases in those Fiscals, respectively.

(3) Names of other suppliers not included due to commercial sensitivities and lack of receipt of consent.

This dependence is compounded by a corresponding concentration in the geographical location of our suppliers, in that 99.58%, 99.46% and 98.22% of our total purchases of raw materials, packing material, stores and spares and stock-in-trade in Fiscals 2026, 2025 and 2024, respectively, were sourced from suppliers located within Gujarat, as set out below:

State	Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	Material Purchased (₹ in million)	As a % of Total purchases	Material Purchased (₹ in million)	As a % of Total purchases	Material Purchased (₹ in million)	As a % of Total purchases
Within India						
Gujarat	2,622.43	99.58%	2,000.36	99.46%	1,817.62	98.22%
Rajasthan	2.68	0.10%	0.09	0.00%	9.18	0.50%
Madhya Pradesh	4.00	0.15%	2.90	0.14%	11.58	0.63%
Tamil Nadu	1.24	0.05%	4.48	0.22%	1.97	0.11%
Himachal Pradesh	1.03	0.04%	1.39	0.07%	0.23	0.01%
Maharashtra	0.79	0.03%	1.35	0.07%	1.25	0.07%
Punjab	0.59	0.02%	0.46	0.02%	0.17	0.01%
Daman and Diu	0.13	0.00%	-	-	-	-
Delhi	-	-	0.15	0.00%	-	-
Haryana	-	-	-	0.00%	8.52	0.46%
Outside India	0.53	0.02%	-	0.00%	-	0.00%
Total	**2,633.42**	**100.00%**	**2,011.17**	**100.00%**	**1,850.50**	**100.00%**

Accordingly, since our manufacturing operations and the major sources of our principal raw material are situated within the same state, any event affecting cotton cultivation, arrivals or movement within Gujarat would affect our procurement and our production simultaneously, rather than sequentially, and we may consequently be required to source cotton bales from suppliers located in other states at a higher landed cost.

Further, our Company does not import any of its raw materials directly, and is therefore dependent on the domestic market for the entirety of its requirement of cotton bales. As a result, we remain exposed to the risk that our suppliers may be unable or unwilling to fulfil their commitments in a timely manner or at all. Key risks include capacity constraints, operational disruptions, price volatility, regulatory changes, and geo-political factors that may affect suppliers. Such risks also include one-time or unforeseen events, such as temporary or extended shutdowns at a supplier's factory or facilities, which could abruptly interrupt the supply of critical raw materials even where relationships and past performance have been stable. Further, if our suppliers fail to comply with applicable laws, including environmental laws, they risk having their facilities shut down, which may adversely affect our operations.

While we have not faced any material delay by our suppliers in the last three Fiscals that has had a material impact on our prospects, business and results of operations, we cannot assure you that such stability will persist. Any significant disruptions in supply, delays, or breaches by our top suppliers could adversely affect our production schedules, delay customer deliveries, increase procurement costs, and impact our ability to meet contractual obligations.

Even if alternative suppliers are available, raw materials may not always be procurable on comparable terms, within the required timeframes, or to the same quality standards. Consequently, our dependence on a concentrated set of suppliers for our key raw materials exposes us to supply chain risk, which, if realised, could materially and adversely affect our business, operations, cash flows, margins, reputation, and prospects for future growth

3. ***We do not have long-term arrangements with our customers or with our suppliers of raw materials. Any reduction or discontinuance of orders by our customers, or any disruption in the supply of raw materials by our suppliers, whether owing to the absence of formal arrangements or to a shortage of raw materials in the market, could adversely affect our business operations.***

Our yarn production primarily relies on uninterrupted availability of raw materials, including cotton bales. To maintain the standards of quality, we source raw materials from our key suppliers based in Gujarat. While we have established longstanding commercial relationships with these suppliers and regularly procure raw materials from them, we have not entered into any long-term, exclusive supply arrangements with any of them. Our procurement is generally undertaken through purchase orders, including purchase orders communicated orally or placed during in-person commercial discussions, which are accepted and fulfilled by our suppliers in the ordinary course of business.

In the absence of long-term arrangements, our suppliers are under no obligation to continue supplying raw materials to us or to do so on commercially acceptable terms. Any disruption in the supply of raw materials, reduction in supplies, failure of our suppliers to honour purchase orders, deterioration in supplier relationships, inability to procure raw materials of the desired quality or quantity, or any significant increase in raw material prices, could adversely affect our manufacturing operations, increase our production costs, disrupt our production schedules and impair our ability to fulfil customer orders in a timely manner. Further, if we are unable to identify and engage alternate suppliers on commercially acceptable terms and within the required timeframe, our business, results of operations, cash flows and financial condition could be materially and adversely affected.

Set forth below is a break-up of raw materials obtained from our suppliers in the corresponding periods:

(₹ in million, except %)

Raw material	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Purchase cost	% of total purchase	Purchase cost	% of total purchase	Purchase cost	% of total purchase
Cotton Bales	2,348.33	89.17%	1,751.01	87.06%	1,825.23	98.63%

Consequently, any inability on our part to procure raw materials from our suppliers, whether on account of termination of our relationship with them, disputes with them, or otherwise, may lead to a decline in the quality of our products, or require us to source raw materials from alternate suppliers at a higher cost, which may in turn lead to a decline in our sales volumes and profit margins and adversely affect our results of operations. Further, if any of our suppliers is exposed to financial difficulties or insolvency, the resultant delay in raw material supplies from such supplier could negatively affect our working capital, cash flow and overall financial stability. While our Company has not faced delays in supplies from our major suppliers in the last three Fiscals, we cannot assure you that we will not face any such instances in the future. For further details, see "*Risk Factor* 2 - *We are primarily dependent upon our largest supplier and top ten suppliers for our principal raw material cotton bales, packing material, stores and spares and stock-in-trade. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, these top ten suppliers contributed 60.40%, 45.46% and 57.68% respectively of our total purchases. Further, a majority of our purchases of cost of material consumed and stock-in-trade is made from suppliers based in Gujarat. Any disruption, delay, or inability of these suppliers to fulfil their commitments may materially and adversely affect our production, financial performance, and growth prospects."* on page 25.

Our arrangements with our customers are on the same footing. We have not entered into any long-term or exclusive contractual arrangement with any of our customers, and our sales are undertaken on the basis of purchase orders received from them from time to time. Accordingly, our customers are under no obligation to continue placing orders with us, whether at existing levels or at all, and any reduction in or discontinuance of such orders, whether on account of a change in their sourcing strategy, their internal business decisions, financial difficulties, or otherwise, could result in a decline in our sales volumes and revenue from operations, an under utilisation of our manufacturing capacity and a corresponding accumulation of finished goods inventory, and we may be unable to identify replacement customers on comparable terms or within a comparable timeframe. While there have been no instances of any reduction in orders from, loss of business from, or material adverse change in our relationship with, our largest customer or any of our top five customers during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that no such instance will arise in the future. For further details, see "*Risk Factor 1 – Our largest customer, top five customers, and our top ten customers contributed 42.26%, 86.56% and 96.17%, respectively, of our revenue from operations for Fiscal 2026, 27.50%,75.43% and 89.58% respectively, for Fiscal 2025, and 27.40%, 66.65% and 73.60%, respectively, for Fiscal 2024. Any reduction in orders, loss of business, or adverse change in the relationship with one or more of these key customers could materially and adversely affect our business, financial condition, results of operations and cash flows.*" on page 24.

4. ***Our business is significantly exposed to volatility in the cost of key inputs, particularly cotton bales and electricity, which together accounted for 42.38%, 51.78% and 44.66% of our revenue from operations for Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. Any increase in the cost of these inputs, or any shortage or disruption in the supply of cotton bales or electricity, may lead to increased operating costs, which could materially and adversely affect our business, financial condition, results of operations and cash flows.***

Cotton bales and electricity constitute the two most significant components of our production cost structure, such that fluctuations in the price or availability of either can materially affect our profitability. Cotton bales, being the primary raw material in our manufacturing process, are in turn subject to high price volatility driven by factors such as monsoon patterns, pest infestations, domestic crop output, Minimum Support Price (MSP) by the Government, global demand-supply dynamics, and export-import regulations. These factors are accordingly capable of producing adverse weather events, disruptions in supply chains, or changes in government procurement policy that lead to price spikes or shortages, thereby directly impacting our raw material costs. Set out below are the details of expense incurred toward procurement of cotton bales during Fiscal 2026, Fiscal 2025 and Fiscal 2024:

(₹ in million)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Expenses towards purchase of cotton bales used in Manufacturing	1,389.75	1,341.33	904.01
Total Revenue	3,453.33	2,761.83	2,223.54
Purchase of cotton bales used in manufacturing as a % of revenue from operation	40.24%	48.57%	40.66%

Any significant increase in cotton prices may not be immediately passed on to customers, thereby compressing our margins. Also see, "*Risk Factor 13 - If we are unable to accurately forecast customer demand and maintain optimal inventory levels of cotton bales and finished yarn, our business, results of operations, and financial condition may be adversely affected*." on page 34.

On the other hand, electricity costs represent a recurring and substantial expense on account of the energy-intensive nature of our spinning operations, and we depend partly on regional and local grids operated by state electricity providers and partly through renewable energy to meet this requirement. A part of our electricity requirement is met through renewable energy generated by us for captive consumption, comprising 2.7 MW of wind power, 1.25 MW of rooftop solar power and 5 MW of ground-mounted solar power which correspondingly reduce our exposure to grid tariffs. Our standby power arrangements comprise a diesel generating set the capacity of which is sufficient only to serve our ancillary facilities, being our fire protection system, our information technology systems, our offices, staff quarters, canteen and external lighting, and which is not capable of running our plant and machinery. Consequently, in the event of an interruption in grid supply, our manufacturing operations would stand suspended for the duration of such interruption. Increases in electricity prices will similarly raise our operating costs, and there is no assurance that an adequate or cost-effective supply of electricity will be available to us in the future. While we have not experienced any major instances of disruption from our electricity supplies in Fiscals 2026, 2025 and 2024, there can be no assurance that this will continue to be the case, and any shortage or interruption in electricity supply could disrupt our operations, which could have an adverse effect on our business, financial condition and results of operations.

In addition, if we are unable to pass higher power costs through to our customers, our profitability and cash flows would be adversely affected. Set out below are the details of our power expenses for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Power expenses (net of energy credit) (₹ in million)	73.78	88.71	89.11
Power expenses as a percentage of our revenue from operations (%)	2.14%	3.21%	4.01%

We currently source electricity from the state electricity grid, supplemented by our captive renewable generation, comprising wind turbine generators with an aggregate installed capacity of approximately 2.7 MW, a rooftop solar photovoltaic system with an installed capacity of 1.25 MW at our Manufacturing Facility and a 5 MW ground-mounted solar power plant, aggregating 8.95 MW of installed renewable capacity. Power is distributed at our Manufacturing Facility through two transformers each, and two diesel generating sets respectively are maintained for emergency power. The rising grid tariffs, non-availability of reliable power supply, or load-shedding issues may result in increased production costs or operational disruptions. While we have taken steps to mitigate our power costs by generating a part of our requirement from renewable sources for captive consumption. Our existing renewable energy capacity has been sized to the requirement of our existing operations, and the incremental requirement arising from the expansion of our Manufacturing Facility is accordingly expected to be met from grid power procured from Uttar Gujarat Vij Company Limited, with the result that our exposure to movements in grid tariffs will increase as our consumption increases. In light of the foregoing, any adverse movement in either of these two cost elements, being cotton bales or power, could significantly affect our cost structure, operating margins, and overall financial performance

5. ***A significant portion of our revenue is derived from the manufacture of EliTwist technology-based compact yarn and from the trading of cotton bales and cotton yarn Any decline in demand for these categories of yarn or cotton bales, pricing pressures, or adverse developments in the textile industry could materially and adversely impact our business, financial condition, and results of operations.***

We are engaged in the business of manufacturing EliTwist technology-based compact yarn, available in carded and combed varieties, along with conventional compact yarn, carded yarn and combed yarn and trading of cotton bales and cotton yarn. Our product portfolio includes cotton yarns in counts ranging from Ne 16 to Ne 40, We also undertake trading of cotton bales and cotton yarn, and sell cotton waste by-products such as comber, licker-in, hard waste etc. Our cotton yarns, including our EliTwist technology-based compact yarn, carded, combed and conventional compact yarn are used across hosiery, knitting, shirting and suiting fabrics, denim warp and specialty applications such as sewing thread. While we also generate revenue from trading of cotton yarn, and cotton waste by-products, a significant portion of our total revenue is concentrated in EliTwist technology-based compact yarn specifically available in carded and combed varieties and trading of cotton bales.

The table below sets forth the revenue breakdown from the trading and manufacturing of our product categories for the last three fiscals:

Company's operation	Fiscal 2026	% of Total Revenue	Fiscal 2025	% of Total Revenue	Fiscal 2024	% of Total Revenue
Revenue generated from Manufacturing:						
EliTwist technology-based compact yarn	1,062.73	30.77%	1,017.75	36.85%	347.73	15.64%
Carded yarn	623.53	18.06%	251.69	9.11%	304.70	13.70%
Compact yarn	376.24	10.89%	677.47	24.53%	472.34	21.24%

Total of Manufacturing Revenue [A]	**2,062.50**	**59.72%**	**1,946.91**	**70.49%**	**1,124.77**	**50.58%**
Cotton waste, comber noil and other by-products [**B**]*	52.51	1.52%	101.50	3.68%	106.63	4.80%
Revenue generated from Trading:						
Trading of cotton bales	1,003.04	29.05%	437.32	15.83%	937.38	42.16%
Trading of cotton yarn	283.85	8.22%	226.28	8.19%	-	0.00%
Total of Trading Revenue [C]	**1,286.89**	**37.27%**	**663.60**	**24.03%**	**937.38**	**42.16%**
Other Operating Revenue** [D]	51.43	1.49%	49.82	1.80%	54.76	2.46%
Total [A+B+C+D]	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2,223.54**	**100.00%**

As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

**Our operations also generate income from by-products such as cotton waste, lickerin waste, cotton seeds waste, flat waste, noil, micro dust, sweeping waste, hard waste, waste cotton cloth and cotton roving waste which is sold to process houses and industries manufacturing [open-end yarns/other uses], providing an additional revenue stream for our Company.*

***Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

For further details, see "*Our Business – Our Offerings*" on page 253 of this Draft Red Herring Prospectus.

Given this concentration, our financial performance is highly sensitive to the demand for these yarn categories in textile industry. Any contraction in demand for our cotton yarns or cotton bales and any change in consumer preference towards synthetic or blended fibres, or decline in downstream industries such as weaving, knitting, or garment manufacturing could significantly affect our sales volumes and margins. In addition, oversupply in the cotton yarn or cotton bales industry, intensifying competition from domestic and international players, or pricing pressure from large buyers may adversely impact our ability to maintain profitability. Our business is also exposed to external risks such as volatility in cotton prices, climatic fluctuations affecting cotton availability, policy changes relating to Minimum Support Prices (MSP), and restrictions on textile exports. These factors can directly impact our input costs, inventory planning, and overall product competitiveness.

Further, between Fiscal 2024 and Fiscal 2025, the volume of cotton bales traded by us declined from 5,721.67 MT in Fiscal 2024 to 2,683.06 MT in Fiscal 2025, principally because realisations on manufacturing of cotton yarn were at elevated levels as compared to margins on trading of cotton bales during that period and the margins available on the manufacturing of cotton yarn exceeded those available on the trading of cotton bales, with the result that our Company directed a greater proportion of its procurement, storage capacity and working capital towards its manufacturing operations. Since the allocation of our procurement and working capital between our manufacturing and trading activities is made by reference to the relative margins prevailing from time to time, the revenue and volumes attributable to our trading activity are inherently variable between periods and are not indicative of the revenue or volumes that may be recorded in any future period.

While we strive to strengthen our customer base, focus on quality, and expand our product mix, our ability to mitigate adverse movements in supply & demand, pricing, or input costs is limited. While our Company has not experienced any material decline in demand for, or any material adverse movement in the realisation on, EliTwist technology-based compact cotton yarns during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that negative developments affecting demand for, or the realisation on, such yarns will not occur in the future, and any such development may materially and adversely affect our revenues, margins, cash flows and overall financial condition.

6. ***We derive a significant portion of our revenue through traders and agents. During Fiscal 2026, Fiscal 2025 and Fiscal 2024, 87.12%, 60.59% and 60.17%, respectively, of our revenue from operations was generated through sales facilitated by traders and agents. Consequently, any disruption in these relationships, deterioration in the performance of such traders or agents, or increase in commission costs could materially and adversely affect our business, financial condition, results of operations and cash flows.***

We sell our yarn through independent traders and agents. A trader or agent may either identify a buyer to whom we sell and invoice the yarn directly or purchase the yarn from us on a principal-to-principal basis and resell it to its own customers, while merchant exporters purchase yarn from us and export it on their own account. Our customers accordingly comprise traders, agents, manufacturers and merchant exporters. We are consequently dependent on these intermediaries for access to demand, and have limited visibility of the identity, requirements or creditworthiness of the persons to whom our yarn is ultimately supplied. Any loss of, or deterioration in our relationship with, a key trader or agent, or any failure on our part to replace such trader or agent in a timely manner, could result in the loss of the order flow associated with it, which we may be unable to recover by approaching the underlying buyers directly, and could accordingly lead to a decline in our order volumes, a delay in our collections or an erosion of our market share. While there have been no material instances of abrupt discontinuation by any key trader or agent during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that no such instance will arise in the future.

Set out below is the revenue break up from traders, agents, manufacturers and merchant exporters for Fiscal 2026, Fiscal 2025, Fiscal 2024:

Customer category	Fiscal 2026	Fiscal 2025	Fiscal 2024
Traders	2,831.18	1,554.22	1,137.11
Agents	177.27	119.15	200.89
Merchant Exporters	321.28	532.59	156.21
Manufacturers	72.17	506.05	674.56
Other Operating Revenue*	51.43	49.82	54.76
Total	**3,453.33**	**2,761.83**	**2,223.54**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

These arrangements with traders and agents expose us to further risks. Where a trader or agent purchases from us on a principal-to-principal basis, it is at once our customer and the intermediary through whom our onward sales are made, and our receivable in respect of such sales is due from it alone, with the result that our credit exposure is concentrated on a counterparty whose own ability to pay is dependent on its recovery from third parties over whom we have no visibility. For further details, see "*Risk Factor 36 – Delays or defaults in payments by our customers could increase our working capital requirements, impact our cash flows, and adversely affect our financial performance and condition*" on page 47. Further, we do not enter into formal long-term contracts with our traders and agent network, our arrangements with them being based on non-exclusive commercial understandings and the commission payable being agreed transaction by transaction, and these intermediaries are accordingly free to discontinue their association with us without prior notice, to deal with our competitors, or to seek higher commission. Certain of these traders and agents also source raw materials for us, with the result that the discontinuance of a relationship may affect our procurement and our sales at the same time.

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Commission paid (₹ in million)	2.67	2.15	3.68
Commission paid as a percentage of revenue from operations (%)	0.08%	0.08%	0.17%

7. ***Continued operations at our Manufacturing Facility is critical to our business and unplanned slowdowns, unscheduled shutdowns or prolonged disruptions or any disruption in our Manufacturing Facility would have a material adverse effect on our business, results of operations and financial condition.***

As on date of this DRHP, we operate through our Manufacturing Facility located at Survey No. 837, Village – Kadjodara, Taluka – Dehgam, District – Gandhinagar, Gujarat, India. For details of our manufacturing facilities, see "*Our Business – Manufacturing Capabilities*" on page 257. Our Manufacturing Facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government and regulatory authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. In addition to the operating risks described above, our Manufacturing Facility operates on a continuous basis, save for certain festivals such as holi and diwali, and we do not undertake plant-wide shutdowns for periodic maintenance; maintenance of our spindles is instead carried out line by line, and in sequence rather than in parallel, so that the balance of our production lines remain in operation. Since our machinery is maintained in this manner rather than through scheduled preventive shutdowns, any latent defect or deterioration in a production line that is awaiting its turn in the maintenance sequence may go undetected until it results in a breakdown.

Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Although we have not experienced any unplanned slowdown or shutdown or other prolonged disruption at our Manufacturing Facility during the past three Fiscals, we cannot assure you that there will not be any significant disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the underutilization of our Manufacturing Facility, which in turn may have an adverse effect on our business, results of operations, cash flows and financial condition.

8. ***We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.***

We enter into certain transactions with related parties in the ordinary course of our business in compliance with Companies Act, 2013 and may continue to enter into related party transactions in the future. Our related party transactions typically include director remuneration, salary & bonus expenses, unsecured loans and rent/lease expenses.

The transactions we may enter into with our related parties in the future could potentially involve conflicts of interest, which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not adversely affect our business, results of operations, profitability and margins, cash flows and financial condition.

While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions, all related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, our Board, or our Shareholders, as required under the Companies Act and the SEBI Listing Regulations.

Summary details of our transactions with related parties are set out below:

(in ₹ million, except percentage)

Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended March 31, 2026	As a % of Revenue from Operations	For the year ended March 31, 2025	As a % of Revenue from Operations	For the year ended March 31, 2024	As a % of Revenue from Operations
Radheshyam Parshottambhai Pokar	Director	Salary	1.26	0.04%	1.16	0.04%	1.16	0.05%
Pokar Archanaben Radheshyambhai	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.71	0.03%
Pinalben Rahulkumar Dholu	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.76	0.03%
Patel Nilesh Kumar Babubhai	Director	Salary	1.26	0.04%	1.16	0.04%	1.16	0.05%
Patel Shilaben Nileshkumar	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.71	0.03%
Divya Goswami	Company Secretary	Salary	-	-	0.19	0.01%	0.25	0.01%
Surya Future Tradewing LLP	Common Director/ partner	Purchase of Raw Materials	258.08	7.47%	82.65	2.99%	129.78	5.84%
Surya Future Tradewing LLP	Common Director/ partner	Sale of Raw Materials	-	-	373.41	13.52%	173.44	7.80%

For further details on related party transactions, see '*Summary of Related Party Transactions*' and '*Restated Financial Information*' on pages 68 and 307, respectively.

9. Our inability to effectively manage our growth or successfully implement our business strategies may adversely affect our business, financial condition, and results of operations.

Our future growth and competitiveness are contingent upon the successful implementation of key strategic initiatives, as detailed under "*Our Business – Our Strategies*" on page 250. Our growth strategies include the expansion of our existing Manufacturing Facility to accommodate an additional 9,120 spindles and our entry into the manufacture of TFO yarn, a part of the cost of which is proposed to be funded from the Net Proceeds, for details of which see "*Objects of the Issue*" and "*Our Business – Our Strategies*" on pages 119 and 250, respectively. Execution of these strategies will require precise forecasting of market demand, timely capital allocation, procurement of equipment, technical capability to operationalize new machinery, and the ability to achieve planned energy cost reductions through renewable sourcing. Many of these efforts are dependent on factors beyond our control such as the timely receipt of regulatory clearances, availability of land or infrastructure, vendor and contractor performance, macroeconomic conditions, and fluctuations in input and energy costs. Further, since the implementation of the expansion is to be funded in part from the Net Proceeds, any failure to implement it within the timelines and cost estimates disclosed in "*Objects of the Issue – Proposed schedule of implementation and deployment of Net Proceeds*" on page 119 would require our Company to fund the resulting shortfall from internal accruals or additional borrowings, and there can be no assurance that such funding would be available to our Company on commercially acceptable terms, or at all.

Additionally, the successful execution of our modernization and expansion plans may place significant stress on our existing systems, managerial bandwidth, and internal controls. We will need to continuously invest in expanding and upgrading our operational infrastructure, human capital, technology platforms, and management information systems to handle increased complexity and scale. There can be no assurance that our internal capabilities will keep pace with the operational and strategic demands posed by our growth trajectory.

Any inability to execute our strategic initiatives in a timely, cost-effective, or efficient manner, or failure to derive the intended benefits from such investments, may adversely impact our profitability, strain our financial resources, and impair our ability to remain competitive. This, in turn, could have a material adverse effect on our business, results of operations, and financial condition.

10. ***Our Company had in past not complied or delayed in complying with certain provisions of the Companies Act, 2013. Further, our Company has filed adjudication applications with RoC and these applications are currently pending with the RoC. Also, challans in relation to some of our statutory forms in terms of Companies Act, 2013 are untraceable. Any adverse action in this regard, if determined against us, could attract penalties and prosecution against the Company and our directors, which could impact the financial position and results of operations of our Company to that extent.***

Our Company had in the past not complied / delayed in complying with certain provisions of Companies Act, 2013 as set out below:

Sr. No.	Particulars of Default/Delay	Corrective steps undertaken
1.	Our Company failed to maintain its letterhead as per section 12(3)(c) of Companies Act, 2013	Our Company, our Chairman & Managing Director (i.e. Rahulkumar Abji Dholu) and our Executive Directors (i.e., Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai) have suo moto filed adjudication application on September 15, 2026 for these non-compliances under Section 454 of the Companies Act, 2013 with the RoC requesting that the alleged offences be adjudicated and no prosecution proceedings be initiated. The adjudication application is currently pending before the RoC.
2.	Our Company did not appoint a company secretary as required under section 203 of the Companies Act, 2013 in Fiscal 2017	Our Company, our Chairman & Managing Director (i.e. Rahulkumar Abji Dholu) and our Executive Directors (i.e., Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai) have suo moto filed adjudication application on September 15, 2026 for these non-compliances under Section 454 of the Companies Act, 2013 with the RoC requesting that the alleged offences be adjudicated and no prosecution proceedings be initiated. The adjudication application is currently pending before the RoC.
3.	Our Company failed to maintain a separate bank account for private placement of Compulsory Convertible Debentures (CCDs) during Fiscal 2018	Our Company, our Chairman & Managing Director (i.e. Rahulkumar Abji Dholu) and our Executive Directors (i.e., Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai) have suo moto filed adjudication application on September 15, 2026 for these non-compliances under Section 454 of the Companies Act, 2013 with the RoC requesting that the alleged offences be adjudicated and no prosecution proceedings be initiated. The adjudication application is currently pending before the RoC.

Our Company has also delayed in filing certain forms in the past.

Further, in the return of allotment pursuant to conversion of unsecured loan in Form PAS-3 for allotment of 20,496,390 Equity Shares on March 03, 2018, has been undertaken without obtaining valuation certificate from a registered valuer in violation of Companies Act, 2013. While no action has been initiated against us and no penalty has been levied on us, there can be no assurance that no penalty or action will be taken against our Company. There can be also no assurance that there will not be any similar proceedings or actions initiated against our Company in the future. Any such proceedings may divert management time and attention and may subject us to regulatory consequences (including penalty or action) which may have an adverse effect on our financial position and results of operations.

There have been certain instances of lapses such as delays, human errors, factual errors and non-compliance in our corporate records, in relation to certain corporate actions undertaken by our Company in the past. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation.

There have been certain delays in filing of certain forms with the Ministry of Corporate Affairs ("**MCA**"). For instance, our Company filed e-Forms MGT-14, AOC-4, MGT-7, CRA-2, PAS-6, etc. beyond the prescribed time, with payment of additional fees. While we have paid the late submission fees for such delay in submission, there is no assurance that we will not be subject to penalties imposed by regulatory authorities in this respect. Additionally, during the course of due diligence of the Company's records and inspection of various forms submitted to MCA portal, certain clerical errors were identified. Those errors intended to be unintentional and primarily are typographical mistakes, incorrect data entries or omission in the submitted information. In addition, challans in relation to some of our statutory forms in terms of Companies Act, 2013 are untraceable.

With the expansion of our operations, there can be no assurance that such non-compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such non-compliances, in a timely manner or at all. Any penalty or regulatory action taken against us may adversely impact our cash flows and results of operations.

11. ***Our manufacturing operations are highly dependent on the availability of Shankar-6 and comparable grades of cotton, and any shortage in the availability of, or deterioration in the quality of, such cotton may disrupt our production and adversely affect our business, results of operations, financial condition and cash flows.***

The yarns manufactured by us in counts ranging from Ne 16 to Ne 40 require cotton of a specified staple length, micronaire and strength, and we accordingly source Shankar-6 and comparable grades of cotton, which are predominantly cultivated in Gujarat and the states adjoining it. Since the acreage sown to such cotton, and the yield and quality of the resulting crop, are in any given season a function of monsoon conditions, pest infestation, the relative price of competing crops and the minimum support price announced by the Government of India, the quantity of Shankar-6 cotton available in a given season may fall short of our requirement, or the cotton then available may be of a grade lower than that which our production plan contemplates.

While our Company has not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, been required to curtail production, or to procure cotton of the required grade at a premium to prevailing market rates, on account of a shortfall in the availability of Shankar-6 cotton, there can be no assurance that this will continue to be the case. Where such a shortfall arises, we would be required either to procure the required grade at a premium, thereby compressing our margins, or to substitute a lower grade, which would in turn restrict the counts we are able to spin and, consequently, the customers we are able to supply. Accordingly, any prolonged shortage of Shankar-6 or comparable cotton, or any sustained deterioration in the quality of the crop, could affect our capacity utilisation, our product mix and our ability to meet the specifications required by our customers, and there can be no assurance that alternative grades of cotton suitable for our production requirements would be available to us in a timely manner, on commercially acceptable terms, or at all.

12. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

As on March 31, 2026, our Manufacturing Facility has an installed capacity of 27,360 spindles translating to an annual cotton yarn production capacity of 9,307.50 MT. The following table sets forth the capacity utilisation of our products at our Manufacturing Facility for the periods indicated:

Particulars	Installed spindles (2)	Installed production capacity (in kg/day) (3)	Installed production capacity (approx. MTPA(1)) (4)	Utilised production capacity (approx. MTPA)	Capacity utilisation (in %) (5)
As of March 31, 2026	27,360	25,500	9,307.50	8,819.90	94.76%
As of March 31, 2025	27,360	25,500	9,307.50	8,644.51	92.88%
As of March 31, 2024	27,360	25,500	9,307.50	5,269.12	56.61%

Capacity utilisation is calculated on the basis of installed production capacity and actual production for the relevant financial period. For further details, see "*Our Business – Installed Capacity and Capacity Utilisation*" on page 260. Our capacity utilisation was 94.76%, 92.88% and 56.61% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, of capacity utilisation, our ability to sustain such levels is contingent on the continued alignment of our production capacity with prevailing demand, and there can be no assurance that we will be able to maintain similar levels of utilisation in the future.

The installed production capacity of our Manufacturing Facility has been certified by an independent chartered engineer and is derived from our ring frame section, comprising 15 ring frames of 1,824 spindles each, aggregating 27,360 installed spindles, the preparatory and post-spinning machinery having been installed and balanced to the production capacity of those spindles. Our Manufacturing Facility operates on a continuous basis in three shifts of eight hours each per day throughout the year, and installed production capacity has been computed on a normative basis of 365 days at 25,500 kg per day, aggregating 9,307.50 MT per annum, without any deduction for maintenance downtime, preventive maintenance being carried out line-wise rather than simultaneously across all spindles. Capacity utilisation has accordingly been computed as actual production during the relevant Fiscal divided by installed capacity for that Fiscal. Installed capacity so computed is a theoretical and technical assessment under stated operating conditions and is not a forecast of future production, and our actual output is dependent on raw material quality, count mix, the technical parameters set on the machines and the availability of power and labour, with the consequence that our capacity utilisation in any future period may differ materially from that achieved in the periods presented.

Our capacity utilisation is a function of factors that are largely beyond our control, including the prevailing demand for cotton yarn and cotton bales, seasonality inherent in cotton procurement, the availability and pricing of cotton bales, the visibility and consistency of customer orders, competitive pricing pressures within the yarn spinning industry, the availability of skilled and unskilled labour, and the line-wise maintenance of our spindles. As we do not operate under long-term cotton bales supply arrangements or long-term customer contracts, our production planning is calibrated on a shorter horizon than that of manufacturers with contracted input and offtake arrangements, and any misalignment between our procurement cycle and order inflows, however temporary, is more directly reflected in our utilisation levels for the corresponding period.

Any decline in our capacity utilisation arising from these factors, whether on account of reduced demand for cotton yarn or cotton bales, our inability to procure cotton at commercially viable prices, or an insufficiency of sales orders, would result in a lower volume of production over which to absorb our fixed costs, including depreciation, employee costs and plant maintenance expenditure. This would increase our per-unit cost of production and correspondingly compress our operating margins. Further, where such under-utilisation is sustained over an extended period, we may also be unable to recover our investment in plant and machinery within our anticipated investment horizon, notwithstanding which we would continue to incur maintenance and holding costs in respect of the idle capacity. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and cash flows.

13. If we are unable to accurately forecast customer demand and maintain optimal inventory levels of finished yarn and cotton bales, our business, results of operations, and financial condition may be adversely affected.

Our operations depend on our ability to assess demand accurately and align our procurement, production, and inventory management accordingly. We procure cotton bales, our primary raw material, seasonally, typically between October and March when availability is higher and prices are relatively lower. To ensure uninterrupted production throughout the year, we maintain a buffer stock. Additionally, we hold finished yarn inventory to meet customer requirements, many of whom operate on short lead times and fluctuating order volumes.

Any misjudgment in demand forecasting may lead to either over-stocking or under-stocking. In the event of under-stocking, we may not be able to meet customer orders in a timely manner, which could result in loss of business, damage to relationships with key buyers, or reduced utilization of manufacturing capacity. On the other hand, over-stocking of cotton bales or finished goods could result in increased storage and financing costs, working capital constraints, and potential quality degradation, particularly for cotton bales, which are sensitive to storage conditions and which may render our inventory obsolete and may subject our business to pricing pressure causing us to sell our inventory at a discounted price, which may have an adverse effect on our business, results of operations and cash flows.

Set out below are the details of our inventory position and inventory turnover for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Inventory (₹ in million) [(1)]	832.67	823.40	855.16
Inventory turnover ratio (times) [(2)]	4.15	3.35	2.60
Current assets (₹ in million)	1,820.56	1,307.25	1,070.06
Inventory as a percentage of current assets (%)	45.74%	62.99%	79.92%
Inventory days [(3)]	89	109	141

(1) *Inventory of Raw materials, Work-in-progress, finished goods, stores and spare and packing materials as per the restated financial statements.*
(2) *Inventory turnover ratio is calculated by dividing revenue from operations by closing inventory.*
(3) *Inventory days are calculated by dividing closing inventory by revenue from operations and multiplying the result by 365 days.*

For the Fiscals 2026, 2025, and 2024, our inventory turnover ratio stood at 4.15 times, 3.35 times and 2.60 times, respectively, and inventory constituted 45.74%, 62.99%, and 79.92% of our current assets for the respective periods. While there have been no material instances of inventory obsolescence or disposal during the periods mentioned above, there can be no assurance that we will not face such issues in the future.

Maintaining optimal inventory levels involves close coordination among our procurement, production and sales team. However, our estimates are based on internal assumptions, market intelligence, and historical demand patterns, which may not always accurately reflect actual market conditions. External disruptions such as policy changes, global price movements, or a shift in customer sourcing strategies may further aggravate the risk of inventory imbalance.

Although during Fiscal 2026, Fiscal 2025 and Fiscal 2024, we did not experience any material instance of an inability to fulfil a customer order on account of under-stocking, nor did we record any write-down of, or provision against, our inventory on account of over-stocking. However, there can be no assurance that no such instance will arise in the future. Any sustained mismatch between forecasted demand and actual inventory could impact our ability to manage costs, meet customer expectations, and maintain profitability. If we are unable to optimize inventory levels on an ongoing basis, it may adversely affect our cash flows, working capital cycle, and overall financial condition.

14. Our Manufacturing Facility, our Registered Office and our Corporate Office are located in the state of Gujarat. As a result, we are exposed to geographic concentration risks, and any adverse developments affecting Gujarat may materially and adversely affect our business, operations, financial condition, cash flows and results of operations.

We operate a single-location manufacturing model, with our semi-automated cotton spinning manufacturing facility situated at Survey No. 837, Village – Kadjodara, Taluka – Dehgam, District – Gandhinagar, Gujarat, India (our "**Manufacturing Facility**") and our corporate office situated at Survey No. 808 and 836 -843, Village – Kadjodara, Taluka – Dehgam, District – Gandhinagar, Gujarat, India (our "**Corporate Office**"). In addition, our registered office is situated at 403, Satyamev Eminence, B/S Saptak Bungalows, Science City Road, Sola, Ahmedabad – 380060, Gujarat (our "**Registered Office**"). Further, we propose to utilise a portion of the Net Proceeds towards the expansion of our Manufacturing Facility. For further details, see "*Objects of the Issue – Requirement of Funds and utilisation of Net Proceeds*" on page 119 of this Draft Red Herring Prospectus. Consequently, any disruption to our operations in Gujarat cannot readily be offset by production at alternate facilities, since we do not currently operate manufacturing facilities in any other state.

The geographical concentration of our Manufacturing Facility, Registered Office and Corporate Office exposes us to risks arising from any social, political, or economic instability, natural calamities (including floods, cyclones, drought or earthquakes), disruptions to power or water supply, or changes in state-specific policies in Gujarat, including those relating to taxation, labour, land use, environmental compliance, industrial and textile-sector incentives. Gujarat has historically been a hub for the textile and cotton yarn spinning industry, and any change in the state government's industrial policy, withdrawal or dilution of state-specific incentives currently available to textile raw materials manufacturers, or increased competition from other units situated in the same industrial belt could adversely affect our cost structure and competitive positioning relative to manufacturers operating in other states. Since we are solely dependent on the local availability of cotton bales, skilled and unskilled labour, and logistics infrastructure within Gujarat, any prolonged disruption to our operations in Gujarat, whether owing to the factors described above or otherwise, could result in a reduction or suspension of our manufacturing activities, delays in delivery schedules, loss of customers, adversely affect our sales and revenues from operations and increased costs of alternate sourcing or temporary relocation of operations. For other risks arising from this concentration in Gujarat, see *"Risk Factor 2 - We are primarily dependent upon our largest supplier and top ten suppliers for our principal raw material cotton bales, packing material, stores and spares and stock-in-trade. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, these top ten suppliers contributed 60.40%, 45.46% and 57.68% respectively of our total purchases. Further, a majority of our purchases of cost of material consumed and stock-in-trade is made from suppliers based in Gujarat. Any disruption, delay, or inability of these suppliers to fulfil their commitments may materially and adversely affect our production, financial performance, and growth prospects" on page 25.*

Further, given the capital-intensive nature of our Manufacturing Facility, we may also be unable to relocate or establish alternate manufacturing capacity in a timely manner or without incurring significant additional costs. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and cash flows.

Further, the concentration described above extends to our revenue from operations, in that customers located within Gujarat contributed 98.30%, 97.98% and 96.13% of our revenue from operations in Fiscals 2026, 2025 and 2024, respectively, as set out below:

State	**Financial year ended March 31, 2026**		**Financial year ended March 31, 2025**		**Financial year ended March 31, 2024**	
	Amount (₹ in million)	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**	**Amount (₹ in million)**	**% of revenue from operations**
Gujarat	3,394.59	98.30%	2,705.97	97.98%	2,137.38	96.13%
Haryana	7.31	0.21%	0.68	0.02%	1.59	0.07%
Punjab	-	-	1.04	0.04%	-	-
Madhya Pradesh	-	-	2.63	0.10%	21.26	0.96%
Maharashtra	-	-	1.69	0.06%	-	-
Rajasthan	-	-	-	-	4.51	0.20%
Telangana	-	-	-	-	4.04	0.18%
Sub - Total	**3,401.90**	**98.51%**	**2,712.01**	**98.20%**	**2,168.78**	**97.54%**
Other Operating Revenue*	51.43	1.49%	49.82	1.80%	54.76	2.46%
Total	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2,223.54**	**100.00%**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

Since a substantial proportion of our revenue from operations is derived from customers located in Gujarat, any contraction in demand within Gujarat, whether on account of the factors described above or of a downturn in the textile clusters situated therein, would not be readily capable of being offset by revenue from customers located in other states, and could accordingly have a disproportionate effect on our revenue from operations, results of operations and cash flows.

15. ***Certain of the members of our Promoter Group, including our Promoters, have provided personal guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by them in connection with our borrowings.***

Our Promoters and members of the Promoter Group, Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar, Patel Nilesh Kumar Babubhai, Pinalben Rahulkumar Dholu and Mukesh B Patel have provided personal guarantees and Gokuldham Developers, a promoter group entity, has provided corporate guarantee, in respect of the borrowings availed by our Company, amounting to ₹ 1,163.43 million as of July 31, 2026. In addition, certain of our shareholders and certain lessors of our

manufacturing facilities have provided personal guarantees in respect of credit facilities availed by our Company.
If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such loans or facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by certain of our Promoter Group members, including our Promoters, in connection with our borrowings. While no guarantee provided by our Promoters or the members of our Promoter Group in respect of the borrowings of our Company has been invoked by any lender, and no such guarantor has sought the release or substitution of any such guarantee, during Fiscal 2026, Fiscal 2025, Fiscal 2024, there can be no assurance that no such instance will arise in the future. For further information, see "*History and Certain Corporate Matters*", "*Restated Financial Information*" and "*Financial Indebtedness*" on pages 279, 307 and 363, respectively.

16. We may implement new lines of business, offer new services within existing lines of business or expand into different markets. Such investments may not meet the changing needs of our customers and could have an adverse effect on our business, financial condition and results of operations.

Our Company is presently engaged in the manufacture of EliTwist technology-based compact yarn, available in carded and combed varieties, along with conventional compact yarn, carded yarn and combed yarn and in the trading of cotton bales and cotton yarns. As part of our business strategy, we intend to undertake value addition within the textile value chain by establishing two-for-one twisting ("**TFO**") capacity within our existing manufacturing premises, so as to manufacture doubled and twisted yarn from the single yarn presently manufactured in-house by our Company, for details of which see "*Objects of the Issue*" and "*Our Business – Our Strategies*" on pages 119 and 250, respectively. This diversification will represent our maiden foray into the manufacture of value-added yarn, as distinct from our existing business of manufacturing and trading single cotton yarn as an intermediate industrial input.

The proposed diversification will require us to incur significant capital expenditure and additional working capital, and may place significant demands on our management, financial and operational resources, which could distract attention from our existing operations. We have no prior experience in the manufacture, marketing or distribution of TFO yarn, and there is no assurance that we will be able to compete effectively against existing and well-established manufacturers of doubled and twisted yarn, who may have an established brand presence, customer relationships, distribution networks and economies of scale that we do not currently possess. Our inability to accurately assess consumer demand and preferences, to establish an effective distribution and marketing network, or to achieve the scale required to operate this new line of business profitably, could result in this diversification not achieving the results anticipated by us, and could adversely affect our existing business, cash flows and results of operations.

While we intend to undertake adequate diligence and planning prior to, and in the course of, implementing this diversification, there is no assurance that such measures will be sufficient to mitigate the risks involved, or that we will be able to successfully implement this new line of business within our anticipated timelines or cost estimates, or at all. While our Company has not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, discontinued or withdrawn any product category introduced by it, nor incurred any write-off of inventory or of plant and machinery on account of an unsuccessful product introduction, there can be no assurance that this will continue to be the case. Any failure on our part to successfully implement this diversification, or any delay or cost overrun in relation thereto, could adversely affect our business, financial condition, cash flows and results of operations.

17. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.

The cost and availability of capital is, amongst other factors, dependent on our credit ratings, which reflect the assessment by the relevant credit rating agency of our Company's financial capacity to service and repay its borrowings as and when they fall due. Since our lenders price our facilities and determine our borrowing limits by reference to these ratings, any downgrade in, or withdrawal of, a rating would correspondingly increase our cost of borrowing and restrict our access to debt capital. Set out below are the details of the credit ratings obtained by us.

Sr. No.	Name of the Instrument/ Bank Facilities	Rating history		
		Ratings assigned on September 26, 2025*	Ratings assigned on July 28, 2025**	Ratings assigned on July 16, 2024**
1.	Long term bank facilities/ short term bank facilities	IND BBB/Stable/IND A3+	IVR BBB/Stable	IVR BBB-/Stable

**Assigned by India Ratings & Research*
***Assigned by Infomerics Valuation and Rating Limited*

Our Company has, in the past, engaged and disengaged credit rating agencies on more than one occasion, and has not, in each case, obtained a no-objection certificate from its bank in respect of the facilities so rated. Further, each of Brickwork Ratings India Private Limited, Crisil Ratings Limited has, in the past, classified our Company as "Issuer Not Cooperating". A classification of that nature records the inability of the relevant agency to obtain adequate information from the issuer, rather than an assessment of its creditworthiness, but is publicly available on the website of the relevant agency and may nonetheless be regarded adversely by our lenders and by prospective investors. There can be no assurance that our Company will not be so classified again, that no other adverse action will be taken against it by any credit rating agency in the future, or that our lenders will not, as a consequence, revise the terms on which they are willing to extend credit to us In the past, our credit rating has been withdrawn or revised for reasons including company not providing financial or minimum required information for review. Any adverse change in credit ratings assigned to our Company or our borrowing limits in the future may impact our ability to raise additional funds and/or the interest cost at which we borrow additional funds and this could have an adverse effect on our business and results of operations.

18. ***We have experienced rapid growth in our business. Our revenue from operations grew by 55.31% in Fiscal 2026 compared to Fiscal 2024 and increased at a compound annual growth rate of 24.62% between Fiscals 2026 and 2024. However, our rapid growth may not be sustainable and even if it is sustained, we may fail to manage our growth effectively.***

We have expanded our operations and experienced growth in recent years. Our revenue from operations grew at a CAGR of 24.62% from ₹ 2,223.54 million in Fiscal 2024 to ₹ 3,453.33 million in Fiscal 2026, based on our Restated Financial Information. Our profit for the year, calculated on the basis of our Restated Financial Information, increased from ₹ 99.97 million in Fiscal 2024 to ₹ 329.89 million in Fiscal 2026 at a CAGR of 81.66%. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Information*" on pages 365 and 307, respectively.

As of July 31, 2026, our Company operated a single Manufacturing Facility in the State of Gujarat, and sustaining the growth reflected in the foregoing metrics will require continued working capital investment, which will, in turn, place pressure on our Company's ability to effectively manage and control both historical and emerging risks associated with our operations.

Our Company may not be able to sustain our historical growth rate on account of a variety of factors, including work stoppages, labour or social unrest, environmental activism, adverse weather conditions such as cyclones and monsoons, natural calamities, delays in the construction or commissioning of new manufacturing facilities, delays in obtaining regulatory clearances, increases in the cost of raw materials such as cotton bales, unavailability of adequate funding, an inability to onboard experienced personnel for our management team, or a general slowdown in the Indian economy or in the textile industry in which our Company operates. Accordingly, the growth our Company has experienced has placed, and continues to place, significant demands on its internal administrative infrastructure and on our managerial, technical, operational, financial and internal risk control systems. Our Company's ability to sustain such growth will, in turn, depend on, among other things, our ability to control input costs, effectively manage our internal supply chain, complete the expansion of our Manufacturing Facility in a timely manner consistent with customer requirements, maintain high levels of customer satisfaction and product quality, develop and maintain relationships with our suppliers, improve our operations and technology systems, maintain adequate risk management standards, operate in markets or geographies in which we has limited operating experience, and preserve a uniform culture, values and work ethic across our operations; there can be no assurance that our Company will be able to do so.

As part of our growth strategy, our Company aims to further strengthen our market presence by expanding our geographical footprint, enhancing operational efficiency and cost management in the execution of our capital expenditure projects, and capitalising on increasing demand within the spinning and textiles industry by pursuing large-scale, high-value expansion opportunities across India. Such growth strategies could, however, place further demands on our Company's management and on our administrative, technological, operational and financial infrastructure. We have not experienced any material adverse impact on our business, results of operations or financial condition as a result of such demands during Fiscal 2026, Fiscal 2025 and Fiscal 2024. However, any failure by our Company to sustain our growth, whether on account of any or a combination of the foregoing factors or on account of an expansion in the scope and complexity of our operations that we are unable to effectively manage, may compound over time to adversely affect our Company's revenue and cause our operating margins to decline, which may, in turn, adversely affect our Company's business, results of operations and financial condition.

19. ***We export our products through merchant exporters, and although we are not directly exposed to foreign exchange fluctuations, we may still be indirectly impacted by currency volatility, which could affect our export volumes and profitability.***

We undertake export sales through merchant exporters who purchase our products in Indian Rupees and independently handle international trade operations under their own name. Further, our entire export-bound sales turnover is recorded in our books of accounts as domestic sales with no separate export revenue being recognized. Since, we do not undertake any direct exports and all consideration in respect of such export bound sales is received by us in Indian Rupees, we are not directly exposed to foreign exchange fluctuations on these transactions However, we may still be indirectly affected by such currency movements. In particular, appreciation of the Indian Rupee or volatility in foreign exchange markets may affect the pricing competitiveness of Indian yarn in global markets, thereby impacting the margins and export appetite of merchant exporters. This, in turn, may lead to reduced offtake from us, renegotiation of selling prices, or delay in order execution.

Although sales to merchant exporters are currently undertaken on an opportunistic basis, primarily during periods of soft domestic demand, revenue from such sales tends to vary year-on-year and is inherently volatile. While this export model allows us to serve overseas markets with limited compliance and logistical overhead, it also limits our visibility into end-customer demand and pricing and restricts our ability to directly hedge foreign exchange risks or optimize pricing based on global demand conditions.

Set out below are the details of our sales made through merchant exporters for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Sales through merchant exporters (₹ in million)	321.28	532.59	156.21
Revenue from operations (₹ in million)	3,453.33	2,761.83	2,223.54
Sales through merchant exporters as a percentage of revenue from operations (%)	9.30%	19.28%	7.05%

Any sustained volatility in foreign exchange rates or change in global market dynamics may indirectly impact our sales to merchant exporters, and consequently affect our revenue, margins and overall business performance.

20. We have indebtedness which requires cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating.

As of July 31, 2026, our total sanctioned and outstanding indebtedness was ₹ 1,397.13 million and ₹ 1,163.43 million, respectively which our Company has availed for several purposes, including expansion and purchase of capital assets, and to meet working capital requirements. For details on the purpose of the loans availed by our Company, see '*Financial Indebtedness*' on page 363. The level of indebtedness could have several important consequences for our Company, including but not limited to the following:

i. a significant portion of our cash flow may be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements;
ii. defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets;
iii. substantial portion of our long term indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and
iv. our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited.

Additionally, our financing agreements contain certain conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incurring additional debt, declaring dividends, amending our constitutional documents and changing the ownership or control and management of our business. While our Company has received necessary approval from our lenders to undertake this Issue, we cannot assure you that we will be able to obtain approvals to undertake any other aforementioned activities as and when required or comply with such covenants or other covenants in the future. In addition, the charge on our assets created on some of the facilities which we have repaid to our lenders' is still subsisting. Such charge on our assets could impede or affect our ability to avail additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited. In addition, our Promoters and members of promoter group have also extended personal guarantees for some of the debt facilities availed by our Company. While there has been no instance of breach of any financial covenant, restrictive covenant or repayment obligation, and no lender has issued any notice of default or accelerated any facility, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that such instances may not occur in the future. Any inability to continue to provide such guarantee or their inability to honour such guarantee could result in an acceleration of such facilities and, or, adversely impact our ability to raise debt which could impact our cash flows, result in cash flow mismatch and adversely affect our financial condition. For further details regarding our indebtedness, see '*Restated Financial Information*' and '*Financial Indebtedness*' on pages 307 and 363, respectively.

21. Our Promoters, members of the Promoter Group, Directors, Group Companies, Key Managerial Personnel, Senior Management of our Company may enter into ventures that may lead to real or potential conflicts of interest with our business. Further, our Promoters and Directors have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits. Additionally, Surya Future Tradewing LLP, to which our Company sells its products and purchases goods, are enabled under their constitutional documents to carry on activities similar to those of our Company. Any real or potential conflicts of interest that may arise in this regard may materially adversely impact our business, financial condition, results of operations and cash flows.

Our Promoters, Directors and Key Managerial Personnel may accordingly be deemed to be interested in our Company, over and above the regular remuneration or benefits arising from their directorship in our Company. Our Promoters, Directors, Key Managerial Personnel and Senior Management may further 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, see "*Our Promoters and Promoter Group - Confirmations*", "*Our Management – Interest of our Directors*" and "*Our Management - Interest of Key Managerial Personnel and Senior Management of our Company*" on pages 300, 288 and 298.

In addition to these interests, our Promoters, Directors and Senior Management may also be interested to the extent of Equity Shares, and to the extent of any dividend payable thereon, held by them or by entities in which they are associated as promoters, directors, partners, proprietors, kartas or trustees, or held by their relatives, or that may be subscribed to or allotted to companies, firms, ventures or trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. For further details, see "*Capital Structure - Build-up of Promoters' Equity shareholding in our Company*", "*Our Management - Shareholding of our Directors in our Company*", "*Our Management - Shareholding of Key Managerial Personnel and Senior Management in our Company*", "*Summary of Related Party Transactions*" and "*Restated Financial Information*" on pages 104, 288, 298, 68 and 307.

Further, our Promoter Group members (including our Promoters) and Directors, have also extended personal guarantees in favour of our lenders to secure the borrowings availed by our Company and may be deemed to be interested to that extent. also see "*Risk Factor 15 - Certain of the members of our Promoter Group, including our Promoters, have provided personal guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by them in connection with our borrowings." On page* 35 and *"Financial Indebtedness"* on page 363 and our Corporate Office is occupied on a leasehold basis by our Company from our promoters and certain members of our promoter group. For details, see "*Our Business – Our Properties*" and "*Risk Factor 22 - Our Registered Office, and the premises on which our wind mill, and ground-mounted solar installations are situated, have been acquired on a leasehold basis. There can be no assurance that these arrangements will be renewed upon their expiry or that we will be able to obtain alternative premises on the same or similar commercial terms*." on pages 268 and 39, respectively.

Further, conflict of interest may occur between our business and the business of such ventures in which our Promoters, Directors, and Key Managerial Personnel of our Company are involved with, which could have an adverse effect on our operations. Certain members of the Promoter Group, namely Surya Future Tradewing LLP and Rudra Future Tradewing LLP are enabled under their constitutional documents to carry on activities similar to those of our Company. Our Promoters, members of the Promoter Group, Group Companies, Directors, Key Managerial Personnel and Senior Management may compete with us and have no obligation to direct any opportunities to us. Further, our Company has not entered into any non-compete agreement with any of our Promoters, members of our Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management, or with any entity in which any of them is interested, and there is accordingly no contractual restriction preventing any such person or entity from carrying on a business that competes with ours or from availing itself of an opportunity that would otherwise have been available to our Company.

We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner. We cannot assure you that there will not be any conflict of interest between our Company, Promoters, members of the Promoter Group or Group Companies. 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. Although we will comply with the applicable requirements of the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such conflicts of interest, if any, will be resolved in a timely or effective manner.

While we have not experienced any material adverse impact on our business, financial condition, results of operations or cash flows as a result of any conflict of interest involving our Promoters, Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management during Fiscal 2026, Fiscal 2025 and Fiscal 2024.Interests of Promoters, Promoter Group, Group Companies, Directors, Key Managerial Personnel and Senior Management may conflict with the interests of our Company, and they may, for business considerations or otherwise, cause us to take certain actions, or refrain from taking certain actions, which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.

22. Our Registered Office, and the premises on which our wind mill and ground-mounted solar installations are situated, have been acquired on a leasehold basis. There can be no assurance that these arrangements will be renewed upon their expiry or that we will be able to obtain alternative premises on the same or similar commercial terms.

Our Company's Manufacturing Facility, from which we conducts our manufacturing operations, is owned by us. Further, our Registered Office and our Corporate Office are occupied by us on a leasehold basis pursuant to a lease deeds dated July 29, 2026, and August 11, 2026 respectively. Further the premises on which our windmill, and ground-mounted solar installations are situated are occupied on long-term leasehold basis, for details of these properties see *"Our Business – Our Properties"* on page 268. Our Company's continued occupation of such premises is dependent on the maintenance of our relationship with the relevant lessors, and any deterioration in such relationship, whether on account of a change in control of our Company, a dispute with the concerned lessor, or otherwise, could adversely affect our Company's ability to continue occupying such premises on the currently applicable terms. Further, while our Company has not failed to renew our lease arrangements for the material properties in the past three fiscal years, upon expiry of the relevant lease periods there can be no assurance that such leases will be renewed at all, or that they will be renewed on terms and conditions favourable to our Company, including as to rent, tenure or other commercial terms, and our Company may accordingly be required to negotiate fresh lease terms that are less favourable than those currently in effect. In the event any such lease is not renewed, or is terminated prior to the expiry of its term our Company would be required to identify and obtain alternative premises to house the relevant operations, and there can be no assurance that our Company will be able to obtain such alternative premises in a timely manner, on commercially reasonable terms, or at all, particularly given that our Registered Office is integral to our Company's statutory, administrative and secretarial functions, and that the renewable energy installations referred to above supply a material proportion of the power consumed at our Manufacturing Facility. Accordingly, any inability to renew the existing arrangements or to secure suitable alternative premises on a timely basis could compound the disruption to our Company's administrative functions and increase our power costs, thereby adversely affecting our Company's business, results of operations, financial condition and cash flows.

23. Our business is subject to seasonal fluctuations in the availability and pricing of our primary raw material, cotton bales, which may cause variability in our revenues, margins, and working capital requirements.

Cotton bales, our principal raw material, are derived from raw cotton, which is a seasonal crop harvested and available largely between October and March each year Consequently, cotton bales are available in adequate quantities, and at competitive prices, principally during that period, and for the balance of the year we are dependent on the stock procured and held by us during the season and on such quantities as may then remain available in the market. During the season, we accordingly procure cotton bales in bulk from ginners, traders, agents, and through the auctions conducted by a government corporation, based in Gujarat in order to meet both our in-season production requirements and our production requirements for the off-season. We maintain a cotton bales stock-holding period of approximately three to four months, representing our normal forward cover, which may be extended depending on the demand for our products or the prevailing market price of cotton bales, and we maintain dedicated raw material storage of approximately 3,500 sq. mtrs. within the premises of our Manufacturing Facility, . Cotton bales constituted 98.87%, 98.53% and 98.34% of our total cost of goods sold for Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. This seasonal concentration of our procurement creates several risks.

First, we are required to make significant procurement commitments during the harvest period, being October to March, which concentrates our working capital requirement into that period and exposes us to fluctuations in cotton prices, our working capital cycle being driven principally by our cotton bales inventory. Second, carrying a forward cover of three to four months of cotton bales, and such further stock as our cotton bales trading activity requires us to hold beyond our own manufacturing requirements, involves carrying costs, is dependent on the continued adequacy of our storage infrastructure, and exposes us to the risk of quality deterioration, pest infestation or obsolescence over a prolonged holding period. Third, variations in the quality and grade of the cotton bales available for procurement directly affect the counts and quality of yarn that we are able to spin, and the grades available in the market during a given season may not align with the specifications required by our customers, which depend on yarn count and technical parameters. As a result, we may be required either to procure cotton bales of a higher grade, and at a higher cost, than our production plan contemplates, or to hold bales that we are unable to consume in-house and must consequently sell in the market. Fourth, in the event our in-season procurement proves insufficient, or the stock so procured deteriorates during storage, we would be required to procure cotton bales during the off-season, when availability is limited and prices are typically higher, and any inability on our part to do so on commercially acceptable terms would require us to curtail our production. This seasonality and quality mismatch may lead to variability in our production planning, in our capacity utilization and, consequently, in our results of operations from quarter to quarter, as well as to reliance on external sales for the monetization of cotton bales that we are unable to consume in-house. While our Company has not, during Fiscal 2026, Fiscal 2025 or Fiscal 2024, been required to write down its cotton bale inventory or defaulted on any procurement commitment made during a harvest period, there can be no assurance that this will continue to be the case. Any disruption in the cotton season, whether due to adverse weather conditions, government policy interventions, or pricing volatility, may impair our ability to procure cotton bales, to operate our Manufacturing Facility at optimal levels of utilisation, or to monetize our inventory.

Such developments could adversely affect our operational performance, working capital cycle, cash flows, and overall financial condition. For further details refer "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Seasonality of business*" on page 395.

24. Information relating to the installed and actual manufacturing capacity of our units included in this Draft Red Herring Prospectus are based on various assumptions and estimates. These assumptions and estimates may prove to be inaccurate and our future production and capacity may vary.

The information relating to the installed capacities and the historical capacity utilization of our Manufacturing Facility included in this Draft Red Herring Prospectus is based on certain assumptions and estimates, including assumptions relating to the availability and quality of raw materials and our operational efficiencies. While we have obtained a certificate dated September 16, 2026 from Babulal A Ughreja, Independent Chartered Engineer, in relation to installed and utilized capacity and actual production levels, future capacity utilization rates may vary significantly from the historical capacity utilization rates. Further, capacity utilisation is calculated differently across companies, jurisdictions, industries and product categories, and the methodology adopted by us for such calculation may accordingly not be comparable to that adopted by other manufacturers, including our competitors.

Set out below are the details of the installed capacity, actual production and capacity utilisation at our Manufacturing Facility for the periods indicated:

Particulars	**Installed spindles**	**Installed production capacity (in kg/day)**	**Installed production capacity (approx. MTPA)**	**Utilised production capacity (approx. MTPA)**	**Capacity utilisation (in %)**
As of March 31, 2026	27,360	25,500	9,307.50	8,819.90	94.76%
As of March 31, 2025	27,360	25,500	9,307.50	8,644.51	92.88%
As of March 31, 2024	27,360	25,500	9,307.50	5,269.12	56.61%

Note: MTPA refers to metric tonnes per annum.

Our actual utilization rates may accordingly differ significantly from the installed capacity or historical capacity utilisation information relating to our Manufacturing Facility. While we endeavour to ensure that our production capacity is utilized at optimum levels at all times, including through the determination of the levels of business we seek and accept, our production schedules, and our personnel and other resource requirements, based on our internal estimates and targets, there can be no assurance that we will be able to fully utilise our installed capacity in the future. Any failure to do so could adversely affect our costs and profitability, and consequently our financial condition. Undue reliance should not, therefore, be placed on the installed capacity or historical capacity utilisation information relating to our Manufacturing Facility included in this Draft Red Herring Prospectus. For further details, see "*Our Business – Installed Capacity and Capacity Utilisation"* on page 260.

25. ***We operate in a competitive industry and face growing competition not only from domestic and international yarn manufacturers, but also from increasing preference for synthetic textiles over cotton yarns. Our inability to adapt to these changing dynamics could adversely affect our business, profitability, and market position.***

The Indian spinning industry is fragmented, comprising a mix of large integrated manufacturers and standalone spinning mills, and we compete within this landscape primarily on the basis of product quality, yarn consistency, customer relationships, pricing, and timely delivery. According to the D&B Report, competition within the Indian cotton spinning industry is influenced by access to raw cotton and procurement efficiency, scale of operations and capacity utilisation, the shift towards value-added yarn products, technology adoption and manufacturing efficiency, and market access, and competitive intensity remains high across both domestic and export markets. Our key competitors accordingly include established domestic mills with larger capacities, vertically integrated textile groups, and international suppliers based in low-cost manufacturing regions, many of whom have longer operating histories, greater brand recognition, access to cheaper raw materials or capital, and larger economies of scale than us. Such competitors may, in turn, be better positioned to absorb cost volatility or offer more attractive credit terms to customers, which may place pricing pressure on our offerings and restrict our ability to fully pass on raw material cost volatility to our customers.

Furthermore, consolidation in the spinning industry or the entry of global players with robust financial and operational capabilities may intensify this competitive pressure still further, particularly where such competitors are able to invest more aggressively than us in technology, backward integration, or marketing, creating additional barriers to our growth. The D&B Report further records that competition is increasing in the higher-margin yarn categories in which we operate, being combed yarn, compact yarn and speciality yarns, as spinning companies move beyond conventional carded yarn in response to demand from premium garment, home textile and export-oriented manufacturers, with the consequence that the relatively lower competitive pressure historically enjoyed by producers of finer counts and specialised yarns may not be sustained.

In parallel with these competitive pressures, the global and domestic spinning industry is witnessing a gradual shift in consumer preference from cotton to synthetic textiles, driven by various functional and economic factors. This shift is underpinned by the inherent advantages of synthetic yarns such as polyester, nylon, and elastane, including lower cost, greater durability, wrinkle resistance, faster drying time, and better suitability for the fast-fashion segment, and these advantages are increasingly aligning with the expectations of both manufacturers and end consumers. Also, see "*Our Business – Competition*" and "*Industry Overview*" on pages 266 and 170, respectively, for further details on competitive conditions that we face across our various business segments.

In light of the foregoing, the combined effect of intensifying competition and the shift toward synthetic substitutes may force us to lower our prices or extend more liberal credit terms in order to retain customers, which would negatively impact our margins. Accordingly, any failure on our part to compete effectively, upgrade our product mix, or match the pace of technological and material innovation in the industry may lead to loss of market share, lower capacity utilisation, and weakened financial performance, and there can be no assurance that we will be able to do so.

26. ***Our operations are significantly dependent on our ability to successfully identify market requirements and customer preferences and gain customer acceptance for our products.***

Our continued growth and competitiveness are dependent on our ability to accurately anticipate and respond in a timely manner, to evolving customer preferences, industry trends, and technological advancements within our industry. The spinning industry, particularly the yarn segment, is dynamic in nature and is influenced by fashion trends, functional textile innovations, fibre preferences (such as cotton and synthetic blends), and downstream demand from garment and fabric manufacturers.

While we currently offer a diversified product portfolio comprising Eli-Twist Technology-based compact yarn, available in carded and combed varieties, along with conventional compact yarn, carded yarn and combed yarn and trading of cotton bales and cotton yarn, there can be no assurance that we will be successful in maintaining or growing our market share or that we will be able to modify our existing products or develop new yarn variants in response to customer demand. Any mismatch between our product offerings and the expectations of customers could lead to pricing pressure, loss of orders, or erosion of our market share, each of which may adversely affect our revenue and profitability.

Our ability to anticipate and respond to customer preferences is, in turn, dependent on our continued investment in innovation and quality enhancement. Pursuant to the Proposed Expansion by utilising net proceeds, we propose to introduce TFO yarn to our product portfolio, for details of which see "*Objects of the Issue*" on page 119. Although we are committed to ongoing innovation, there can be no assurance that our efforts in this regard will be timely or effective, or that any new or modified products developed by us will achieve commercial success. Further, our exposure to shifts in customer preference will extend to a product category in which we have no operating history and no established customer base, and any mis-judgement by us of the demand for, or of the technical specifications required in, such product would accordingly be more difficult to correct than in respect of our existing products. While our Company has not experienced any loss of business, cancellation of orders or reduction in order volumes attributable to a failure to match customer requirements as to count, quality or specification during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that this will continue to be the case. Any failure on our part to respond effectively to changes in market conditions, consumer preferences, or industry innovations may adversely affect our revenue growth, customer relationships, financial condition and results of operations.

27. ***We have not yet placed any orders in relation to the capital expenditure to be incurred we intend to fund through our Net Proceeds. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.***

Our Company proposes to undertake the Proposed Expansion at its existing manufacturing premises at Survey No. 837, Village Kadjodara, Taluka Dehgam, District Gandhinagar, Gujarat, and on the adjacent land situated at Survey No. 842, Village Kadjodara, Taluka Dehgam, District Gandhinagar, Gujarat, in two limbs. The first limb comprises the installation of five additional ring frames aggregating 9,120 spindles, together with the requisite preparatory and supporting machinery, which will increase our installed production capacity from 25,500 kg per day to 34,000 kg per day. The second limb comprises the installation of a two-for-one twisting unit comprising 20 two-for-one twisting machines of 240 spindles each, aggregating 4,800 two-for-one twisting spindles, together with four cheese winders of 100 spindles each, with a proposed installed production capacity of 22 to 24 tonnes per day, being a product line in which our Company has no operating history. Together, these limbs are intended to augment our Company's currently existing installed capacity of 27,360 spindles to an aggregate installed capacity of 36,480 spindles per annum. Such augmented capacity is proposed to be funded, in part, from the Net Proceeds, and our realisation is therefore linked to the timely and cost-effective procurement of the plant and machinery required for the Proposed Expansion.

Further, the Proposed Expansion requires approximately 8,160.26 sq. mtrs. of land, of which approximately 2,532 sq. mtrs. is land already owned by our Company, approximately 5,565.26 sq. mtrs. is taken on lease from our Promoters and approximately 63 sq. mtrs. is taken on lease from shareholders. Since the land on which the TFO Project and certain portion of the Spinning Expansion Project is proposed to be undertaken on the land which is on lease hold from our Promoters, and the shareholders, the implementation of that limb of the Proposed Expansion is dependent upon the continued availability of premises held from related parties, and any failure to extend such lease or, any termination or, dispute in relation to them, could delay or prevent the implementation of the Proposed Expansion and the deployment of the Net Proceeds for the purposes stated in "*Objects of the Issue*" on page 119.

Although our Company has procured quotations from various vendors for the plant and machinery proposed to be installed, and the process of finalisation of vendors is currently underway, it has not, as of the date of this Draft Red Herring Prospectus, placed any firm orders or entered into any definitive agreements with the suppliers for such plant and machinery. For details see "*Objects of the Issue*" on page 119. Such quotations remain valid only for a limited period and are subject to revision on account of prevailing commercial and technical factors, and there can be no assurance that our Company will be able to undertake the proposed capital expenditure within the cost currently indicated by such quotations or that cost escalations will not occur. While our Company has not, in the past, experienced any material delay in the delivery or commissioning of plant and machinery ordered by it, or any cost escalation over the quoted price of such machinery, during Fiscal 2026, Fiscal 2025, Fiscal 2024,there can be no assurance that no such instance will arise in the future which could compound to result in material time and cost overruns for the Proposed Expansion, thereby delaying commencement of commercial production and impairing the returns anticipated therefrom.

28. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations may adversely affect our operations.

We are required to obtain and maintain various statutory and regulatory permits, approvals, licenses and registrations to operate our business. Many of these approvals are subject to periodical renewal. Any failure to renew the approvals that may expire, or to apply for the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

As on the date of this Draft Red Herring Prospectus, application for certificate of registration for establishment under occupational safety, health and working conditions has been made by our Company and is pending for registration, set out below are the details of the registration which we have applied and are yet to be granted:

Sr. No.	Type of License/Approval	Issuing Authority	Date of Application	Registration/ Reference/ License Number / Application Number	Details of application
1.	Application for certificate of registration for establishment under occupational safety, health and working conditions	Government of Gujarat	September 14, 2026	REG/OSHWC/GJ/AHM/2026/001670	Applied for Registration

Particulars of these pending licenses are set out in "*Government and other Approvals*" on page 401. Accordingly, until such applications are disposed of, our Company continues to be exposed to the risk that the relevant approvals may be refused, granted subject to onerous conditions, or granted only after a delay that disrupts the operations to which they relate**.**

While we have not had any material instances of failure to obtain, maintain or renew approvals, licenses and registrations required to conduct our businesses during the past three Fiscals, we cannot assure you that required approvals, licenses and registrations will be successfully granted to us or renewed in a timely manner or at all in the future. We also cannot assure you that our approvals and consents will not be suspended or revoked in the future. Failure to obtain, maintain or renew the approvals, licenses and registrations required to operate our business could adversely affect our business, financial condition, cash flows and results of operations.

Further, some of our licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals which may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. For more details relating to licenses and approvals relating to our business, see "*Government and other Approvals*" on page 401.

29. There are certain outstanding proceedings against our Company and Directors who are also our Promoters, which if determined adversely, could affect our business, cash flows and results of operations. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.

There are outstanding legal proceedings involving our: (a) our Company and (b) Directors who are also our Promoters. These proceedings are pending at different levels of adjudication before a range of courts, tribunals and authorities. In the event of adverse rulings in these proceedings against our Company or consequent levy of penalties, we may need to make payments or make provisions for future payments, and which may increase expenses and current or contingent liabilities. Apart from these proceedings, if our Company, our Promoters, our Directors, Subsidiary, Key Managerial Personnel or Senior Management become involved in any legal proceedings in the future, then they may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and have to make further provisions in our financial statements, which could increase our expenses and our liabilities. There can be no assurance that any litigation will not be brought against us in the future. Decisions in such proceedings adverse to our interests may have a material adverse effect on our business, cash flows, financial condition, and results of operations.

The monetary amount involved in the cases against our Company, our Promoter, our Directors, Key Managerial Personnel and Senior Management, do not exceed the materiality threshold as identified by our Company pursuant to the Materiality Policy adopted by our Board.

A summary of outstanding litigation and the monetary amount involved in the cases involving our Company, our Promoter, our Directors, Key Managerial Personnel and Senior Management is mentioned below:

Name	Criminal proceedings (number)	Tax proceedings (number)	Actions taken by statutory or regulatory authorities	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material Litigation* (number)	Aggregate** amount involved (₹ in million)
Company						
By our Company	Nil	Not applicable	Not applicable	Not applicable	1	105.92
Against our Company	Nil	4	Nil	Nil	Nil	10.23
Directors other than Promoters						
By our Directors	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against our Promoters	Nil	2	Nil	Nil	Nil	5.45
Key Managerial Personnel or Senior Management						
By our KMP or Senior Management	Nil	Not applicable	Not applicable	Not applicable	Nil	Nil
Against our KMP or Senior Management	Nil	Nil	Nil	Nil	Nil	Nil

**In accordance with our Materiality Policy. For further details, see 'Outstanding Litigation and Material Developments' at page 397.*
***To the extent quantifiable.*
As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally, and consequently the aggregate contingent exposure of our Company may exceed the amounts individually disclosed to the extent that joint and several claims are enforced in full against our Company alone. For details, see *"Outstanding Litigation and Material Developments"* on page 397.

In the event significant claims are determined against us and we are required to pay all or a portion of the disputed amounts, there could be a material adverse effect on our business and profitability. We cannot provide any assurance that these matters will be decided in our favour. Furthermore, we may not be able to quantify all the claims in which we are involved. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure that similar proceedings will not be initiated in the future. This could adversely affect our business, cash flows, financial condition, and results of operation.

30. The business of our Company is capital intensive, and we may require significant financing to support our growth strategies and expansion plans. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business requires significant investment in plant and machinery, spindle age capacity, and supporting infrastructure. Our growth strategy contemplates the expansion of our existing Manufacturing Facility to accommodate an additional 9,120 spindles and the installation of 4,800 TFO yarn spindles, together with four cheese winders and the consequent addition of TFO yarn to our product portfolio, for details of which see "*Objects of the Issue*" and "*Our Business – Our Strategies*" on pages 119 and 250, respectively, which we currently estimate will require capital expenditure of approximately ₹480.00 million, proposed to be funded through the Net Proceeds and internal accruals. In the event that the Net Proceeds and internal accruals are not adequate to fund our capital expenditure and expansion plans, we may, in the future, be required to obtain additional financing from third parties, including banks and financial institutions. Our Company incurred its principal capital expenditure in Fiscals 2018 and 2022, being the Fiscals in which our Manufacturing Facility was established and thereafter expanded, and the capital expenditure incurred by us in each of Fiscals 2026, 2025 and 2024 was not material. Our Company has not, in the past, experienced any instance of delay in the implementation of a project, of a cost overrun, or of an inability to raise financing for a capacity expansion, which was material in nature, although there can be no assurance that no such instance will arise in relation to the expansion presently proposed. Since our plant and machinery has accordingly been in operation for an extended period without material replacement or augmentation, our production is more susceptible to breakdown, to increased maintenance expenditure and to technological obsolescence than that of manufacturers operating more recently installed capacity.

Set out below are the details total written down value of our property, plant and equipment, capital work-in-progress and intangible assets and the same expressed as a percentage of our total assets, for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
WDV of property, plant and equipment (₹ in million)	809.81	882.92	910.19
Capital Work-in-Progress (₹ in million)	48.96	-	-
WDV of intangible assets (₹ in million)	0.13	-	-
Total closing WDV (₹ in million)	**858.91**	**882.92**	**910.19**
Total Assets (₹ in million)	**2,911.08**	**2,230.22**	**2,006.45**
Total closing WDV as a percentage of our Total Assets (%)	29.50%	39.59%	45.36%

Our ability to implement our growth and expansion plans within anticipated timelines and cost estimates depends on factors that are not entirely within our control, including the timely availability of net proceeds of the issue, delays in procurement or installation of plant and machinery, cost escalations, and delays in obtaining regulatory approvals or consents required for such expansion. Where we are unable to fund our capital expenditure through the Net Proceeds, we would be required to raise further debt, increasing our finance costs and overall indebtedness, or additional equity, resulting in dilution to existing shareholders.

There can be no assurance that such financing will be available to us in a timely manner, on commercially acceptable terms, or at all. Any delay in implementing our expansion plans, any cost overrun, or any failure to raise the necessary financing could result in our plans being scaled back, delayed, or abandoned, and could adversely affect our ability to increase our capacity utilisation or compete effectively. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and cash flows.

31. ***Our Director, Radheshyam Parshottambhai Pokar was disqualified to act as director under Section 164(2) of the Companies Act, 2013 in the past.***

Our Director, Radheshyam Parshottambhai Pokar was a director of a company namely Accutech Plast Private Limited, which had failed to carry on any business or operation for a period of two consecutive Financial Years. Due to the non-compliance, the Registrar of Companies, Ahmedabad struck off the said company under section 248(1) of the Companies Act, 2013, consequent to which, our director was disqualified to act as director under Section 164(2) of the Companies Act, 2013 in the year 2018. Accordingly, the Ministry of Corporate Affairs has deactivated the DIN of our Director, Radheshyam Parshottambhai Pokar, resulting in his disqualification as a director. The disqualification was challenged by our Director, Radheshyam Parshottambhai Pokar before the High Court of Gujarat, and the court vide its order dated February 28, 2022 quashed the deactivation of the DIN and the disqualification was set aside. Even if our director is successful in defending such cases, we cannot assure that such instances of disqualification or any similar proceedings will not be initiated in the future. Any such disqualification could adversely affect our business, cash flows, financial condition, and results of operation.

32. ***We are subject to environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations, cash flows and financial condition.***

Our manufacturing processes involve handling cotton bales, and other by-products that are subject to various environmental, health, and safety laws and regulations. These include requirements relating to air quality, dust emissions, solid waste disposal, effluent discharge, water consumption, noise levels, and fire safety. Accordingly, we are required to obtain and maintain approvals from the Gujarat Pollution Control Board, as well as other permits and clearances relating to storage, disposal of by-products and compliance with workplace safety standards. For instance, we require certain material approvals including approvals under the Water (Prevention and Control of Pollution) Act, 1974, as amended, Air (Prevention and Control of Pollution) Act, 1981, as amended and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended in order to establish and operate our Manufacturing Facility in Gujarat and registrations with the relevant tax, labour and municipal authorities in India. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. A majority of these approvals are granted for a limited duration. Some of these approvals, licenses and permits have expired and we have either made or are in the process of making applications for renewing these approvals. For details of our material approvals for which applications are pending before relevant authorities, see "*Government and Other Approvals*" on page 401. We cannot assure you that our applications for renewal of these approvals will be issued or granted to us in a timely manner, or at all. While we have not experienced any material interruption of our operations or any material adverse effect on our business, financial condition, results of operations or cash flows due to any failure to renew, maintain or obtain the required permits or approvals during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that such instances will not arise in the future. Failure by us to renew, maintain or obtain the required permits or approvals may result in an interruption of our operations and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

While, as of the date of this Draft Red Herring Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. While, we have not been subject to any material environmental legal proceedings during Fiscal 2026, Fiscal 2025 and Fiscal 2024 any such legal proceedings could divert management time and attention and consume financial resources in defence or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. Further, there can be no assurance that we will be successful in all, or any, of such proceedings.

33. We have significant working capital requirements and our inability to meet such working capital requirements may have an adverse effect on our results of operations.

Our operations are working capital intensive. We are required to maintain significant inventory of cotton bales and finished goods, and to extend credit to our customers in the ordinary course of business. As on March 31, 2026, our working net capital requirements for inventories and trade receivables, amounted to ₹1,655.56 million after netting off trade payable, our inventory days stood at 89 days our trade receivable days stood at 87 days, and our net working capital cycle stood at 154 days as on March 31, 2026. Our working capital requirements are funded from our internal accruals and from the working capital facilities availed by us from banks and financial institutions, and no part of the Net Proceeds is proposed to be applied towards funding our working capital requirements. Further, prices of cotton bales varies through the season, hence, we are required to procure and hold quantities sufficient to average our input cost across the year rather than to purchase against confirmed orders.

Set out below are the details of our working capital position for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Inventories (₹ in million)	832.67	823.40	855.16
Trade receivables (₹ in million)	822.89	349.72	47.92
Trade payables (₹ in million)	207.60	195.16	161.24
Inventory days (1)	89	109	141
Trade receivable days (2)	87	47	8
Trade payable days (3)	29	36	32
Net working capital cycle (days) (4)	**147**	**120**	**117**

(1) *Inventory days are calculated by dividing closing inventory by revenue from operations and multiplying the result by 365 days.*
(2) *Trade receivable days are calculated by dividing closing trade receivable by revenue from operations and multiplying the result by 365 days.*
(3) *Trade payable days are calculated by dividing closing trade payable by total purchase during the year and multiplying the result by 365 days.*
(4) *Net working capital cycle is calculated by adding inventory days and trade receivable days and deducting trade payable days.*

We source cotton bales predominantly on a domestic, spot-basis rather than under long-term supply contracts, which requires us to procure and hold inventory during the cotton harvest season to secure adequate quantities at commercially acceptable prices. A part of our requirement of cotton bales is procured through auctions conducted by a government corporation, based in Gujarat, participation in which requires us to commit funds against the lots bid for within the timelines stipulated by it, and our ability to procure cotton bales through this route is accordingly dependent both on the quantities and grades offered by it in a given season and on our having sufficient liquidity available at the relevant time. This working capital cycle is funded substantially through borrowings, and our working capital facilities from banks and financial institutions are secured and unsecured, among other things, by a charge over our plant and machinery, current assets and personal guarantee by our promoter and members of our promoter group, with drawdowns contingent on our maintaining specified drawing power and complying with applicable financial and operational covenants.

Our working capital requirements may increase due to a rise in cotton prices, an elongation of our trade receivable days, a reduction in the credit period extended to us by our suppliers, or the expansion of our manufacturing capacity within our existing premises to accommodate an additional 9,120 spindles and to enable our entry into the manufacture of TFO yarn, for details of which see "*Objects of the Issue*" and "*Our Business – Our Strategies*" on pages 119 and 250, respectively, upon the commissioning of which our requirement for cotton bales and finished goods inventory, and the credit required to be extended to our customers, would each increase correspondingly. Any tightening of our drawing power, any covenant breach, or any inability to renew or enhance our existing facilities could restrict our access to working capital, and there can be no assurance that additional financing would be available to us on commercially acceptable terms, or at all. Further, our working capital requirements are assessed by our management on the basis of assumptions as to cotton prices, the credit period extended to our customers and by our suppliers, our production plan and the levels of inventory required to be held by us, each of which is susceptible to change. In the event that our actual working capital requirement exceeds the requirement so assessed, whether on account of an increase in cotton prices, an elongation of our working capital cycle, or an error in the assumptions underlying our assessment, we may be required to seek additional working capital facilities at short notice, and there can be no assurance that such facilities would be sanctioned to us in a timely manner, on commercially acceptable terms, or at all. To meet any such requirement, we may need to raise additional financing through borrowings or by issuing equity or debt securities. Any additional indebtedness incurred by us would increase our finance costs and repayment obligations and may subject us to further covenants restricting our operational flexibility, while any issuance of equity securities would dilute the shareholding of our existing shareholders. While we have not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, experienced any instance of a shortfall in our working capital, of a breach of any financial or operational covenant under our working capital facilities, or of an inability to renew or enhance such facilities, there can be no assurance that no such instance will arise in the future. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and cash flows.

34. ***We avail bill discounting facilities from certain financial institutions in respect of invoices raised on us by our suppliers, for meeting our working capital requirements. If we are unable to obtain such facilities, or terms of such facilities are unfavourable to us, it may adversely affect our ability to meet our working capital needs, which could have a material adverse effect on our business, results of operations and financial condition.***

In addition to our fund-based and non-fund-based working capital facilities, we avail purchase invoice discounting facilities from certain financial institutions, under which invoices raised on us by our suppliers are discounted and our suppliers are paid by the relevant financial institution, with the corresponding liability being discharged by us to such institution on the due date, so as to meet a part of our working capital requirements. Our Company does not avail any facility for the discounting of trade receivables due from its customers. As on July 31, 2026, the amount outstanding under our bill discounting facilities was ₹ 133.36 million, constituting 15.61% of our total working capital borrowings as on such date.

These facilities allow us to defer the outflow that would otherwise be payable to our suppliers on the due dates of their invoices, and our reliance on them is directly linked to our working capital cycle and to the credit period extended to us by our suppliers. The availability and terms of such facilities, including the discounting rate, the tenor of the financing and any margin or security requirements, depend on the financial institution's assessment of the credit profile, and are also susceptible to changes in prevailing interest rates and money market conditions, none of which are within our control.

Any inability on our part to obtain bill discounting facilities in the future, whether due to a reassessment of our creditworthiness, tightening of lending norms by financial institutions, or general liquidity conditions in the financial system, or any renewal of such facilities on less favourable terms, including a higher discounting rate, would require us to rely more heavily on our other working capital facilities or seek alternate sources of financing to bridge our working capital requirements. There can be no assurance that such alternate financing would be available to us in a timely manner, on commercially acceptable terms, or at all. Any of the foregoing could adversely affect our ability to meet our working capital needs and materially and adversely affect our business, results of operations and financial condition.

35. ***We are subject to stringent quality requirements from our end-use industries. Any failure to meet prescribed quality specifications may result in product rejections, loss of customer confidence, and reputational damage, which could adversely affect our business and results of operations.***

Our business involves the manufacturing and supply of cotton yarn to traders, agents, manufacturers and merchant exporters being our customers which is further supplied to textile and garment manufacturers. Our customers often have specific quality expectations regarding parameters such as yarn strength, uniformity, twist per inch, etc. Compliance with these requirements is critical to ensuring sustained customer relationships and repeat business.

The spinning process involves multiple interdependent stages such as carding, combing, drawing, spinning, and winding, each requiring precise control, skilled manpower, and continuous monitoring. Any deviation from process norms, equipment malfunction, operator error, or inconsistency in cotton quality may result in defects such as hairiness, unevenness, or low tensile strength in the final yarn which could lead to customer complaints, rejection of consignments, or even cancellation of orders.

Our Company maintains an in-house quality testing team and an in-house testing laboratory comprising of 4 members at our Manufacturing Facility, at which each lot is tested prior to dispatch on a sample basis, and, in addition, certain of our customers prior to their acceptance of shipments, require us to provide samples for technical evaluation prior to the placement of final bulk orders. In certain cases, we are also subject to external testing conducted by our customers through third-party laboratories for quality verification before accepting shipments. Failure to meet quality standards during such evaluations or post-delivery assessments may not only lead to immediate loss of sales but could also impair our standing with existing and prospective customers.

While we have not experienced any material instances of product rejections or quality-related order cancellations during Fiscal 2026, Fiscal 2025, and Fiscal 2024, there can be no assurance that such events will not occur in the future.

Since our reputation in the market is closely tied to our ability to deliver yarn that meets consistent quality benchmarks, any loss of confidence among our customers could significantly affect our future order pipeline, customer retention, and financial performance. In addition, many of our customers, particularly merchant exporters, operate in export markets or serve international apparel brands, which in turn imposes high quality expectations on their suppliers, including yarn manufacturers like us. Further, any lapses in quality could expose us to higher product scrutiny, tighter payment terms, or eventual delisting as an approved vendor. This could adversely affect our revenue, growth prospects, and overall market positioning.

36. Delays or defaults in payments by our customers could increase our working capital requirements, impact our cash flows, and adversely affect our financial performance and condition.

We extend credit to our customers in the ordinary course of business, and our sales are typically made on credit terms ranging from 45 to 60 days, consistent with prevailing industry practice in the cotton yarn spinning sector.

Set out below are the details of our trade receivables, our trade receivables turnover ratio and our trade receivables expressed as a percentage of our revenue from operations, for the periods indicated:

Particulars	As at / for Fiscal 2026	As at / for Fiscal 2025	As at / for Fiscal 2024
Trade receivables (₹ in million)	822.89	349.72	47.92
Revenue from operations (₹ in million)	3,453.33	2,761.83	2,223.54
Trade receivables as a percentage of revenue from operations (%)	23.83%	12.66%	2.16%
Trade receivables turnover ratio (times) (1)	4.20	7.90	46.40
Trade receivable days (2)	87	47	8

(1) *Trade receivable turnover ratio is calculated by dividing revenue from operations by closing trade receivable.*
(2) *Trade receivable days are calculated by dividing closing trade receivable by revenue from operations and multiplying the result by 365 days.*

Our ability to sustain a stable cash flow and liquidity position is dependent on the creditworthiness of our customers and their timely settlement of payments. Any delay in payment or default by customers, especially after we have committed resources towards the execution of orders, may result in higher receivables, prolong our working capital cycle, and negatively impact our operating cash flows. While our Company has not experienced any default by a customer and has neither recognised any provision for doubtful debts nor written off any trade receivable as bad, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that no such default will arise in the future.

Any increase in our receivable days would increase our funding requirement and our dependence on working capital borrowings, or require us to raise additional financing, by way of an issue of equity or debt securities, thereby increasing our finance costs or diluting the shareholding of our existing shareholders, as the case may be, and any resulting default may require us to recognise provisions for doubtful debts or write off the relevant receivables, directly reducing our profitability. There can be no assurance that we will be able to recover overdue or defaulted amounts in a timely manner, or at all. Any of the foregoing could increase our working capital requirements, adversely affect our cash flows, and materially and adversely affect our business, results of operations, financial condition and cash flows.

37. We rely on third-party transportation providers for inbound raw materials and outbound finished goods, and any disruption or inefficiency in such logistics arrangements may adversely affect our business, financial condition, results of operations, and cash flows.

We rely on third-party logistics and transportation providers for (i) the movement of cotton bales and other inputs from our suppliers to our Manufacturing Facility, and (ii) the delivery of our finished yarn products to our customers. We have not entered into any long-term arrangements or contracts with third-party transportation providers for the movement of raw materials or finished goods, and instead fulfil our transportation requirements through spot arrangements or short-term logistics engagements as per our operational needs. While this approach offers us flexibility, it also increases our exposure to volatility in availability, service levels and cost, and in the absence of committed service contracts, there is a risk that timely transportation may not be available to us during periods of peak demand or supply chain disruptions.

Our logistics network is susceptible to delay, disruption or inefficiency arising from multiple external factors, including labour strikes, fuel price volatility, adverse weather, road blockages, natural disasters, public health emergencies (such as the COVID-19 pandemic), and regulatory changes affecting freight movement, any of which may impair our ability to maintain smooth operations or timely order fulfilment. Additionally, our products and raw materials in transit may be exposed to risks such as theft, mishandling, damage or loss, which could result in quality degradation or a shortfall in quantity at the destination. We may also be affected by an increase in fuel costs, which would have a corresponding impact on our courier and delivery charges and could adversely affect our business, results of operations, financial condition and cash flows.

Any delay or non-delivery of raw materials may impact our production schedules, while delays in customer deliveries could affect our reputation and customer retention. Further, any recompense received from insurers or third-party transportation providers may not always be adequate to cover the cost of any such delays or losses, and will not repair the damage caused to our relationships with our affected customers. While we have not faced any material disruptions in transportation during Fiscals 2026, 2025 and 2024, we cannot assure you that such incidents will not occur in the future.

Set out below are the details of our transportation cost, and the same expressed as a percentage of our total expenses, for the periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024

Transportation cost (₹ in million)	7.78	7.45	5.25
Total expenses (₹ in million)	3,004.77	2,412.24	2,091.10
Transportation cost as a percentage of total expenses (%)	0.26%	0.31%	0.25%

We could be required to expend considerable resources in addressing our transportation requirements, including by way of absorbing any excess charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

***38. Our risk management framework and insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability*.**

Our risk management framework encompasses policies and procedures designed to identify, assess and mitigate risks associated with our business operations. We typically maintain comprehensive insurance coverage, including industry-standard fire, marine cargo, stock and workmen compensation policies. For further details, see "*Our Business – Insurance*" on page 264. Details of our insurance coverage as of Fiscals 2026, 2025, and 2024 are set out below:

(*in ₹ million, unless specified otherwise*)

Particulars	Reference	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Net value of all tangible assets [(1)] (₹ million)	A	1,691.44	1,706.32	1,765.35
Net value of insured tangible assets [(2)] (₹ million)	B	1,612.64	1,675.66	1,733.32
Amount of insurance coverage [(3)] (₹ million)	C	2,058.85	2,198.85	1,799.52
Percentage of insured tangible assets (%)	D = B/A*100	95.34%	98.20%	98.19%
Insurance coverage as a percentage of insured assets (%)	E = C/B*100	127.67%	131.22%	103.82%

[(1)] Tangible assets include Inventory and fixed assets, where fixed assets consist of property, plant and equipment, capital work-in-progress, excluding intangible assets and right-of-use assets.
[(2)] Insured tangible assets is sum of WDV of those tangible assets for which the Company has taken insurance.
[(3)] Amount of insurance coverage represents the sum insured as mentioned in the policies taken on by the company for its tangible assets.

Notwithstanding the foregoing, our operations remain subject to a range of inherent hazards, including equipment malfunctions, system or infrastructure failures, employee misconduct (including fraud), and external events such as acts of terrorism. We may not have identified every risk to which we are exposed, and we may not be insured against certain risks, whether because such risks are uninsurable, are not insurable on commercially acceptable terms, or because losses arising from such risks exceed the limits specified in our policies. Similarly, losses arising from events not covered by our insurance policies, such as pandemics, or arising from inadequate coverage, could materially harm our cash flows, financial condition, and results of operations. Any such events, whether individually or collectively, could disrupt our business operations, impair our ability to maintain continuity of services, and adversely affect our financial performance.

While our Company has not been denied any insurance coverage applied for in Fiscals 2026, 2025, or 2024, there can be no assurance that claims under our policies will be honoured fully, promptly, or at all. Further, our policies are subject to periodic renewal, and there can be no assurance that such renewals will always be granted on a timely basis, on terms favourable to us, or at premium levels consistent with current terms. Any delay in renewal, non-renewal, or significant increase in premiums could increase our operational risks and costs. Further, certain losses or liabilities, such as third-party claims or litigation damages, may be excluded from our coverage or may exceed our coverage limits. Any material loss that is not covered by insurance, or that exceeds our coverage limits, would be borne directly by us, which could adversely affect our cash flows, results of operations, financial condition, and prospects. For further details on our insurance policies and asset coverage, see "*Our Business – Insurance*" on page 264.

39. Cotton is a highly flammable commodity, and any fire, accident, or mishap at our facilities could result in significant property damage, business interruption, and financial loss.

Cotton is highly flammable and combustible and is susceptible to ignition at almost every stage of handling, including procurement, storage, processing, transportation, and trading. This risk is particularly acute in our blow room, and carding section, where fine cotton dust accumulates, increasing the likelihood of sparks or short circuits that could result in a fire. Given our use of high-volume air circulation systems and semi-automated cotton spinning material-handling equipment to process large volumes of cotton, a fire or similar incident originating in one section of our facility could spread rapidly across machinery and production lines.

Any outbreak of fire or similar accident at our Manufacturing Facilities could result in significant damage to our raw material inventory, finished goods, plant, and machinery. Such an event may also result in injury to our workers, exposing us to compensation claims and regulatory scrutiny, and could result in the suspension of our operations. In addition to the immediate loss of property, any prolonged disruption to our operations may impair our ability to fulfil customer orders, adversely affect our relationships with our customers, and reduce our revenue and profitability.

While we have not experienced any material fire incident at our Manufacturing Facility during Fiscal 2026, Fiscal 2025 and Fiscal 2024, and maintain insurance policies covering our buildings, plant and machinery, raw materials, stock-in-process and finished goods against fire-related losses, our insurance coverage may not be adequate to cover all losses we may suffer, including loss of profit or third-party liabilities, in the event of a fire. Delays in the settlement of insurance claims may further strain our liquidity and financial condition.

While our Manufacturing Facility is equipped with in-house fire-fighting infrastructure, comprising fire hydrant systems, fire extinguishers and fire detection and control systems, our Company has not, obtained a fire no-objection certificate in respect of our Manufacturing Facility, since the Gujarat State Fire Prevention Services has confirmed in writing, by its communication dated July 13, 2022, that it is not in a position to issue such a certificate in respect of premises of the nature of our Manufacturing Facility being factory building. Further, our Company also relies upon periodic fire safety audits conducted by third-party agencies, the most recent of which was conducted on August 10, 2026.

Since our fire-fighting capability is therefore not evidenced by a fire no-objection certificate, any subsequent extension of the requirement for such a certificate to our facility, any inability on our part to obtain it within the time then prescribed, or any failure of our fire-fighting equipment to operate as intended at the time of a fire incident, could each result in regulatory action against us, in the suspension of our operations, or in the very losses that such equipment is intended to prevent, and could accordingly compound the consequences described above. We have not experienced any fire incident, regulatory action or suspension of operations, or incurred any material losses, as a result of any failure of our fire-fighting equipment to operate as intended during Fiscal 2026, Fiscal 2025 and Fiscal 2024.

There can be no assurance that our facilities will not experience such incidents in the future, or that any resulting losses will not materially and adversely affect our business, financial condition, and results of operations. For further details of our insurance coverage, see "*Our Business – Insurance*" on page 264 of this Draft Red Herring Prospectus.

40. If we are unable to establish and maintain effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions evaluates the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and we have not experienced any past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any such lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations, which generally prohibit us, our employees or our intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons in order to obtain or retain business or secure any other business advantage. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures to strengthen such compliance, these measures may not prevent breach of anti-corruption laws, particularly given the heightened risk of such breaches in emerging markets. Any failure to comply with applicable anti- corruption laws may subject us to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, any of which could adversely affect our business, financial condition, results of operations and liquidity. Any investigation into potential violations of anti-corruption laws by the relevant authorities, irrespective of our outcome, could also adversely affect our business and reputation. As our operations grow, there can be no assurance that we will not experiences further instances of inadvertent non-compliance with statutory requirements, which may subject us to regulatory action, including monetary penalties, and adversely affect our business and reputation.

41. Any change in government policies relating to the textile or cotton sector, including Minimum Support Prices (MSPs), import duty exemptions or other subsidies, may adversely affect our cost structure or supply chain, thereby impacting our business, results of operations and financial condition.

Cotton bales is the primary raw material used in our manufacturing operations, and our cost of production is directly linked to the availability and price of cotton, both of which are significantly influenced by governmental policies. The Government of India periodically announces a minimum support price ("MSP") for cotton with a view to supporting domestic cotton farmers, and any upward revision in MSP could increase domestic cotton prices and, consequently, our raw material costs, without a corresponding ability on our part to pass on such increased costs to our customers.

According to the D&B Report, the MSP for medium staple cotton was increased by 8.27% for cotton year 2025-26 to ₹7,710 per quintal, following an increase of 7.14% in the preceding year, and the MSP for long staple cotton was increased by 7.83% to ₹8,110 per quintal for cotton year 2025-26. The D&B Report notes that successive above-inflation increases in MSP establish an escalating cost floor which spinning mills cannot circumvent through the timing or the volume of their procurement, that such increases translate directly into higher input cost benchmarks, and that they narrow the yarn-to-cotton price spread and limit the margin headroom available to spinning mills where downstream yarn prices remain subdued.

Additionally, the competitiveness of the spinning and textile value chain is supported by a range of central and state government schemes, including the Production Linked Incentive scheme for textiles, the PM Mega Integrated Textile Region and Apparel scheme, the National Technical Textiles Mission, the Amended Technology Upgradation Fund Scheme and the Scheme for Integrated Textile Parks, together with the incentives available under the textile and industrial policies of the State of Gujarat. Any rollback or reduction of, or delay in the implementation of, these schemes could increase operating costs or reduce profitability across the sector. Our Company does not presently avail of any benefit under any of these schemes, and no assurance can be given that our Company will qualify for, or continue to derive benefit from, any scheme under which it presently receives incentives.

We source our entire requirement of cotton bales from the domestic market, including through auctions conducted by a government corporation, based in Gujarat and do not import cotton. In the event of a reduction in import duties or other easing of import restrictions on cotton bales, our competitors who have access to imported cotton bales may benefit from lower input costs or superior cotton quality, which could adversely affect our competitive position, margins and results of operations. As per D&B Report the Government has exempted extra-long staple cotton exceeding 32 mm in staple length from customs duty, which has improved access for Indian spinning mills to premium imported varieties, and that declining domestic cotton availability has increased the reliance of the industry on imported fibre.

Further, any regulatory uncertainty, labour law reforms, environmental policy shifts affecting the textile sector, or disruptions due to political or social unrest especially in key cotton-growing or textile manufacturing states could affect the supply chain and create volatility in input prices or demand patterns. For example, past disruptions due to changes in agricultural legislation or farmer protests have had cascading effects on rural consumption and raw material supply. We cannot assure that government support and favourable policy frameworks will continue, or that future changes will not adversely impact our procurement planning, pricing flexibility, or customer base. Any such developments may materially and adversely affect our business operations, cash flows, and financial performance.

42. ***Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

Certain sections of this Draft Red Herring Prospectus, including "*Industry Overview*" on page 170, include information that is based on, or derived from, the report titled "*Industry Report on Cotton Yarn Industry in India*" dated September, 2026, prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B**"), which was appointed by our Company pursuant to an engagement letter dated June 25, 2026, and whose engagement has been exclusively commissioned and paid for by our Company in connection with the Issue. D&B is an independent agency and does not have any relationship with our Company, our Promoters, our Promoter Group, or any of our Directors, KMPs or SMPs.

The *D&B Report* is prepared on the basis of information available as of specified dates and may not reflect current or prevailing market conditions or trends. The data and other information contained in the *D&B Report* are subject to inherent limitations and are based on certain estimates, projections, forecasts and assumptions that may subsequently prove to be incorrect. The methodologies adopted by D&B for market sizing, growth projections and forecasting involve a number of assumptions that are subject to inherent uncertainties, and neither D&B nor any other industry source that may have been relied upon guarantees the accuracy, adequacy or completeness of such data. The *D&B Report* is not, and should not be construed as, a recommendation to invest in, or disinvest from, our Company or any other company referred to therein. Accordingly, prospective investors should not place undue reliance on, or base their investment decision in the Issue solely on, the information contained in the *D&B Report*.

The *D&B Report* identifies certain weaknesses and threats in relation to our Company and the cotton yarn industry in India, being the following. As to weaknesses: first, moderating margins and return ratios, our EBITDA margin having declined from 55.7% in Fiscal 2024 to 35.7% in Fiscal 2026 and our return on capital employed having moderated from 68.7% to 47.8% over the same period; secondly, the concentration of our manufacturing operations in cotton yarn and related value-added yarn products, with the result that our financial performance remains closely linked to cotton availability, cotton-to-yarn price spreads, downstream textile demand and capacity utilisation within the spinning business, our Company not having material manufacturing integration beyond yarn production; and thirdly, our access to international markets through merchant export channels, reliance on intermediaries affording less direct control over customer relationships, market intelligence and export-market diversification than a direct export model would afford.

As to threats: first, volatility in, and risk as to the availability of, raw cotton, raw cotton accounting for more than half of yarn production costs and Shankar-6 being exposed to seasonal quality variation, weather conditions, pest incidence and traceability concerns, with the consequence that any inability to pass higher fibre costs through to yarn customers could compress our margins and increase our working capital requirements; secondly, supply chain and trade-related risks, including declining domestic cotton availability and the consequent increase in reliance on imported fibre, demand concentration in key export markets such as Bangladesh and China, and evolving trade policies, tariff changes, geopolitical developments and logistics constraints; and thirdly, competitive intensity and substitution risk, the Indian cotton yarn industry being highly competitive and fragmented and cotton yarn facing growing competition from synthetic and blended fibre products, and high and uneven power costs across states and labour availability pressures, spinning is a power-intensive and continuous manufacturing activity, and electricity costs remain an important component of conversion costs. Additionally, the Company's continuing requirement for operator intervention also exposes operations to potential skilled labour availability and wage pressures.

For further details, see "*Industry Overview*" on page 170.

In light of the foregoing, investors may not have any legal recourse against our Company, D&B, or any other person for any loss arising from an investment decision made in reliance on information contained in this Draft Red Herring Prospectus that is based on, or derived from, the D&B Report. Prospective investors are accordingly advised to consult their own legal, financial, tax and other advisors, and to conduct an independent assessment and analysis of the industry and market-related information contained in this Draft Red Herring Prospectus, prior to making any investment decision in relation to the Issue. For further details, see "*Industry Overview*" on page 170 of this Draft Red Herring Prospectus.

43. We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.

Our business is dependent on the skills, expertise and experience of our employees, who enable us to provide consistent, quality products to our customers on an uninterrupted basis. In particular, we require experienced personnel to manage our production processes and to carry out quality checks and inspections at each stage of the manufacturing of our products. There can be no assurance that our employees will not terminate their employment with us prior to the completion of their term, or that we will be able to retain them for any specified period.

Set out below is our Company's average attrition rate for Fiscal 2026, Fiscal 2025 and Fiscal 2024:

Sr No	Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
1	Opening number of Employees	177	135	249
2	Employees joined during the year	113	140	112
3	Employees Left during the year	112	98	226
4	Closing number of Employees	**178**	**177**	**135**
5	**Attrition rate ((1+2)/3)** *	**38.62%**	**35.64%**	**62.60%**

**Employee Attrition is calculated as the number of employees who exited during the period divided by the sum of the opening employee headcount and the number of employees who joined during the period.*

Any failure on our part to attract or retain personnel with the requisite skills and experience, or any material increase in our manpower costs on account of a shortage of such skilled personnel, could adversely affect our competitiveness, financial condition and results of operations. Further, in the event we are unable to identify and induct suitable replacements for employees who have ceased to be associated with us, in a timely manner or at all, our business and operations may be adversely affected, and our ability to pursue our growth and expansion plans may be constrained. For further details of our Key Managerial Personnel and Senior Management, see "*Our Management*" on page 285.

44. None of our Directors has previously served on the board of directors of a listed company, and any inability on their part to discharge the enhanced obligations applicable to the board of a listed company may result in non-compliance with applicable law, attract regulatory action and adversely affect our reputation, our business and the trading price of our Equity Shares.

None of our Directors currently have experience of having held directorship on the board of any other listed company. Accordingly, our Directors have limited prior exposure to the management of the affairs of a listed company, which, inter alia, entails compliance requirements and scrutiny of the company's affairs by our shareholders, regulators and the public at large that is associated with being a listed entity. Upon listing, our Company will be required to adhere to stringent standards of accounting, corporate governance and reporting that were not applicable to it as an unlisted company. Our Company will also be subject to the SEBI Listing Regulations, pursuant to which we will be required to file audited annual and unaudited quarterly financial results, along with other periodic disclosures, in relation to our business and financial condition. In the event our Company experiences any delays in this regard, we may be unable to satisfy such reporting obligations in a timely manner, or may not be able to identify and report changes in our results of operations as promptly as other listed companies with more experienced boards.

Further, as a publicly listed company, the Company will be required to maintain and enhance the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including maintenance of adequate records of our day- to- day transactions. Maintaining and improving the effectiveness of such disclosures and internal controls will require significant resources and management attention. Consequently, our Board of Directors may be required to devote increased attention to such compliance-related matters, which may divert their attention from our core business concerns and could adversely affect our business, prospects, results of operations and financial condition. In addition, we may be required to hire additional legal, secretarial and accounting personnel with appropriate experience and technical knowledge in order to comply with such requirements, and we cannot assure you that we will be able to do so in a timely or cost-effective manner.

45. ***We are dependent on the experience, expertise and leadership of our Promoters, Directors, Key Managerial Personnel and Senior Management for functioning of our business and we believe that they are critical to our continued success and we may be unable to attract and retain such personnel in the future.***

Our continued success is substantially dependent on the expertise, commitment and continuity of our management team, including our top management and a broad range of qualified professionals across the organisation. In particular, we depend on the continued association of our Promoters, Directors, Key Management Personnel ("**KMP**") and Senior Management ("**SM**"), the loss or unavailability of whom could materially disrupt our operations and decision-making processes. The loss of the services, leadership and specialised knowledge of our Promoters, may adversely affect our business and operations. Equally, our future success is substantially dependent on the continued services and performance of the members of our senior management team and other KMP, who are responsible for the management of our daily operations and the planning and execution of our business strategy. For further details of our Promoters, Directors, KMP and Senior Management, including their respective experience, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 300 and 285, respectively.

Further, there is significant competition for experienced senior management and other KMP with technical and industry expertise in the spinning industry and, in the event if we lose the services of any of our senior management and other KMP or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives may be impaired. The loss of any of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business, cash flows, and results of operations.

46. ***If we are unable to respond to changes in technology and the evolving demands of our customers, we may face technological obsolescence, which would have a material adverse impact on our business, financial condition and results of operations.***

The yarn manufacturing industry is characterized by continuous technological advancements in spinning machinery, automation, process optimization, quality control systems and digital manufacturing solutions. The adoption of modern manufacturing technologies, including semi-automated cotton spinning system, real-time production monitoring, predictive maintenance solutions, artificial intelligence-enabled quality inspection, and energy-efficient manufacturing processes, has become increasingly important to improve operational efficiency, reducing production costs, maintain product quality and remain competitive within our industry. Our ability to remain competitive is accordingly dependent on our continued evaluation, upgradation and modernisation of our Manufacturing Facility, production equipment and digital infrastructure.

Any such modernization requires significant capital expenditure and may involve the replacement of existing machinery, integration of new technologies with our existing manufacturing processes, temporary disruptions to production during installation and commissioning, the training of our employees and the successful implementation of new operational systems. There can be no assurance that any such modernization initiative will achieve the anticipated operational efficiencies, productivity improvements or cost savings anticipated by us, within the expected timeframe, or at all. Further, in the event our competitors adopt more advanced manufacturing technologies or production processes that enable them to manufacture products of superior quality at lower costs, improve production efficiency, or respond more effectively to evolving customer requirements, our competitive position may be adversely affected, and we may be required to incur additional and unanticipated capital expenditure to upgrade or replace our manufacturing infrastructure, which could increase our costs and adversely affect our profitability.

Further, the successful implementation of advanced manufacturing technologies is also dependent on various factors beyond our control, including the availability of technologically advanced machinery and equipment, the timely delivery and installation by equipment manufacturers, the availability of skilled personnel to operate and maintain such systems, the integration of such system with our existing manufacturing infrastructure, and evolving regulatory requirements relating to industrial safety, energy efficiency and environmental compliance. While our Company has not experienced any material disruption to production, or any failure to achieve the expected output or quality, on account of the installation or commissioning of new plant and machinery during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that this will continue to be the case. Any delay, failure or inability to successfully implement such technological upgrades may adversely affect our production efficiency, product quality, manufacturing costs and ability to compete effectively.

Additionally, our record-keeping is maintained through an enterprise resource planning system. Our information technology function and network security are administered and monitored by our in-house team, while website redevelopment and digital transformation services are undertaken with the support of a third-party service provider.

While our Company has not experienced any failure, breakdown, unauthorised access to, or loss of data from, its information technology systems during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that this will continue to be the case. Any failure, disruption or technological obsolescence of our manufacturing technologies or digital systems, or our inability to adopt emerging technologies in a timely and cost-effective manner, may adversely affect our business, financial condition, results of operations and future prospects.

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

Our business is dependent on the integrity and competence of our employees and agents, and we are accordingly exposed to the risk that our employees or agents may engage in misconduct, including fraud, misrepresentation, unauthorised transactions or breach of fiduciary duty, or may commit inadvertent errors in the course of their duties. Any such misconduct or error could expose us to financial losses, claims by third parties, regulatory sanctions and significant reputational harm. The precautions and internal controls that we maintain to prevent and detect such conduct may not be effective in all instances, and we cannot assure you that all instances of misconduct or error will be identified by us in a timely manner, or at all.

Although we have not experienced any material instance of employee misconduct or error during the three Fiscals immediately preceding the date of this Draft Red Herring Prospectus, there can be no assurance that any such instance will not occur in the future. Any such occurrence could have a material adverse effect on our business, financial condition, results of operations and reputation.

48. Our business may be indirectly impacted by international trade policies, including tariffs imposed by the United States and other countries, even though we do not directly export or import.

We are primarily engaged in the manufacture and domestic sale of cotton yarn and currently do not engage in direct exports nor do we import our raw materials, including cotton bales, from foreign countries such as the United States. Accordingly, trade policies or tariffs imposed by the United States, including the imposition or revision of duties on Indian textile products, are not expected to have a direct or immediate material impact on our business operations or cost structure.

However, we remain exposed to indirect risks associated with global trade dynamics. For instance, tariff actions by the U.S. or other importing countries against Indian textiles may affect merchant exporters or other downstream players in the textile value chain who form part of our extended customer network. A reduction in export competitiveness of Indian yarn or garments due to foreign tariffs could dampen overall industry demand, impacting domestic pricing and volumes, particularly during periods of domestic oversupply. In addition, global trade uncertainties, retaliatory tariffs, or tightening of import regulations by countries that import Indian textiles may lead to volatility in the domestic market, as exporters may divert products to the domestic market, increasing supply and competitive intensity.

Furthermore, any escalation in trade tensions between India and key trading partners may lead to macroeconomic instability, foreign exchange fluctuations, or policy shifts that could affect the broader textile sector and, consequently, our operations. While we do not currently have direct exposure to international markets or foreign procurement channels, we cannot assure you that changes in international trade policies, including those of the United States, will not have a material indirect impact on our business, financial condition, or future growth prospects.

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

The funding requirements and proposed deployment (including the schedule of deployment) of the Net Proceeds as disclosed in this Draft Red herring Prospectus, are based on our Company's current business plan and strategy. Our Company may be required to revise such funding requirements and deployment from time to time on account of variations, including changes in estimates and other external factors that may not be within the control of our management. Any such revision may entail the rescheduling, revision or cancellation of our planned expenditure and fund requirements, and the increase or decrease of the amount deployed for a particular purpose from the amount originally planned, or a change in the schedule of deployment of the Net Proceeds, none of which our Board is empowered to effect at its discretion. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or the schedule of deployment of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Consequently, we may be unable to undertake any variation in the objects of the Issue in order to deploy any unutilised proceeds of the Issue, even where such variation would otherwise be in our Company's interest, which may restrict our ability to respond to changes in our business or financial condition and may adversely affect our business and results of operations. Further, pending utilization, we are required to deposit the Net Proceeds only in scheduled commercial banks listed under schedule II of the Reserve Bank of India Act, 1934. For further details of the proposed objects of the Issue, see "*Objects of the Issue*" on page 119.

50. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays in schedule of implementation or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.

We intend to use Net Proceeds from the Issue towards (a) Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility; (b) Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company; and (iii) General Corporate Purposes. For details of the objects of the Issue, see "*Objects of the Issue*" on page 119.

The funding requirement and deployment of the Net Proceeds mentioned as a part of the Objects of the Issue are based on current circumstances of our business, prevailing market conditions and estimates received from third-party agencies, and are consequently subject to revision in the event of changes to such external circumstances, costs, or to our financial condition, business or strategy. Such external circumstances are, in turn, inherently outside our control, such that any significant variation in one or more of the variables underlying these estimates could have a material adverse effect on our ability to implement the objects of the Issue as planned. This risk is compounded by the fact that our management has exercised discretion in arriving at these funding requirements on the basis of quotations obtained from suppliers, prevailing market prices and other internal assumptions that have not been appraised or independently verified by any bank, financial institution or other independent agency, notwithstanding that our Company has obtained a cost vetting report dated September 17, 2026 issued by Dun & Bradstreet in respect of the capital expenditure proposed to be funded from the Net Proceeds, each of which is itself based on quotations and estimates furnished by our management and does not constitute an appraisal of the objects of the Issue, with the consequence that any inaccuracy underlying these un-appraised estimates may not be identified or corrected prior to the deployment of funds, thereby heightening the risk of cost overruns, delays in implementation and diversion of Net Proceeds away from our stated objects.

While our Company has not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, experienced any delay in the implementation of any capital expenditure project undertaken by it, any escalation in the cost of any such project over its originally estimated cost, or any deferral or abandonment of any such project, our Company has not previously implemented a project of a scale comparable to the Proposed Expansion. In light of the foregoing, there can be no assurance that we will be able to adhere to our proposed schedule of implementation, and any delay in implementation or increase in associated costs, whether on account of the factors described above or otherwise, may require us to reschedule our proposed deployment of Net Proceeds, seek additional debt or equity financing on terms that may not be favourable to us, or defer or abandon some of the objects of the Issue, any of which may adversely affect our business, cash flows, financial condition and results of operations.

51. The examination reports on our Restated Financial Information disclose emphasis of matter paragraph, and we cannot assure that our financial information for future periods will not contain emphasis of matters and there can be no assurance that similar matters of emphasis, or modifications to the audit opinion, will not arise in respect of any future period or will not adversely affect our results of operations, cash flows and financial condition.

The examination reports on our Restated Financial Information disclose emphasis of matter paragraph. While there are no audit qualifications in the auditor's report for Fiscals 2026, 2025 and 2024, our Statutory Auditors have included certain emphasis of matter in their audit reports which do not require any corrective adjustments in the Restated Financial Information. Set out below, is the emphasis of matter paragraph included in our Restated Financial Information for the Fiscals 2026, 2025 and 2024.

Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks or matters of emphasis)	Details of Adverse Observations	Impact on the financial statements and financial position of the Company
Financial year ended March 31, 2026	Emphasis of Matter	We draw attention to Note No. 45 to the Financial Statements regarding the preferential allotment of shares after the balance sheet date, wherein the Company, pursuant to the special resolution passed at the Extraordinary General Meeting held on 11	There is no impact on the financial position of the company as it is a non-adjusting

Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks or matters of emphasis)	Details of Adverse Observations	Impact on the financial statements and financial position of the Company
		May 2026, allotted 55,15,000 equity shares on a preferential basis at an issue price of ₹34 per equity share, aggregating to ₹18,75,10,000, after the reporting date but before the date of this Auditor's Report. Since the allotment occurred after the reporting date, no adjustment has been made to the Financial Statements in respect of this transaction. The event has been appropriately disclosed as a material non-adjusting event in accordance with the applicable financial reporting framework. Our opinion is not modified in respect of this matter	subsequent event.

We cannot assure you that our auditors' reports for any future fiscal periods will not contain qualifications, matters of emphasis or other observations or remarks which could subject us to additional liabilities, due to which our reputation and financial condition may be adversely affected.

52. ***Any delay in payment of statutory dues by our Company in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.***

Our Company is required to pay certain statutory dues including provident fund contributions and employee state insurance contributions as indicated in the tables below. The table below sets forth the details of the statutory dues paid by our Company, including in relation to our employees for the periods indicated below:

Particulars	As at and for the financial year ended 2026		As at and for the financial year ended 2025		As at and for the financial year ended 2024	
	Number of individuals *	Amount (₹ in million)	Number of individuals *	Amount (₹ in million)	Number of individuals*	Amount (₹ in million)
The Employees Provident Fund and Miscellaneous Provisions Act, 1952**	133	3.36	132	3.22	105	3.64
Employee State Insurance Act, 1948**	44	0.31	71	0.09	87	0.11
Professional Taxes	101	0.27	71	0.23	75	0.20
Income Tax Act, 1961 (TDS on Salary)	178	0.35	177	0.35	135	0.48
Income Tax Act, 1961 (TDS other than Salary)	-	8.63	-	8.66	-	5.00
Income Tax Act, 1961 (TCS)	-	0.46	-	0.42	-	0.84
Goods and Service Tax Act, 2017	-	170.21	-	135.73	-	113.18
Income Tax Act, 1961 (Income Tax Liability)	-	-	-	69.29	-	-

** The number of individuals represents the number of employees/individuals considered for the respective statutory dues for the relevant financial year, based on the records maintained by the Company.*
***Includes contribution made by the company and employees both*
As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

Set out below are the details of the statutory dues paid by our Company, and of the statutory dues in respect of which payment was delayed beyond the prescribed due date, for the periods indicated:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Number of Instances**	Amount delayed (₹ in million)	Number of Instances**	Amount delayed (₹ in million)	Number of Instances**	Amount delayed (₹ in million)
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	-	-	-	-	-	-
Employee State Insurance Act, 1948	1	0.02	1	0.01	3	0.03
Professional Taxes	-	-	-	-	-	-
Income Tax Act, 1961 (TDS on Salary)	2	0.11	1	0.03	1	0.06
Income Tax Act, 1961 (TDS other than Salary)	8	0.21	8	0.31	3	0.07
Income Tax Act, 1961 (TCS)	-	-	1	0.00	1	0.00
Goods and Service Tax Act, 2017	1	0.00	1	0.00	-	-
Income Tax Act, 1961 (Income Tax	-	-	1	57.52	-	-

Liability)						
Total	**12**	**0.34**	**13**	**57.87**	**08**	**0.16**

** Certain balances have been presented as "0.00" as the respective amounts are less than ₹5,000 and have been rounded off to the nearest million.*
***Number of instances represents the number of months during which there was a delay in payment of the respective statutory dues.*
As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

There have been instances during Fiscal 2026, Fiscal 2025 and Fiscal 2024 in which statutory dues payable by our Company were paid beyond the prescribed due dates, the details of which are set out below. While no statutory dues remained unpaid as on the date of this Draft Red Herring Prospectus, and while no penalty has been levied on our Company in respect of the delays so set out, there can be no assurance that the relevant authorities will not levy penalties or initiate proceedings against our Company in respect of such delays or of any delay that may occur in the future:

Nature of Statutory Dues	**For the Financial Years**								
	2026			**2025**			**2024**		
	Amount delayed (₹ in million)	**Interest (₹ in million)**	**Number of instances**	**Amount delayed (₹ in million)**	**Interest (₹ in million)**	**Number of instances**	**Amount delayed (₹ in million)**	**Interest (₹ in million)**	**Number of instances**
Employee State Insurance Act, 1948	0.02	-	1	0.01	-	1	0.03	-	3
Income Tax Act, 1961 (TDS on Salary)	0.11	0.01	2	0.03	0.00	1	0.06	0.00	1
Goods and Service Tax Act, 2017	0.00	-	1	0.00	-	1	-	-	-
Income Tax Act, 1961 (TDS other than Salary)	0.21	0.02	8	0.31	0.01	8	0.07	0.01	3
Income Tax Act, 1961 (TCS)	-	-	-	0.00	0.00	1	0.00	0.00	1
Professional Taxes	-	-	-	-	-	-	-	-	-
Income Tax Act, 1961 (Income Tax Liability)	-	-	-	57.52	11.77	1	-	-	-

** Certain balances have been presented as "0.00" as the respective amounts are less than ₹5,000 and have been rounded off to the nearest million.*
As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

Our Company has, since the delays referred to above, adopted a compliance calendar and a process for the periodic monitoring of statutory payment due dates, although there can be no assurance that these measures will prevent all delays. If we are unable to pay our statutory dues in a timely manner in the future, we could be subject to penalties, which could adversely affect our financial condition and results of operations.

53. ***We have no contingent liabilities or capital commitments outstanding as at March 31, 2026; however, we have other off-balance sheet items, including bank guarantees of ₹28.23 million. Any invocation of such bank guarantees or materialization of any future contingent liabilities or commitments may adversely affect our financial condition and profitability.***

Set out below are the details of our contingent liabilities, commitments and other off-balance sheet items as at March 31, 2026, March 31, 2025, and March 31, 2024:

(in ₹ million)

Particulars	**As at March 31, 2026**	**As at March 31, 2025**	**As at March 31, 2024**
Contingent Liabilities			
VAT Demand	-	3.64	3.64
Outstanding Bank Guarantees			
Includes Bank guarantee issued by State Bank of India	28.23	24.23	24.23
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	218.00	40.39

Notes:

a) Contingent Liabilities

(i) VAT Demand of ₹3.64 Million pertaining to earlier years, previously disclosed as a contingent liability, has been provided for during the year ended March 31, 2026 based on management's reassessment of the probability of outflow of resources.

(ii) The Company has initiated proceedings for compounding of certain non-compliances of the Companies Act, 2013 with the Registrar of Companies. The outcome and amount payable, if any, towards compounding/penalty are presently not determinable.

b) Outstanding Bank Guarantees

The Company has outstanding bank guarantees amounting to ₹28.23 million as at March 31, 2026 (March 31, 2025: ₹24.23 million; March 31, 2024: ₹24.23 million), including a bank guarantee issued by State Bank of India.

c) Capital Commitments

The Company has outstanding capital commitments of ₹ Nil as at March 31, 2026 (March 31, 2025: ₹218.00 million; March 31, 2024: ₹40.39 million), representing the estimated amount of contracts remaining to be executed on capital account and not provided for, net of capital advances.

Our contingent liabilities and commitments may involve substantial amounts and may be subject to uncertainties as to the outcome or timing of the relevant matters. While we assess our contingent liabilities and commitments based on the information available to us and make provisions where required, there can be no assurance that such contingent liabilities or commitments will not materialize as liabilities in the future.

In Fiscal 2026, we have recognized a provision in our books of accounts for 100% of the VAT Demand disclosed above. Accordingly, the entire amount of such VAT Demand has been provided for in our financial statements for Fiscal 2026. However, our other contingent liabilities and commitments may materialize as liabilities in the future. If any of our contingent liabilities or commitments were to materialize, or materialize at a level higher than currently anticipated, this may materially and adversely affect our business, results of operations, cash flows and financial condition.

Further, we cannot assure you that we will not incur similar or increased levels of contingent liabilities or commitments in the future. Any such contingent liabilities or commitments, if materialized, may require us to utilize our cash flows and other resources and could have a material and adverse effect on our business, results of operations, cash flows and financial condition.

For further details, see '*Restated Financial Information* – Note no. 40 –*Contingent Liabilities and Capital Commitments' and 'Management's Discussion and Analysis of Financial Condition* and *Results of Operations – Contingent Liabilities and Capital Commitments'* on pages 353 and 365, *respectively.*

54. Our Company avails of subsidies and incentives extended by the state government of Gujarat, including reimbursement of state goods and services tax, and the elimination, reduction or withdrawal of such subsidies and incentives, or any inability on our part to comply with the conditions subject to which they are granted, may increase our costs and reduce the economic benefits of our existing operations and of our opportunities to develop or expand our business.

Our Company avails of subsidies and incentives extended by the state government of Gujarat for reimbursement of state goods and services tax under the Government of Gujarat Textile Policy 2012. These subsidies and incentives reduces our taxation liability. Any change in the availability, structure or quantum of such subsidies could accordingly increase our costs and adversely affect our results of operations. While these subsidies have historically contributed to our cost management and competitiveness, there can be no assurance that they will continue in their current form. The state government may alter or discontinue these programs due to budgetary constraints, policy changes, or shifts in political priorities. Such changes could lead to increased operational costs, reduced profit margins, and potentially hinder our ability to meet financial obligations and growth targets. The amount of subsidy we were entitled to receive from the government authorities in the reporting periods are provided below:

(₹ in Million, except %)

Particulars	**For the period/ Financial Year ended on**		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**
GST Subsidy	51.32	49.17	28.18
GST Paid	170.21	135.73	113.18
Percentage of taxation liability*(%)	30.15%	36.23%	24.90%

** Percentage of taxation liability is calculated as the interest subsidy divided by total Goods and Services Tax liability as per Restated Financial Information.*
*** Subsidies from the Government are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and as represented by the management of the Company to the Government.*

Moreover, any adverse developments in our relationship with the state government or changes in regulatory frameworks could also affect our access to these critical subsidies. If we are unable to secure sufficient support, it could have a significant negative impact on our business operations and overall financial health.

55. We have made applications for registration of certain trademarks of our Company, which are currently pending. We cannot assure you that the trademarks which are currently not registered and for which our Company has filed applications, will be registered in our name, and that we will continue to enjoy uninterrupted use of the said intellectual property. Inability to obtain or protect our intellectual property rights may adversely affect our reputation and our business.

As on the date of this Draft Red Herring Prospectus, our Company has 1 registered trademark, being its logo. In addition, we have made applications for registration of certain trademarks which are currently pending. Set out below are details of our registered trademarks and trademark applications which are pending registration:

Sr. No.	Trademark	Registration/ Application No.	Class	Date of Registration/ Application	Status	Owner	Validity
1.		4355501	35	November 22, 2019	Registered	Rudra Cottex Limited	10 years from the date of registration,
2.	RUDRA	7994928	23	September 14, 2026	Applied	Rudra Cottex Limited	-
3.	RUDRA	7994929	24	September 14, 2026	Applied	Rudra Cottex Limited	-
4.	RUDRA	7994930	25	September 14, 2026	Applied	Rudra Cottex Limited	-
5.	RUDRA	7994931	35	September 14, 2026	Applied	Rudra Cottex Limited	-
6.		7995317	23	September 14, 2026	Applied	Rudra Cottex Limited	-
7.		7995318	24	September 14, 2026	Applied	Rudra Cottex Limited	-
8.		7995319	25	September 14, 2026	Applied	Rudra Cottex Limited	-

In the absence of the registered trademarks, our ability to protect our intellectual property may be diluted to such extent, and could adversely affect our reputation and business, which could in turn adversely affect our financial performance. We cannot assure you that the trademarks which are currently not registered and for which our Company has filed applications for change, as disclosed above, will be registered in our name, and that we will continue to enjoy uninterrupted use of the said intellectual property. This reliance on a single registered trademark by us, coupled with any use by our Company of unregistered trademarks, logos, designs or brand elements that have not been the subject of a successful registration, exposes our Company to the risk that such unregistered marks could be registered in favour of, or used by, a third party in India or abroad, in which case our Company would be unable to claim registered ownership over such marks and would consequently be restricted, in the event of infringement by third parties, to seeking relief only in a passing off action rather than a statutory infringement claim, thereby narrowing the scope of remedies available to it and causing damage to its business prospects, reputation and goodwill. Further, our Company's ability to maintain and renew the registration of its registered trademark is not free from risk, and any failure to renew such registration, or any successful objection raised against a pending or future trademark application filed by our Company, may affect its right to use the relevant trademark in the future, thereby undermining the very protection the registration was intended to confer. Accordingly, if the Registered Trademark or any other trademark used by our Company is improperly used, imitated or diluted by a third party, the value and reputation of our Company's brand could be harmed, and there can be no assurance that the measures our Company has adopted to protect its intellectual property will be adequate to prevent such unauthorized use, particularly as these measures must contend simultaneously with the risks of registration lapse, adverse third-party registration, and the inherently limited remedies available for unregistered marks described above. While there has not been any instance of any third-party alleging infringement of their intellectual property by our Company during Fiscal 2026, Fiscal 2025 and Fiscal 2024 the risk of being subject to intellectual property infringement claims may increase as we continue to expand our operations and offerings. As a result of such infringement claims, we could be required to pay third party infringement claims. The occurrence of any of the foregoing could result in unexpected expenses.

56. Our Promoters have subscribed to, and purchased, Equity Shares, at a price which could be below the Issue Price. The average cost of acquisition of Equity Shares by our Promoters could also be lower than the Issue Price.

Our Promoters, being Radheshyam Parshottambhai Pokar, Rahulkumar Abji Dholu and Patel Nilesh Kumar Babulal ("**Promoters**"), have subscribed to and purchased Equity Shares of our Company at a price which could be lower than the Issue Price, and the weighted average cost of acquisition of Equity Shares by our Promoters (since inception) as on the date of this Draft Red Herring Prospectus is set out below:

Sr. No.	Name of the Promoter	No. of Equity Shares held	Average Cost of Acquisition per Equity Share (in ₹)*
1.	Radheshyam Parshottambhai Pokar	24,80,000	13.01
2.	Patel Nilesh Kumar Babubhai	21,30,000	3.64
3.	Rahulkumar Abji Dholu	23,25,000	10.00

For further details regarding the average cost of acquisition of Equity Shares by our Promoters and the build-up of their shareholding in our Company, see "*Capital Structure*" on page 80 of this Draft Red Herring Prospectus. This disparity between the price paid by our Promoters and the Issue Price is compounded by the fact that our Company has also issued Equity Shares during the last one year at a price which may itself have been lower than the Issue Price, particulars of which are set out in "*Capital Structure –Share Capital History of our Company*" on page 81 of this Draft Red Herring Prospectus. Accordingly, prospective investors should not construe the price at which our Company has issued Equity Shares in the past, whether to our Promoters or otherwise, as indicative of the price at which such Equity Shares will be issued pursuant to the Issue or at which they will subsequently trade on the Stock Exchanges, and there can be no assurance that the Issue Price will bear any relationship to the average cost of acquisition of Equity Shares by our Promoters or other historical issuances by our Company.

57. Certain unsecured borrowings have been availed by us which may be recalled by lenders.

Our Company has availed certain unsecured loans from a financial institution, our Promoters, our Directors and other parties, aggregating to ₹318.54 million as of July 31, 2026, and for further details, see "*Financial Indebtedness*" on page 363. Since these borrowings are unsecured, the relevant lenders are entitled, at their sole discretion and without the requirement of providing any collateral-related notice period, to recall such loans in whole or in part at any time, including prior to their respective scheduled maturities, there can be no assurance that our Company will not receive such a recall demand from one or more of our lenders, including from our Promoters or Directors, whose willingness to continue such lending is itself dependent the continuation of their association with our Company. In the event any lender seeks to recall the amounts so advanced, Company would be required to either repay such amounts from our internal accruals or other available sources of financing, or refinance such borrowings on terms that may be less favourable than those currently applicable, and there can be no assurance that our Company will be able to arrange for repayment or refinancing on commercially acceptable terms, or at all. Any such recall, particularly if made at a time when our Company's cash flows or access to alternative sources of funding is constrained, could compound the strain on our Company's liquidity, requiring us to divert working capital or other funds earmarked for our operations towards immediate repayment, which could in turn adversely affect our ability to meet our other financial obligations, including under our secured borrowing arrangements. While no unsecured loan availed by our Company has been recalled by any lender during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that this will continue to be the case. Consequently, any recall of such unsecured loans may adversely affect our Company's business, cash flows, results of operations and financial condition.

58. Our Company has not paid dividends during the last three Fiscals and during the current Fiscal. There can be no assurance that our Company will be in a position to pay dividends in the future. 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 Company has not declared or paid any dividends on our Equity Shares during Fiscal 2026, Fiscal 2025, Fiscal 2024 and during the current Fiscal. Our future ability to pay dividends will depend on a number of factors, including but not limited to, our future earnings, financial condition, cash flows, working capital requirements, capital expenditure requirements, applicable legal restrictions, and recommendations of our Board of Directors. Under the Companies Act, 2013, our Company may declare dividends only out of profits for that year or out of profits of previous years, if any, after providing for depreciation, or out of free reserves, subject to certain conditions. Further, our financing arrangements may restrict our ability to pay dividends without prior consent of the relevant lender(s), and any such restriction could limit our ability to pay dividends even if we are otherwise in a position to do so.

Additionally, we cannot assure you that we will pay dividends in the future. Any future dividend payments will depend on various factors, including our future expansion plans, any takeover and acquisitions, future income, expenses, liquidity and restrictions under applicable law as well as under our financing arrangements and other factors considered relevant by our Board. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. For further details, see "*Dividend Policy*" on page 306.

59. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the spinning and textile industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry-related statistical and operational measures relating to our Company's operations and financial performance have been included in this Draft Red Herring Prospectus. Such non-GAAP measures and industry measures are supplemental measures of our Company's operational and financial performance that are not required by, or presented in accordance with, Ind AS, the Companies Act or any other generally accepted accounting principles in India or elsewhere, and accordingly, they should not be considered in isolation or construed as an alternative to any measure of performance or as an indicator of our Company's operating performance, liquidity, profitability or results of operations as derived in accordance with Ind AS. Since these non-GAAP measures and industry measures may be calculated differently by other companies, including other companies in the spinning and textiles industry ("**Industry**"), they may not be comparable to similarly titled measures presented by such other companies, and undue reliance should therefore not be placed on these measures as a basis for comparison across the Industry. Further, our Company's management uses these non-GAAP measures and industry measures to evaluate our Company's operating performance and believes they provide investors with additional useful information about the financial and operational trends relating to our Company's business; however, other companies, including our Company's competitors in the Industry, may compute these or similarly titled measures differently, or may not present such measures at all, thereby limiting their usefulness as a comparative tool. In light of the foregoing, prospective investors are cautioned not to place undue reliance on any non-GAAP measure or industry measure included in this Draft Red Herring Prospectus and are advised to read such measures in conjunction with the Restated Financial Information and other financial information included elsewhere in this Draft Red Herring Prospectus, rather than as a substitute for such information.

60. We have, in the last year, issued Equity Shares at a price that could be lower than the Issue Price.

We have, in last one year preceding the filing of this Draft Red Herring Prospectus, issued Equity Shares at prices that may be lower than the Issue Price, see "*Capital Structure – Issue of Equity Shares at a price lower than the Issue Price in the last 1 year*" on page 95. The price at which our Company has issued the Equity Shares in the past is not indicative of the price at which they will be issued or traded.

61. Negative publicity against us, our Promoters, Promoter group, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, results of operations and prospects.

From time to time, our Company, our Promoters, Promoter Group, or our suppliers, customers or any of their respective affiliates may become subject to negative publicity concerning their respective businesses or personnel, including publicity relating to issues such as anti-corruption, workplace safety and environmental protection. Such negative publicity, even where later shown to be false or misleading, and even where the individuals or entities implicated are personnel or affiliates of our Company's suppliers, customers or their respective affiliates rather than of our Company itself, could nonetheless result in a temporary or prolonged adverse perception of our Company by virtue of our association with such individuals, suppliers, customers or affiliates. Since our Company is unable to control the conduct of our Promoters, Promoter Group, suppliers, customers or their respective affiliates, there can be no assurance that such parties will not, in the future, become subject to allegations or adverse publicity that could, in turn, be attributed to our Company notwithstanding the absence of any actual involvement on our part. Our Company's reputation in the marketplace is material to our ability to generate and retain business, and accordingly, any damage to such reputation, whether or not attributable to any act or omission of our Company, could prove difficult and time-consuming to repair. While we have not faced any such instance during Fiscal 2026, Fiscal 2025 and Fiscal 2024 which has had a material impact on our operations and financial condition, we cannot assure you that we will not face any such instance in the future., whether concerning our Company directly or concerning our Promoters, Promoter Group, suppliers, customers or their respective affiliates, could compound the adverse perception of our Company over time, and consequently, our Company's business, financial condition, results of operations and prospects may be materially and adversely affected.

62. Our Company is required to comply with the Legal Metrology Act, 2009 and the rules made thereunder in respect of the packages in which our products are dispatched, and any failure to do so may result in the seizure of consignments, penalties and prosecution, which may adversely affect our business, results of operations, financial condition and reputation.

Our cotton yarn is dispatched to our customers in packed form, and the packages in which it is dispatched constitute pre-packaged commodities for the purposes of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011. Our Company is accordingly required to obtain and maintain registration as a packer thereunder, to make on each package the declarations prescribed by those rules, including as to the identity of the packer, the net quantity contained in the package and the month and year of packing, and to ensure that the weighing and measuring instruments deployed at our Manufacturing Facility are verified and stamped by the Legal Metrology Department at the intervals prescribed.

Since the accuracy of the net quantity so declared is itself a function of the continued accuracy of those instruments, any drift in their calibration, any lapse in their periodic verification, or any error in the declarations made on our packages, may result in our consignments being treated as non-compliant notwithstanding that the underlying discrepancy is inadvertent. Any such non-compliance may, in turn, expose our Company and its officers to the penalties and prosecution prescribed under the Legal Metrology Act, 2009 and to the seizure of the affected consignments, and any such seizure would prevent us from dispatching those consignments to our customers within the agreed delivery schedules, thereby compounding the monetary consequences of the non-compliance with a corresponding disruption to our order fulfilment and to our customer relationships. Our Company has not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, received any notice from, or had any penalty levied or prosecution initiated against it by, any authority under the Legal Metrology Act, 2009.

63. Cotton yarn is susceptible to fading, discolouration and deterioration in storage and in transit, and any such deterioration may result in rejections, claims and reputational harm, which may adversely affect our business, results of operations and financial condition.

Cotton yarn is a natural fibre product that is susceptible to fading, discolouration, yellowing and loss of tensile strength when exposed over time to humidity, sunlight, atmospheric contaminants or unsuitable storage conditions. Since our yarn is supplied to institutional buyers who thereafter dye, knit or weave it into fabric, any such deterioration may become apparent only at the dyeing or fabric stage and after the yarn has left our custody, at which point the resulting shade variation may render an entire production lot of our customer unusable, with the consequence that the claim made against us may exceed the value of the yarn we supplied.

Further, because a portion of our yarn is held by us as finished goods inventory pending sale, and because our cotton bales are procured seasonally and consequently held for extended periods, the risk of such deterioration increases with the period for which our inventory is held and is therefore greatest in precisely those periods in which our inventory levels are highest. There can be no assurance that our storage, handling and packing arrangements will prevent such deterioration in all cases, and any resulting rejection, claim, replacement obligation or loss of customer confidence could adversely affect our business, results of operations, financial condition and reputation; however, our Company has not, during Fiscal 2026, Fiscal 2025 and Fiscal 2024, received any claim from a customer on account of the fading, discolouration or other deterioration of the cotton yarn supplied by it.

64. Our director has inadvertently obtained two DINs.

One of our Director, Rahulkumar Abji Dholu, has inadvertently obtained two DINs in his name, bearing numbers i.e.02953428 and 07327045, respectively. As per Section 155 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, no individual shall hold more than one DIN at a time. Accordingly, he will apply for surrender of one DIN by filing form DIR-5 with the Ministry of Corporate Affairs. Although till date of this Draft Red Herring Prospectus, no regulatory action or penalty has been taken against our Director for the aforesaid violation, it cannot be assured that no such regulatory action will be taken in the future. Any such proceedings could have an impact on our director being qualified to act as a director in any Company and hence, in case of any disqualification can adversely affect our business, cash flows, financial condition, and results of operation.

EXTERNAL RISKS

65. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Our Restated Financial Statements have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Restated Financial. Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

66. Global economic conditions, international capital flows, and foreign exchange rate fluctuations could adversely affect Indian capital markets and our business.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are proposed to be listed on the BSE and the NSE, subject to the receipt of the final listing and trading approvals from the Stock Exchanges. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;

- political instability, terrorism, military conflict, epidemic or public health issues in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Instability in financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies;
- changes in India's tax, trade, fiscal or monetary policies; and
- other significant regulatory or economic developments in or affecting India or its logistics sector.

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

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

The regulatory and policy environment in India is evolving and subject to change. Such changes in applicable law and policy in India, may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

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. In addition, unfavourable changes in our interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business and operations could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require 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 affect the viability of our current business or restrict our ability to grow our business in the future.

68. Investors may not be able to enforce judgments obtained in foreign courts against us.

Our Company is incorporated under the laws of India as a company limited by shares. All of our directors, Key Managerial Personnel and Senior Management are residents of India. All of our Company's assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of these suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

69. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Continued high rates of inflation may increase our expenses related to costs of raw material, rent, salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

70. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, 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/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

71. The occurrence of natural or man-made disasters may adversely affect our business, financial condition, results of operations and cash flows.

The occurrence of natural disasters, including floods, earthquakes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our financial condition or results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. The potential impact of a natural disaster on our results of operations and financial position is speculative and would depend on numerous factors. In addition, an outbreak of a communicable disease in India or in the particular region in which we have projects would adversely affect our business and financial conditions and the results of operations. We cannot assure prospective investors that such events will not occur in the future or that our business, financial condition, results of operations and cash flows will not be adversely affected.

72. If security or industry analysts do not publish research or publish unfavourable or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.

The trading market for the Equity Shares may depend, in part, on the research and reports that securities or industry analysts publish about us or our business. Our Company may be unable to sustain coverage by established and / or prominent securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Equity Shares would be negatively impacted. In the event our Company obtains securities or industry analyst coverage, if one or more of the analysts downgrade the Equity Shares of our Company or publish inaccurate or unfavourable research about our business, the price of the Equity Shares may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on our Company regularly, the demand for the Equity Shares of our Company could decrease, which might cause the price and trading volume of the Equity Shares of our Company to decline.

73. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

74. Rights of shareholders under Indian laws may be different from 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 the Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction

75. Our Company may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our Company's business.

The Competition Act, 2002, of India, as amended ("**Competition Act"**) regulates practices having an appreciable adverse effect on competition ("**AAEC"**) in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the Competition Commission of India (**CCI**) has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. Our Company is currently not a party to an outstanding proceeding, nor has our Company received any notice in relation to non-compliance with the Competition Act and the agreements entered into by our Company. However, if our Company is affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect the business, results of operations and prospects of our Company.

76. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our Company's borrowing costs and our Company's access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB with a "stable" outlook (S&P) and BBB– with a "stable" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our Company's control. This could have an adverse effect on our Company's ability to fund our Company's growth on favourable terms or at all, and consequently adversely affect our Company's business and financial performance and the price of the Equity Shares.

SECTION III: INTRODUCTION
THE ISSUE

The details of the Issue are summarized below:

Issue of Equity Shares[(1)]	Up to 12,500,000 Equity Shares of face value of ₹ 10 each, aggregating up to ₹[●] million
Accordingly,	
The Issue comprises of:	
A) **QIB Portion** [(2)(3)(6)]	Not more than [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹[●] million
of which:	
(i) Anchor Investor Portion[(2)]	Up to [●] Equity Shares of face value of ₹ 10 each
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹ 10 each
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹ 10 each
(b) Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of 10 each
B) **Non-Institutional Portion**[(3)(4)(5)]	Not less than [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] million
of which:	
One-third shall be available for allocation to Bidders with an application size more than ₹0.20 million and up to ₹1.00 million	[●] Equity Shares of face value of ₹ 10 each
Two-thirds shall be available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares of face value of ₹ 10 each
C) **Retail Portion**[(4)(5)]	Not less than [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹ [●] million
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as of the date of this Draft Red Herring Prospectus)	36,515,000 Equity Shares of face value of ₹10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹ 10 each
Use of Net Proceeds	See "*Objects of the Issue*" on page 119 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Issue.

(1) The Issue has been authorised by our Board pursuant to resolution passed at its meeting dated September 5, 2026 and Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed at their meeting dated September 7, 2026, in accordance with Section 62(1)(c) of the Companies Act. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under applicable law, prior to filing of the Red Herring Prospectus with RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable laws. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

(2) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors.

(3) 40% of the Anchor Investor Portion shall be reserved as under: (i) 33.33% for domestic Mutual Funds; and (ii) 6.67% for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds, Life Insurance Companies and Pension Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Any under-subscription in the reserved category specified in clause (ii) above, may be allocated to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the

remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure" on page 425.

(4) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except in the QIB Portion would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law.

(5) Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. Further, (a) one-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million and (b) two-third of the portion available to NIBs shall be reserved for applicants with application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of NIBs. The allocation to each NIB shall not be less than the applicable minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

(6) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Bidders and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation to Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. The Allocation to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non- Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. For details, see "Issue Procedure" on page 425.

For details, including in relation to grounds for rejection of Bids, see "*Issue Structure*" and "*Issue Procedure*" on pages 421 and 425 respectively. For details of the terms of the Issue, see "*Terms of the Issue*" on page 415.

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SUMMARY OF RELATED PARTY TRANSACTIONS

The following tables set forth summary of the financial information of our Company derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 307 and 365, respectively.

Name of the Related Party	Nature of Relationship	Nature of Transaction	For the year ended March 31, 2026	As a % of Revenue from Operations	For the year ended March 31, 2025	As a % of Revenue from Operations	For the year ended March 31, 2024	As a % of Revenue from Operations
Radheshyam Parshottambhai Pokar	Director	Salary	1.26	0.04%	1.16	0.04%	1.16	0.05%
Pokar Archanaben Radheshyambhai	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.71	0.03%
Pinalben Rahulkumar Dholu	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.76	0.03%
Patel Nilesh Kumar Babubhai	Director	Salary	1.26	0.04%	1.16	0.04%	1.16	0.05%
Patel Shilaben Nileshkumar	Relative of Director	Salary	0.80	0.02%	0.71	0.03%	0.71	0.03%
Divya Goswami	Company Secretary	Salary	-	-	0.19	0.01%	0.25	0.01%
Surya Future Tradewing LLP	Common Director/ partner	Purchase of Raw Materials	258.08	7.47%	82.65	2.99%	129.78	5.84%
Surya Future Tradewing LLP	Common Director/ partner	Sale of Raw Materials	-	-	373.41	13.52%	173.44	7.80%

For details of the related party transactions, see "*Restated Financial Information – Notes to the Restated Financial Information – Note 47 – Related Party Disclosures*" on page 358.

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SUMMARY OF CONTINGENT LIABILITIES

The following table sets out the Company's Contingent liabilities, commitments and other off-balance sheet items for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024:

(₹ in million)

Particulars	**As at 31 March 2026**	**As at 31 March 2025**	**As at 31 March 2024**
Contingent Liabilities			
VAT Demand	-	3.64	3.64
Outstanding Bank Guarantees	28.23	24.23	24.23
Includes Bank guarantee issued by State Bank of India			
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	218.00	40.39

Notes:

d) Contingent Liabilities

(iii) VAT Demand of ₹3.64 Million pertaining to earlier years, previously disclosed as a contingent liability, has been provided for during the year ended March 31, 2026 based on management's reassessment of the probability of outflow of resources.

(iv) The Company has initiated proceedings for compounding of certain non-compliances of the Companies Act, 2013 with the Registrar of Companies. The outcome and amount payable, if any, towards compounding/penalty are presently not determinable.

e) Outstanding Bank Guarantees

The Company has outstanding bank guarantees amounting to ₹28.23 million as at March 31, 2026 (March 31, 2025: ₹24.23 million; March 31, 2024: ₹24.23 million), including a bank guarantee issued by State Bank of India.

f) Capital Commitments

The Company has outstanding capital commitments of ₹ Nil as at March 31, 2026 (March 31, 2025: ₹218.00 million; March 31, 2024: ₹40.39 million), representing the estimated amount of contracts remaining to be executed on capital account and not provided for, net of capital advances.

For further information on our contingent liabilities, commitments and other off-balance sheet items as at March 31, 2026, March 31, 2025 and March 31, 2024 as per Ind AS 37, see "*Restated Financial Information*" on page 307 and the "*Risk Factor 53 - We have no contingent liabilities or capital commitments outstanding as at March 31, 2026; however, we have other off-balance sheet items, including bank guarantees of ₹28.23 million. Any invocation of such bank guarantees or materialization of any future contingent liabilities or commitments may adversely affect our financial condition and profitability.*" on page 57.

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SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables set forth summary of the financial information of our Company derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 307 and 365, respectively.

SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	809.81	882.92	910.19
Capital work in progress	48.96	-	-
Other Intangible Assets	0.13	-	-
Right-of-use Assets	9.6	-	-
Financial Assets			
Other financial assets	37.3	30.04	26.08
Other non-current assets	184.71	10	0.11
Total Non-current Assets	**1,090.52**	**922.96**	**936.38**
Current assets			
Inventories	832.67	823.4	855.16
Financial Assets			
Investments	15.68	15.32	14.77
Trade receivables	822.89	349.72	47.92
Cash and cash equivalents	11.16	2.09	1.44
Bank balances other than cash and cash equivalents	4.66	-	-
Other financial assets	108.18	64.46	40.23
Other current assets	25.32	52.26	110.55
Total Current Assets	**1,820.56**	**1,307.26**	**1,070.07**
Total Assets	**2,911.08**	**2,230.22**	**2,006.45**
EQUITY and LIABILITIES			
Equity Share Capital	310	310	310
Other Equity	977.7	646.8	408.41
Total Equity	**1,287.70**	**956.8**	**718.41**
Non-current liabilities			
Financial Liabilities			
Borrowings	225.70	207.57	349.07
Lease liabilities	8.32	-	-
Provisions	10.35	5.85	3.52
Deferred tax liabilities net	96.74	99.82	91.7
Total Non-current liabilities	**341.11**	**313.24**	**444.29**
Current liabilities			
Financial Liabilities			
Borrowings	917.53	659.55	636.36
Lease liabilities	0.79	-	-
Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	47.34	29.92	53.18
- total outstanding dues of others	160.26	165.24	108.06
Other Financial liabilities	7.68	6.26	5.23
Other current liabilities	5.49	6.90	2.30
Provisions - current	143.18	92.31	38.62
Total Current liabilities	**1,282.27**	**960.18**	**843.75**
Total liabilities	**1,623.38**	**1,273.42**	**1,288.04**
Total Equity and Liabilities	**2,911.08**	**2,230.22**	**2,006.45**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Income			
Revenue From Operations	3,453.33	2,761.83	2,223.54
Other Income	4.41	4.00	3.48
Total Income	**3,457.74**	**2,765.83**	**2,227.02**
Expenses			
Cost of materials consumed	1,366.95	1,364.59	852.46
Purchases of Stock-in-Trade	1,205.43	631.38	921.22
Changes in inventories of finished goods, Stock in Trade and work in progress	61.9	56.6	(32.43)
Employee benefits expense	58.36	52.76	49.48
Finance costs	125.69	118.48	116.31
Depreciation and amortization expense	73.91	71.33	71.38
Other expenses	112.52	117.1	112.68
Total Expenses	**3,004.77**	**2,412.24**	**2,091.10**
Profit/(loss) before tax (I-II)	**452.97**	**353.59**	**135.92**
Tax expenses			
Current tax	126.5	106.33	34.71
Deferred tax	-3.42	8.31	1.24
Total Tax expense	123.08	114.64	35.95
Profit/(loss) after tax for the period (III-IV)	**329.89**	**238.95**	**99.97**
Other Comprehensive Income			
OCI that will not be reclassified to P&L	1.35	(0.75)	1.15
Income Tax Relating to items that will not be Reclassified to P&L	(0.34)	0.19	(0.29)
OCI that will be reclassified to P&L	-	-	-
Income Tax Relating to items that will be Reclassified to P&L	-	-	-
Total Other Comprehensive Income (VI)	**1.01**	**(0.56)**	**0.86**
Total Comprehensive Income for the period	**330.9**	**238.39**	**100.83**
Earnings per equity share			
Basic	10.64	7.71	3.22
Diluted	10.64	7.71	3.22

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SUMMARY OF RESTATED CASH FLOW STATEMENT

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	452.97	353.59	135.92
Adjustments for:			
Depreciation and amortisation	73.91	71.33	71.38
Effect of Exchange rate Changes	(0.01)	-	-
(Gain)/Loss on investments measured at fair value through profit and loss	(0.36)	(0.55)	(0.47)
Gratuity Expenses	1.9	1.64	1.11
Interest on Lease Liabilities	0.61	-	-
Finance Cost	125.08	118.48	116.31
Interest Income	(3.31)	(2.10)	(1.66)
Dividend Income	-	(1.35)	(1.35)
Insurance claim receivable	(0.73)	-	-
Operating profit before working capital changes	650.07	541.04	321.24
Adjustment for (increase) / decrease in operating assets			
Trade receivables	(473.17)	(301.80)	2.21
Other financial assets	(50.98)	(28.19)	(44.14)
Inventories	(9.27)	31.76	(111.98)
Other Current assets	26.95	58.28	92.43
Adjustment for (Increase) / decrease in operating liabilities			
Trade payables	12.44	33.92	(71.10)
Other Current liabilities	(1.41)	4.6	0.31
Provisions	17.94	1.85	(9.24)
Other financial Liabilities	1.42	1.00	5.23
Cash generated from operations	173.99	342.47	184.97
Income tax paid (net)	90.61	54.55	4.1
Net cash generated by operating activities	83.38	287.92	180.87
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and capital work in progress (Net of Advances)	(224.20)	(53.95)	(0.96)
Purchase of Intangible Assets	(0.16)	-	-
Initial Expenditure Incurred on lease liability	(0.16)	-	-
Dividend received	-	1.35	1.35
Interest received	3.31	2.1	1.66
Net cash (used in) / generated by investing activities	(221.21)	(50.50)	2.05
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings	(113.22)	(179.11)	(412.06)
Proceeds from long term borrowings	133.30	34.11	253.16
Proceeds from/ (repayment of) Short term borrowings	254.12	26.41	92.61
Payment of Lease Liabilities	(0.87)	-	-
Finance cost	(121.78)	(118.17)	(116.31)
Net cash used in financing activities	151.55	(236.76)	(182.60)
Net increase / (decrease) in cash and cash equivalents	13.72	0.66	0.32
Cash and cash equivalents at the beginning of the year	2.09	1.44	1.12
Exchange gain loss on Cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	**15.81**	**2.09**	**1.44**

GENERAL INFORMATION

Our Company was incorporated as 'Rudra Cottex Private Limited' as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 23, 2016, issued by the Assistant Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted from a private limited company to a public limited company pursuant to a resolution passed by the Board of Directors of our Company on July 18, 2026 and a special resolution passed by the Shareholders of our Company on August 14, 2026, consequent to which the name of our Company was changed to its present name 'Rudra Cottex Limited' and a fresh certificate of incorporation dated September 2, 2026 was issued to our Company by the Registrar of Companies, Central Processing Centre.

Registered and Corporate Office of our Company
The addresses and certain other details of our Registered and Corporate Offices are as follows:

Registered Office
403, Satyamev Eminence,
B/S. Saptak Bungalows, Science City Road,
Sola, Ahmedabad,
Gujarat – 380060, India

Corporate Office
Survey No. 808 & 836 to 843,
Village: - Kadjodra Devkaran Na Muwada Road,
Bayad Road, Dehgam,
Gandhinagar, Gujarat – 382315, India

For details of our incorporation, changes to our name and changes in our registered office of our Company, see "*History and Certain Corporate Matters*" on page 279.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

Registration Number: 086570

Corporate identity number: U13111GJ2016PLC086570

Registrar of Companies

Our Company is registered with the RoC, situated at the following address:

Registrar of Companies, Gujarat at Ahmedabad
ROC Bhavan
Opp Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad 380 013
Gujarat, India

Board of Directors
As of the date of this Draft Red Herring Prospectus, the Board of Directors comprises the following

Sr. No.	Name	Designation	DIN	Address
1.	Rahulkumar Abji Dholu	Chairman & Managing Director	02953428 & 07327045*	D-401, Mahalaxmi Royal Palace, B/h Swagat Rain 1, Kudasan, Gandhinagar, Gujarat - 382421, India
2.	Radheshyam Parshottambhai Pokar	Executive Director	03613602	76, Suryaketu Township, Nehru chokadi, Dehgam, Gandhinagar, Gujarat – 382 305
3.	Patel Nilesh Kumar Babubhai	Executive Director	07353395	06, Shreenath Bunglows, Opp Umiya Temple, Dehgam, Gandhinagar, Gujarat - 382305, India.
4.	Dharaben Chirag Patel	Independent Director	11766325	02, Yogi Parivar, Opp Mahakali Mandir, Himatnagar, Sabarkantha, Gujarat – 383 001, India
5.	Meeta Tejas Prajapati	Independent Director	11763673	Plot No. 179, Medows 2, Near Eklavya School,

Sr. No.	Name	Designation	DIN	Address
				Sanathal, Ahmedabad, Gujarat - 382 210, India
6.	Shweta Mihir Panelia	Independent Director	09542909	67, Akhandanand Society, Near Sardarbridge, Adajan, Surat, Gujarat - 395 009, India

* Note: For more details see "*Risk Factor 64 – Our Director has inadvertently obtained two DINs*".

For brief profile and further details of our Board of Directors, see "*Our Management – Board of Directors*" on page 285.

Company Secretary and Compliance Officer
Jotaniya Sahul Natvarbhai is the Company Secretary and Compliance Officer of our Company. The contact details are as follows:

Address: 403, Satyamev Eminence, B/S. Saptak Bungalows,
Science City Road, Sola, Ahmedabad,
Gujarat, 380060, India
Telephone: +91 99099 59541
E-mail: cs@rudracottex.com
Website: https://rudracottex.com/

Investor Grievances

Bidders can contact our Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, 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.

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

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

All Issue related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidders, number of the Equity Shares applied for, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Manager

Beeline Capital Advisors Private Limited
B/1311-1314, 13th Floor, Shilp Corporate Park,
Rajpath Rangoli Road, Thaltej, Ahmedabad,
Gujarat- 380054, India
Telephone: +91 79 49185784
E-mail: mb@beelinemb.com
Website: www.beelinemb.com
Investor Grievance E-mail: ig@beelinemb.com
Contact Person: Nikhil Shah
SEBI Registration no.: INM000012917

Statement of responsibilities

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

Syndicate Members
[●]

Legal Counsel to the Issue as to Indian Law
Chitale Legal
5th Floor, Nirlon House,
Dr. Annie Besant Road, Worli
Mumbai - 400030, Maharashtra, India.
Telephone: +91 22 4004 1010

Statutory Auditors of our Company
Mistry & Shah LLP
C-1008, West Wing, 10th Floor, Stratum and Venus Grounds,
Near the Jhansi ki Rani Statue/GSRTC Volvo Bus Stand,
Nehrunagar, Ahmedabad, Gujarat 380015, India
Telephone: +91 94260 49084
E-mail: mail@mistryandshah.com
Firm Registration Number: 122702W/ W100683
Peer Review Certificate Number: 022451

Changes in Auditors
Except as disclosed below, there has been no change in our statutory auditors in the 5 years preceding the date of this Draft Red Herring Prospectus:

Particulars	Date of Change	Reason for change
DTA & Associates **Address**: 202, 2nd Floor, Shree Ram Complex, Nr. Rangani Hospital, Near Ashram Road, Rajkot-360003, Gujarat, India. **Telephone:** +91 9726144277 **E-mail:** cadtaandassociates@gmail.com **Firm registration number:** 140825W **Peer review certificate number:** 022172	Upcoming Annual General Meeting of the Company	Proposed to be appointed as the Statutory Auditors of the Company#.
Mistry & Shah LLP **Address**: C-1008, West Wing, 10th Floor, Stratum and Venus Grounds, Near the Jhansi ki Rani Statue/GSRTC Volvo Bus Stand, Nehrunagar, Ahmedabad, Gujarat 380015, India **Telephone:** +91 94260 49084 **E-mail:** mail@mistryandshah.com **Firm registration number:** 122702W/ W100683 **Peer review certificate number:** 022451	September 30, 2022	Appointed as Statutory Auditor of our Company for a period of four years.

#As on the date of signing of the Restated Financial Statements, i.e., September 17, 2026 M/s. Mistry & Shah LLP, Chartered Accountants, were the Statutory Auditor of our Company. However, in accordance with the provisions of Section 139 of the Companies Act, 2013, M/s. Mistry & Shah LLP, Chartered Accountants completed its maximum permissible term as Statutory Auditor and therefore not eligible for reappointment in such capacity in the AGM to be held on September 30, 2026. The Board of Directors, at its meeting held on September 08, 2026, has recommended the appointment of DTA & Associates, Chartered

Accountants, as the Statutory Auditor of the Company, subject to the approval of the members at the AGM to be held on September 30, 2026, to hold office from the conclusion of the said AGM until the conclusion of the upcoming AGM.

Registrar to Issue
KFIN Technologies Limited
301, The Centrium, 3rd Floor,
57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West),
Mumbai – 400 070, Maharashtra, India
Tel: +91 40 6716 2222
E-mail: rudra.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance Email: einward.ris@kfintech.com
Contact person: M Murali Krishna
SEBI registration no.: INR000000221

Banker(s) to the Issue
[●]

***Escrow Collection Bank*(s)**
[●]

Refund Bank(s)
[●]

Public Issue Account Bank(s)
[●]

Sponsor Banks
[●]

Bankers to our Company
State Bank of India
SME Highway Cross Road Kadi,
9 Square Mall, Kadi Chattral Highway, Kadi,
Mehsana, Gujarat 382 715
Telephone: +91 76000 43071
E-mail: sbi.60436@sbi.co.in
Website: https://onlinesbi.sbi.bank.in
Contact Person: Ruchit Mehta, Chief Manager & Relationship Manager

Designated Intermediaries
Self Certified Syndicate Banks

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

A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than UPI Bidders), not Bidding through Syndicate/ Sub-Syndicate Member or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Eligible SCSBs and mobile applications enabled for UPI Mechanism

In accordance with the SEBI ICDR Master Circular, UPI Bidders may only apply through the SCSBs and mobile apps using the UPI handles and whose name appear on the website of SEBI which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively, as updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Transfer Agents

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 websites of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 and websites of Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and https://www.nseindia.com/static/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Collecting Depository Participant(s)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at https://www.bseindia.com/static/publicissues/rtadp and on the website of NSE at https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Credit Rating

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

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Issue.

Debenture Trustees

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

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus with the RoC for monitoring the utilisation of Gross Proceeds. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Issue*" on page 119.

Appraising Agency

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

Green Shoe Option

No green shoe option is contemplated under the Issue.

Experts to the Issue

Except as stated below, the Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

(i) Our Company has received written consent dated September 17, 2026, from Mistry & Shah LLP, our Statutory Auditor, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26(1) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the examination report dated September 17, 2026 on the Restated Financial Information; and (ii) report dated September 17, 2026 on the statement of special tax benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(ii) Our Company has received written consent dated September 17, 2026 from M/s. M Lalwani & Associates, practicing Company Secretary, holding a valid peer review certificate issued by Peer review board of The Institute of Company Secretaries of India to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by her in her capacity as the independent practicing company secretary to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(iii) Our Company has received written consent dated September 16, 2026 from Babulal A Ughreja, Chartered Engineer to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in their capacity as the independent chartered engineer to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus along with the Draft Abridged Prospectus has been filed electronically with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with the SEBI ICDR Master Circular, as specified in Regulation 25(8) of the SEBI ICDR Regulations. A copy of this Draft Red Herring Prospectus and the Draft Abridged Prospectus will be filed with SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India

Filing of the Red Herring Prospectus and the Prospectus

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act will be filed with the RoC and a copy of the Prospectus to be filed under Section26 of the Companies Act will be filed with the RoC at its office, and through the electronic portal athttps://www.mca.gov.in/content/mca/global/en/home.html.

Book Building Process

Book building process, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid lot size will be decided by our Company in consultation with the BRLM, and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation, and advertised at least 2 Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date. For details, see *"Issue Procedure"* on page 425.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Pursuant to the SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not permitted 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 bidding in the can revise their Bids during the Bid/Issue Period and can withdraw their Bids on or before the Bid/Issue Closing Date. Further, Anchor Investors cannot revise and withdraw their Bids after the Anchor Investor Bid/Issue Date. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding and Book Building Process, see "*Terms of the Issue*", "*Issue Structure*" and "*Issue Procedure*" on pages 415, 421 and 425, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and filing of the Prospectus with the RoC.

Each Bidder, by submitting a Bid in the Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue.

Underwriting Agreement

In terms of Regulation 40(3)(b) of the SEBI ICDR Regulations, after the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares each proposed to be offered through the Issue. Subject to applicable laws, extent of underwriting obligations and the Bids to be underwritten by each Underwriter in the Issue shall be as per the Underwriting Agreement. Notwithstanding the table below, pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares which they shall subscribe to on account of rejection of Bids, either by themselves or by procuring subscription, at a price which shall not be less than the Issue Price, pursuant to the Underwriting Agreement:

Name, Address, Telephone Number and E-mail Address of the Underwriters	Indicative Number of Equity Shares of face value of ₹10 to be Underwritten	Amount Underwritten *(in ₹ million)*
[●]	[●]	[●]

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)

The abovementioned underwriting commitment is indicative only and will be finalised after determination of the Issue but prior to filing of the Prospectus with RoC subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered as merchant bankers with the SEBI under Section 12(1) of the SEBI Act or registered as stock brokers with the Stock Exchange(s). Our Board has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their respective underwriting commitments disclosed set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

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CAPITAL STRUCTURE

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

(₹ except share data)

S. No.	Particulars	Aggregate value at face value (in ₹)	Aggregate value at Issue Price*
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	51,000,000 Equity Shares of face value of ₹ 10 each	510,000,000	[●]
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	36,515,000 Equity Shares of face value of ₹ 10 each	365,150,000	[●]
C.	**THE ISSUE**(2)(3)		
	Issue of up to 12,500,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] million	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	132,360,000	
	After the Issue	[●]	

* To be included upon finalization of Issue Price and subject to finalization of Basis of Allotment.

(1) For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "*History and Certain Corporate Matters - Amendments to our Memorandum of Association in the last 10 years*" on page 280.

(2) The Issue has been authorised by our Board pursuant to resolution passed at its meeting dated September 05, 2026 and authorized by our Shareholders pursuant to a special resolution passed at their meeting dated September 07, 2026, in accordance with Section 62(1)(c) of the Companies Act.

(3) Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under the applicable law, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

(*Remainder of this page has been intentionally left blank*)

Notes to the Capital Structure

1. **Share Capital History of our Company**

(A) Equity share capital

The history of the Equity Share capital of our Company is set forth below:

<table>
<tr><th>Date of allotment</th><th>Reason/Nature of allotment</th><th>Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled</th><th>No. of Allottees</th><th>Number of equity shares</th><th>Face value per equity share (₹)</th><th>Issue price per equity share (₹)</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity shares capital (₹)</th></tr>
<tr><td>March 23, 2016</td><td>Initial subscription to the Memorandum of Association*</td><td><table><tr><th>Name</th><th>Number of equity shares allotted</th></tr><tr><td>Patel Nilesh Kumar Babubhai</td><td>3,000</td></tr><tr><td>Rahulkumar Abji Dholu</td><td>4,000</td></tr><tr><td>Radheshyam Purshottam Pokar</td><td>3,000</td></tr></table></td><td>3</td><td>10,000</td><td>10</td><td>10</td><td>Cash</td><td>10,000</td><td>100,000</td></tr>
<tr><td>September 25, 2017</td><td>Conversion of Compulsory Convertible Debentures</td><td><table><tr><th>Name</th><th>Number of equity shares allotted</th></tr><tr><td>Abji Karamshibhai Dholu</td><td>50,000</td></tr><tr><td>Chandrakantbhai Mohanbhai Patel</td><td>120,000</td></tr><tr><td>Dashrathbhai Dhaniibhai Patel</td><td>170,000</td></tr><tr><td>Dhanjibhai Vashrambhai</td><td>60,000</td></tr></table></td><td>39</td><td>5,621,800</td><td>10</td><td>10</td><td>Other than Cash^</td><td>5,631,800</td><td>56,318,000</td></tr>
</table>

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Patel								
		Dushyantkumar Narayanbhai Bhojani	221,000							
		Jagdishbhai Ranchodbhai Patel	50,000							
		Kamleshbhai Jayentibhai Pokar	35,000							
		Nilesh Babulal Ramani	130,500							
		Nitinbhai kantibhai Surani	50,000							
		Radheshyam Parshottambhai Pokar	530,000							
		Rahulkumar Abji Dholu	650,000							
		Ranchodbhai Shamjibhai Patel	40,000							
		Sudarshankumar Vasantbhai Patel	80,000							
		Tulshibhai Arjanbhai Patel	80,000							
		Archanaben Radhebhai Pokar	270,000							
		Chandulal Manilal Makani	160,000							
		lshvarbhai Karamshibhai Patel	50,000							
		Mukesh Ganpatbhai Patel	86,300							

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Mukeshbhai Babubhai Patel	145,000							
		Mukeshbhai Manibhai Makani	75,000							
		Nikunj Tulshibhai Patel	95,000							
		,Pareshbhai Kanubhai Ramani	120,000							
		Purshottambhai Khimjibahi Pokar	360,000							
		Pravinbhai Govindbhai Patel	120,000							
		Rajesh Jayantlbhai Patel	35,000							
		Rasilaben Harilal Patel	120,000							
		Rekhaben Mukeshbhai Patel	120,000							
		Ronakkumar M Patel	30,000							
		Taraben Parshottambhai Pokar	240,000							
		Tulshibhai Ranchodbhai Patel	44,000							
		Vasantbhai Ratilal Patel	40,000							
		Vipulbhai	75,000							

<table>
<tr><th>Date of allotment</th><th>Reason/Nature of allotment</th><th>Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled</th><th>No. of Allottees</th><th>Number of equity shares</th><th>Face value per equity share (₹)</th><th>Issue price per equity share (₹)</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity shares capital (₹)</th></tr>
<tr><td></td><td></td><td><table>
<tr><td>Bipinbhai Patel</td><td></td></tr>
<tr><td>Anil Dhanjibhai Patel</td><td>55,000</td></tr>
<tr><td>Ganpatbhai Haribhai Patel</td><td>60,000</td></tr>
<tr><td>Kalpesh Abji Dholu</td><td>500,000</td></tr>
<tr><td>Kantibhai Pachanbhai Patel</td><td>80,000</td></tr>
<tr><td>Lilaben babulal Patel</td><td>250,000</td></tr>
<tr><td>Mahendrabhai Manilal Makani</td><td>120,000</td></tr>
<tr><td>Mohanbhai Hirjibhai Patel</td><td>105,000</td></tr>
</table></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>September 25, 2017</td><td>Conversion of unsecured loan</td><td><table>
<tr><th>Name</th><th>Number of equity shares allotted</th></tr>
<tr><td>Mukeshbhai Manibhai Makani</td><td>110,000</td></tr>
<tr><td>Mahendrabhai Manilal Makani</td><td>110,000</td></tr>
<tr><td>Radheshyam Parshottambhai Pokar</td><td>279,000</td></tr>
<tr><td>Rahulkumar Abji Dholu</td><td>205,310</td></tr>
<tr><td>Nilesh Babulal Ramani</td><td>400,500</td></tr>
<tr><td>Vasantbhai Ratilal Patel</td><td>80,000</td></tr>
</table></td><td>36</td><td>4,871,810</td><td>10</td><td>10</td><td>Other than Cash^</td><td>10,503,610</td><td>105,036,100</td></tr>
</table>

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Rajesh Jayantlbhai Patel	40,000							
		Mukesh Ganpatbhai Patel	150,000							
		Anil Dhanjibhai Patel	70,000							
		Tulshibhai Arjanbhai Patel	100,000							
		Nitinbhai Kantibhai Surani	80,000							
		Chandulal Manilal Makani	118,000							
		Kalpesh Abji Dholu	305,000							
		Ganpatbhai Haribhai Patel	171,500							
		Dhanjibhai Vashrambhai Patel	40,000							
		Haribhai Arjanbhai Rudani	400,000							
		Kamleshbhai Jayentibhai Pokar	55,000							
		Jagdishbhai Ranchodbhai Patel	40,000							
		Ranchod bhai Shamjibhai Patel	40,000							
		Tulsibhai Ranchodbhai Patel	85,000							
		Shilaben	120,000							

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Nileshkumar Patel								
		Sudarshankumar Vasantbhai Patel	120,000							
		Mukeshbhai Babubhai Patel	110,000							
		Archanaben Radhebhai Pokar	110,000							
		Pravinbhai Govindbhai Patel	120,000							
		Ishvarbhai Karamshibhai Patel	327,500							
		Taraben Parshottambhai Pokar	115,000							
		Rekhaben Mukeshbhai Patel	108,000							
		Parshottambhai Khimjibhai Pokar	117,000							
		Babulal Lalji Patel	180,000							
		Ronakkumar M Patel	50,000							
		Abji Karamshi Dholu	200,000							
		Dashrathbhai Dhanjibhai Patel	80,000							
		Pareshbhai Kanubhai Ramani	55,000							

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled	No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Chandrakantbhai Mohanbhai Patel: 140,000 Minaxiben Pareshbhai Patel: 40,000							
March 05, 2018	Conversion of unsecured loan	**Name: Number of equity shares allotted** Ronakkumar Patel: 540,000 Nileshbhai K Surani: 490,000 Jagdishbhai R Patel: 220,000 Abjibhai K Dholu: 1,300,000 Rahulkumar Abji Dholu: 1,465,690 Kalpesh Abji Dholu: 1,520,000 Mahendrabhai M Makani: 700,000 Mohanbhai H Patel: 515,000 Kamleshbhai J Pokar: 220,000 Chandrkantbhai M Patel: 360,000 Ishwarbhai k Patel: 397,500 Chandulal M Makani: 652,000 Babulal L Patel: 750,000	40	20,496,390	10	10	Other than Cash^	31,000,000	310,000,000

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Rasilaben H Patel	500,000							
		Shilaben N Patel	810,000							
		Mukeshbhai M Makani	435,000							
		Rekhaben M Patel	392,000							
		Rajeshbhai H Patel	235,000							
		Ranchodbhai S Patel	230,000							
		Dushyantbhai N Bhoj	554,000							
		Vasantbhai R Patel	190,000							
		Nikunjbhai T Patel	215,000							
		Mukeshbhai G Patel	383,700							
		Tulshibhai R Patel	181,000							
		Nileshbhai B Ramani	241,000							
		Radheshyam Purshottambhai	1,358,000							
		Purshottambhai Khimjibahi	763,000							
		Taraben P Pokar	575,000							
		Ganpatbhai H Patel	388,500							
		Archanaben R	550,000							
		Kantibhai P Patel	540,000							
		Dasrathbhai D	370,000							

Date of allotment	Reason/Nature of allotment	Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled		No. of Allottees	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity shares capital (₹)
		Patel								
		Haribhai A Patel	840,000							
		Mukeshbhai B Patel	365,000							
		Sudarshankumar V	110,000							
		Pravinbhai G Patel	380,000							
		Vipulbhai B Patel	235,000							
		Anilbhai D Patel	185,000							
		Tulshibhai A Patel	130,000							
		Dhanjibhai V Patel	210,000							

<table>
<tr><th>Date of allotment</th><th>Reason/Nature of allotment</th><th>Names of allotees/ shareholders and number of equity shares allotted/ bought back/cancelled</th><th>No. of Allottees</th><th>Number of equity shares</th><th>Face value per equity share (₹)</th><th>Issue price per equity share (₹)</th><th>Nature of consideration</th><th>Cumulative number of equity shares</th><th>Cumulative paid-up equity shares capital (₹)</th></tr>
<tr><td>May 15, 2026</td><td>Private Placement</td><td><table>
<tr><th>Name</th><th>Number of equity shares allotted</th></tr>
<tr><td>Shah Amee D</td><td>2,941,177</td></tr>
<tr><td>Shah Dhiren Mahendrakumar (HUF)</td><td>1,470,589</td></tr>
<tr><td>Shah Nirupamaben Mukeshkumar</td><td>147,349</td></tr>
<tr><td>Shruti Vikas Shah</td><td>220,589</td></tr>
<tr><td>Maniyar Bhaveshkumar Motilal</td><td>73,530</td></tr>
<tr><td>Piyush Jashwantlal Shah</td><td>73,530</td></tr>
<tr><td>Amishi P Shah</td><td>73,530</td></tr>
<tr><td>Fivex Capital VCC - Fivex Emerging Star Fund</td><td>514,706</td></tr>
</table></td><td>8</td><td>5,515,000</td><td>10</td><td>34</td><td>Cash</td><td>36,515,000</td><td>365,150,000</td></tr>
</table>

Notes:

**Our Company was incorporated on March 23, 2016. The date of subscription to the Memorandum of Association is March 19, 2016, and the subscription was taken on record by our Board on April 20, 2016*

^ The money was received at the time of raising CCDs and Loan, hence the nature of consideration of the transaction is considered 'Other than Cash'.

(B) Preference share capital

As on the date of this Draft Red herring Prospectus, our Company does not have any outstanding preference shares.

(C) Compulsory Convertible Debentures (CCDs) history of our Company

Our Company does not have any outstanding CCDs as of the date of this DRHP and all the CCDs that were issued and allotted by our Company have been converted into equity shares of our Company. The following table sets forth the history of the CCDs of our Company:

<table>
<tr><th>Date of allotment / conversion</th><th>Nature of allotment</th><th>Details of allottees</th><th>Number of CCDs</th><th>Face value per CCDs (₹)</th><th>Issue price per CCDs (₹)</th><th>Nature of consideration</th><th>Cumulative number of CCDs</th><th>Cumulative paid-up amount of CCD (₹)</th></tr>
<tr><td>November 30, 2016</td><td>Issue of CCDs</td><td>
<table>
<tr><th>Name</th><th>Number of CCDs allotted</th></tr>
<tr><td>Archanaben R Pokar</td><td>270,000</td></tr>
<tr><td>Chandulal M Makani</td><td>30,000</td></tr>
<tr><td>Dasrathbhai D Patel</td><td>80,000</td></tr>
<tr><td>Dhanjibhai V Patel</td><td>20,000</td></tr>
<tr><td>Dushyantkumar N Bhojani</td><td>26,000</td></tr>
<tr><td>Ishvarbhai K Patel</td><td>50,000</td></tr>
<tr><td>Jagdishbhai R Patel</td><td>30,000</td></tr>
<tr><td>Mukesh G Patel</td><td>10,000</td></tr>
<tr><td>Mukeshbhai B Patel</td><td>120,000</td></tr>
<tr><td>Mukeshbhai M Makani</td><td>25,000</td></tr>
<tr><td>Nikunj T Patel</td><td>40,000</td></tr>
<tr><td>Pareshbhai K Ramani</td><td>40,000</td></tr>
<tr><td>Parshottambhai K Pokar</td><td>360,000</td></tr>
<tr><td>Pravinbhai G Patel</td><td>120,000</td></tr>
<tr><td>Radheshyam P Pokar</td><td>360,000</td></tr>
</table>
</td><td>2,295,000</td><td>10</td><td>10</td><td>Cash</td><td>2,295,000</td><td>22,950,000</td></tr>
</table>

Date of allotment / conversion	Nature of allotment	Details of allottees	Number of CCDs	Face value per CCDs (₹)	Issue price per CCDs (₹)	Nature of consideration	Cumulative number of CCDs	Cumulative paid-up amount of CCD (₹)
		Rajesh J Patel – 35,000 Ranchodbhai S Patel – 35,000 Rasilaben H Patel – 120,000 Rekhaben M Patel – 120,000 Ronakkumar M Patel – 30,000 Taraben P Pokar – 240,000 Tulshibhai A Patel – 20,000 Tulshibhai R Patel – 34,000 Vasantbhai R Patel – 40,000 Vipulbhai B Patel – 40,000						
February 08, 2017	Issue of CCDs	**Name – Number of CCDs allotted** Abji Karamshi Dholu – 50,000 ChandrakantM Chhabhaiah – 60,000 Patel Dashrathbhai D – 40,000 Dhanjibhai Vashrambhai Patel – 25,000 Dushyantkumar Narayanbhai Bhojani – 130,000 Jagdishbhai Ranchhodbhai Patel – 10,000 Kamlesh J Pokar – 25,000 Patel Nilesh Kumar Babubhai – 71,500 Nitinkumar K – 50,000	806,500	10	10	Cash	3,101,500	31,015,000

Date of allotment / conversion	Nature of allotment	Details of allottees	Number of CCDs	Face value per CCDs (₹)	Issue price per CCDs (₹)	Nature of consideration	Cumulative number of CCDs	Cumulative paid-up amount of CCD (₹)
		Surani Radheshyam Parshottambhai Pokar: 50,000 Rahulkumar Abji Dholu: 150,000 Ranchodbhai Patel: 5,000 Patel Sudarshankumar Vasantbhai: 80,000 Patel Tulasidas Arjanbhai: 60,000						
March 31, 2017	Issue of CCDs	**Name – Number of CCDs allotted** Patel A D: 55,000 Chandrakant M Chhabhaiah: 60,000 Chandulal M Makani: 130,000 Patel Dashrathbhai D: 50,000 Dhanjibhai Vashrambhai Patel: 15,000 Dushyantkumar Narayanbhai Bhojani: 65,000 Patel Ganpatbhai H: 60,000 Jagdishbhai Ranchhodbhai Patel: 10,000 Kalpesh Abji Dholu: 500,000 Kamlesh J Pokar: 10,000	2,520,300	10	10	Cash	5,621,800	56,218,000

Date of allotment / conversion	Nature of allotment	Details of allottees		Number of CCDs	Face value per CCDs (₹)	Issue price per CCDs (₹)	Nature of consideration	Cumulative number of CCDs	Cumulative paid-up amount of CCD (₹)
		Kantibhai Parshotambhai Patel	80,000						
		Lilaben Patel Babulal	250,000						
		Mahendra Manilal Makani	120,000						
		Mohanbhai Hirajibhai Patel	105,000						
		Mukesh G Parekh	76,300						
		Mukesh B Patel	25,000						
		Makani Mukesh Manilal	50,000						
		Patel Nikunjkumar Tulsibhai	55,000						
		Patel Nilesh Kumar Babubhai	59,000						
		Ramani Pareshkumar	80,000						
		Radheshyam Parshottambhai Pokar	120,000						
		Rahulkumar Abji Dholu	500,000						
		Tulsibhai R. Patel	10,000						
		Patel Vipulkumar Bipinbhai	35,000						

2. **Secondary Transactions of Equity Shares of our Company**

Except as disclosed below and in "*Capital Structure - Build-up of Promoters*' *Equity shareholding in our Company*" on page 104, there has been no acquisition or transfer of securities through secondary transactions by our Promoters, members of the Promoter Group since incorporation of our Company is set forth below:

Date of transfer of equity shares	Name of the transferor	Name of the transferee	Number of equity shares	Face value per equity share (₹)	Transfer price per equity share (₹)	Nature of consideration	Total consideration
Promoters							
Radheshyam Parshottambhai Pokar							
August 18, 2026	Mukesh B Patel	Radheshyam Parshottambhai Pokar	155,000	10	34	Cash	5,270,000
August 18, 2026	Patel Lilaben Babulal	Radheshyam Parshottambhai Pokar	155,000	10	34	Cash	5,270,000
Patel Nilesh Kumar Babubhai							
August 19, 2026	Mukesh B Patel	Patel Nilesh Kumar Babubhai	425,000	10	0	Gift	0
August 19, 2026	Babulal Lalji Patel	Patel Nilesh Kumar Babubhai	930,000	10	0	Gift	0
Promoter Group							
August 18, 2026	Mukesh B Patel	Radheshyam Parshottambhai Pokar	155,000	10	34	Cash	5,270,000
August 18, 2026	Patel Lilaben Babulal	Radheshyam Parshottambhai Pokar	155,000	10	34	Cash	5,270,000
August 18, 2026	Patel Lilaben Babulal	Dhansukhbhai Patel	95,000	10	34	Cash	3,230,000
August 18, 2026	Mukesh B Patel	Dhansukhbhai Patel	40,000	10	34	Cash	1,360,000
August 19, 2026	Mukesh B Patel	Patel Nilesh Kumar Babubhai	425,000	10	0	Gift	0
August 19, 2026	Babulal Lalji Patel	Patel Nilesh Kumar Babubhai	930,000	10	0	Gift	0

3. **Issue of Equity Shares at a price lower than the Issue Price in the last 1 year**

Except as disclosed under section "*Capital Structure - Share Capital History of our Company*" on page 81, our Company has not issued any equity shares in the preceding 1 year at a price that may be lower than the Issue Price.

4. **Issue of Equity Shares for consideration other than cash or by way of bonus issue**

Except as disclosed below, our Company has not issued any Equity Shares (i) by way of bonus issue; or (ii) for consideration other than cash at any time, since incorporation:

<table>
<tr><th>Date of allotment</th><th>Nature/ Reason of allotment</th><th>Number of Equity Shares allotted</th><th>Face value (₹)</th><th>Issue price per equity share (₹)</th><th>Details of allotees and equity shares allotted</th><th>Nature of consideration</th><th>Benefits if any that have accrued to our Company</th></tr>
<tr><td>September 25, 2017</td><td>Conversion of Compulsorily Convertible Debentures into equity</td><td>5,621,800</td><td>10</td><td>10</td><td><table>
<tr><th>Name</th><th>Number of equity shares allotted</th></tr>
<tr><td>Abji Karamshibhai Dholu</td><td>50,000</td></tr>
<tr><td>Chandrakantbhai Mohanbhai Patel</td><td>120,000</td></tr>
<tr><td>Dasrathbhai Dhaniibhai Petel</td><td>170,000</td></tr>
<tr><td>Dhanjibhai Vasrambhai Patel</td><td>60,000</td></tr>
<tr><td>Dushyantkumar Narayanbhai Bhojani</td><td>221,000</td></tr>
<tr><td>Jagdishbhai Ranchodbhai Patel</td><td>50,000</td></tr>
<tr><td>Kamleshbhai Jayentibhai Pokar</td><td>35,000</td></tr>
<tr><td>Nilesh Babulal Ramani</td><td>130,500</td></tr>
<tr><td>Nitinbhai kantibhai Surani</td><td>50,000</td></tr>
<tr><td>Radheshyam Parshottambhai Pokar</td><td>530,000</td></tr>
<tr><td>Rahulkumar Abji Dholu</td><td>650,000</td></tr>
<tr><td>Ranchodbhai Shamjibhai Patel</td><td>40,000</td></tr>
<tr><td>Sudarshankumar Vasantbhai Patel</td><td>80,000</td></tr>
<tr><td>Tulshibhai Arjanbhai Patel</td><td>80,000</td></tr>
<tr><td>Archanaben Radhebhai Pokar</td><td>270,000</td></tr>
<tr><td>Chandulal Manilal</td><td>160,000</td></tr>
</table></td><td>Other than Cash</td><td>NIL</td></tr>
</table>

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Makani			
					lshvarbhai Karamshibhai Patel	50,000		
					Mukesh Ganpatbhai Patel	86,300		
					Mukeshbhai Babubhai Patel	145,000		
					Mukeshbhai Manibhai Makani	75,000		
					Nikunj Tulshibhai Patel	95,000		
					Pareshbhai Kanubhai Ramani	120,000		
					Purshottambhai Khimjibahi Pokar	360,000		
					Pravinbhai Govindbhai Patel	120,000		
					Rajesh Jayantlbhai Patel	35,000		
					Rasilaben Harilal Patel	120,000		
					Rekhaben Mukeshbhai Patel	120,000		
					Ronakkumar M Patel	30,000		
					Taraben Parshottambhai Pokar	240,000		
					Tulshibhai Ranchodbhai Patel	44,000		
					Vasantbhai Ratilal Patel	40,000		
					Vipulbhai Bipinbhai Patel	75,000		
					Anil Dhanjibhai Patel	55,000		

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Ganpatbhai Haribhai Patel	60,000		
					Kalpeshbhai Abjibhai Dholu	500,000		
					Kantibhai Pachanbhai Patel	80,000		
					Lilaben Babulal Patel	250,000		
					Mahendrabhai Manilal Makani	120,000		
					Mohanbhai Hirjibhai Patel	105,000		
September 25, 2017	Conversion of unsecured loan into Equity	4,871,810	10	10	**Name**	**Number of equity shares allotted**	Other than Cash	NIL
					Mukeshbhai Manibhai Makani	110,000		
					Mahendrabhai Manilal Makani	110,000		
					Radheshyam Parshottambhai Pokar	279,000		
					Rahulkumar Abji Dholu	205,310		
					Nilesh Babulal Ramani	400,500		
					Vasantbhai Ratilal Patel	80,000		
					Rajesh Jayantlbhai Patel	40,000		
					Mukesh Ganpatbhai Patel	150,000		
					Anil Dhanjibhai Patel	70,000		
					Tulshibhai Arjanbhai Patel	100,000		

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Nitinbhai Kantibhai Surani	80,000		
					Chandulal Manilal Makani	118,000		
					Kalpeshbhai Abjibhai Dholu	305,000		
					Ganpatbhai Haribhai Patel	171,500		
					Dhanjibhai Vashrambhai Patel	40,000		
					Haribhai Arjanbhai Rudani	400,000		
					Kamleshbhai Jayentibhai Pokar	55,000		
					Jagdishbhai Ranchodbhai Patel	40,000		
					Ranchod bhai Shamjibhai Patel	40,000		
					Tulsibhai Ranchodbhai Patel	85,000		
					Shilaben Nileshkumar Patel	120,000		
					Sudarshankumar Vasantbhai Patel	120,000		
					Mukeshbhai Babubhai Patel	110,000		
					Archanaben Radhebhai Pokar	110,000		
					Pravinbhai Govindbhai Patel	120,000		
					Ishvarbhai Karamshibhai Patel	327,500		
					Taraben Parshottambhai Pokar	115,000		
					Rekhaben	108,000		

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Mukeshbhai Patel			
					,Parshottambhai Khimjibhai Pokar	117,000		
					Babulal Lalji Patel	180,000		
					Ronakkumar M Patel	50,000		
					Abji Karamshi Dholu	200,000		
					Dashrathbhai Dhanjibhai Patel	80,000		
					Pareshbhai Kanubhai Ramani	55,000		
					Chandrakantbhai Mohanbhai Patel	140,000		
					Minaxiben Pareshbhai Patel	40,000		
March 05, 2018	Conversion of unsecured loan into Equity	20,496,390	10	10	**Name**	**Number of equity shares allotted**	Other than Cash	NIL
					Ronakkumar M Patel	540,000		
					Nileshbhai Kantibhai Surani	490,000		
					Jagdishbhai Ranchodbhai Patel	220,000		
					Abji Karamshi Dholu	1,300,000		
					Rahulkumar Abji Dholu	1,465,690		
					Kalpeshbhai Abjibhai Dholu	1,520,000		
					Mahendrabhai Manilal Makani	700,000		
					Mohanbhai Hirjibhai Patel	515,000		
					Kamleshbhai Jayentibhai Pokar	220,000		

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Chandrakantbhai Mohanbhai Patel	360,000		
					lshwarbhai Karamshibhai Patel	397,500		
					Chandulal Manilal Makani	652,000		
					Babulal Lalaji Patel	750,000		
					Rasilaben Harilal Patel	500,000		
					Shilaben Nileshkumar Patel	810,000		
					Mukeshbhai Manibhai Makani	435,000		
					Rekhaben Mukeshbhai Patel	392,000		
					Rajeshbhai Jayantlbhai Patel	235,000		
					Ranchod bhai Shamjibhai Patel	230,000		
					Dushyantbhai Narayanbhai Bhojani	554,000		
					Vasantbhai Ratilal Patel	190,000		
					Nikunjbhai Tulshibhai Patel	215,000		
					Mukeshbhai Ganpatbhai Patel	383,700		
					Tulshibhai Ranchodbhai Patel	181,000		
					Nileshbhai Babulal Ramani	241,000		
					Radheshyam Parshottambhai Pokar	1,358,000		
					Purshottambhai Khimjibahi Pokar	763,000		
					Taraben Parshottambhai Pokar	575,000		

Date of allotment	Nature/ Reason of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per equity share (₹)	Details of allotees and equity shares allotted		Nature of consideration	Benefits if any that have accrued to our Company
					Ganpatbhai Haribhai Patel	388,500		
					Archanaben Radhebhai Pokar	550,000		
					Kantibhai Pachanbhai Patel	540,000		
					Dasrathbhai Dhanjibhai Patel	370,000		
					Haribhai Arjanbhai Patel	840,000		
					Mukeshbhai Babubhai Patel	365,000		
					Sudarshankumar Vasantbhai Patel	110,000		
					Pravinbhai Govindbhai Patel	380,000		
					Vipulbhai Bipinbhai Patel	235,000		
					Anilbhai Dhanjibhai Patel	185,000		
					Tulshibhai Arjanbhai Patel	130,000		
					Dhanjibhai Vasantbhai Patel	210,000		

5. **Issue of Equity Shares out of revaluation reserves**
As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves, since its incorporation.

6. **Issue of Equity Shares pursuant to schemes of arrangement**
Our Company has not issued any Equity Shares pursuant to any scheme of arrangement approved under Sections 391- 394 of the Companies Act, 1956, or Sections 230-234 of the Companies Act.

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

(a) *Shareholding of the Promoters and the members of the Promoter Group*
As of the date of this Draft Red Herring Prospectus, our Promoters hold 6,935,000 Equity Shares and members of the Promoter Group (other than our Promoters) hold 8,680,000 Equity Shares, constituting 18.99% and 23.77% of the issued, subscribed and paid-up share capital of our Company respectively, as set forth below:

Sr. No.	Name of the Promoter	Pre-Issue No. of Equity Shares	Percentage of the Pre-Issue Equity Share Capital (%)	Post Issue No. of Equity Shares*	Percentage of the Post- Issue Share Capital (%)*
Promoter					
1.	Patel Nilesh Kumar Babubhai	2,130,000	5.83	[●]	[●]
2.	Rahulkumar Abji Dholu	2,325,000	6.37	[●]	[●]
3.	Radheshyam Parshottambhai Pokar	2,480,000	6.79	[●]	[●]
Sub-Total (A)		**6,935,000**	**18.99**	**[●]**	**[●]**
Promoter Group					
1.	Kalpesh Abji Dholu	2,325,000	6.37	[●]	[●]
2.	Abji Karamshi Dholu	1,550,000	4.24	[●]	[●]
3.	Purshottambhai Khimjibhai Patel	1,240,000	3.4	[●]	[●]
4.	Pokar Archanaben Radheshyambhai	930,000	2.55	[●]	[●]
5.	Patel Shilaben Nileshkumar	930,000	2.55		
6.	Taraben Parshottambhai Patel	930,000	2.55	[●]	[●]
7.	Patel Ishwarbhai Karamshibhai	7,75,000	2.12		
Sub-Total (B)		**8,680,000**	**23.77**	**[●]**	**[●]**
Sub-Total (A+B)		**15,615,000**	**42.76**	**[●]**	**[●]**

*Subject to finalization of Basis of Allotment *(b) Build-up of Promoters' Equity shareholding in our Company*

The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set out below:

(i) Patel Nilesh Kumar Babubhai

Nature of transaction	Date of transfer/ allotment/ cancellation of equity shares	Number of equity shares	Nature of consideration	Face Value per equity share (₹)	Issue price per equity share (₹)	Percentage of the pre – Issue equity share capital (%)	Percentage of the post – Issue equity share capital (%)*
Initial subscription pursuant to Memorandum of Association	March 23, 2016	3,000	Cash	10	10	0.01	[●]
Conversion of Compulsory Convertible Debentures into Equity	September 25, 2017	130,500	Other than Cash	10	10	0.37	[●]
Conversion of Unsecured Loan into Equity	September 25, 2017	400,500	Other than Cash	10	10	1.46	[●]
Conversion of Unsecured Loan into Equity	March 05, 2018	241,000	Other than Cash	10	10	2.12	[●]
Transfer	August 19, 2026	425,000	Gift	10	0	3.29	[●]
Transfer	August 19, 2026	930,000	Gift	10	0	5.83	[●]
Total		**2,130,000**				**5.83**	[●]

*Subject to finalization of Basis of Allotment

(ii) Rahulkumar Abji Dholu

Nature of transaction	Date of transfer/ allotment of equity shares	Number of equity shares	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre – Issue equity share capital (%)	Percentage of the post – Issue equity share capital (%)*
Initial subscription pursuant to Memorandum of Association	March 23, 2016	4,000	Cash	10	10	0.01	[●]
Conversion of Compulsory Convertible Debentures into Equity	September 25, 2017	650,000	Other than Cash	10	10	1.79	[●]
Conversion of Unsecured Loan into Equity	September 25, 2017	205,310	Other than Cash	10	10	2.35	[●]
Conversion of Unsecured Loan into Equity	March 05, 2018	1,465,690	Other than Cash	10	10	6.35	[●]
Total		**2,325,000**				**6.37**	[●]

*Subject to finalization of Basis of Allotment

(iii) Radheshyam Parshottambhai Pokar

Nature of transaction	Date of transfer/ allotment of equity shares	Number of equity shares	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre – Issue equity share capital (%)	Percentage of the post – Issue equity share capital (%)*
Initial subscription pursuant to Memorandum of Association	March 23, 2016	3,000	Cash	10	10	0.01	[●]
Conversion of Compulsory Convertible Debentures into Equity	September 25, 2017	530,000	Other than Cash	10	10	1.46	[●]
Conversion of Unsecured Loan into Equity	September 25, 2017	279,000	Other than Cash	10	10	2.22	[●]
Conversion of Unsecured Loan into Equity	March 05, 2018	1,358,000	Other than Cash	10	10	5.94	[●]
Transfer	August 18, 2026	155,000	Cash	10	34	6.37	[●]
Transfer	August 18, 2026	155,000	Cash	10	34	6.79	[●]
Total		**2,480,000**				**6.79**	[●]

*Subject to finalization of Basis of Allotment

(c) *All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.*

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

(e) *None of the Equity Shares held by our Promoters are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus.*

(f) *Except as disclosed above in "Capital Structure – Details of Shareholding of our Promoters and the members of our Promoter Group in the Company" on page 102, none of the members of our Promoter Group holds any Equity Shares in the Company.*

(g) *Except as disclosed above in "Capital Structure - Secondary Transactions of Equity Shares of our Company" on page 94, none of our Promoters or the members of our Promoter Group or their relatives or the directors of our Promoter have purchased or sold any specified securities of our Company during the period of 6 months immediately preceding the date of this Draft Red Herring Prospectus.*

(h) The weighted average cost of acquisition per Equity Share of our Promoters and members of Promoter Group, on a fully diluted basis as at the date of the Draft Red Herring Prospectus is:

Name	Number of Equity Shares held as of the date of this Draft Red Herring Prospectus*	Number of Equity Shares acquired since inception*	Weighted average cost of acquisition per Equity Shares (in ₹)
Promoter			
Patel Nilesh Kumar Babubhai	2,130,000	2,130,000	3.64
Rahulkumar Abji Dholu	2,325,000	2,325,000	10.00

Radheshyam Parshottambhai Pokar	2,480,000	2,480,000	13.01

* *As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.*

(i) **Weighted average cost of all Equity Shares transacted in the 1 year, 18 months and 3 years preceding the date of this Draft Red Herring Prospectus**:

Period	**Weighted Average Cost of Acquisition (in ₹)**	**Range of acquisition price: Lowest price – highest price* (in ₹)**
Last 1 year preceding the date of this Draft Red Herring Prospectus.	27.70	0 to 34
Last 18 months preceding the date of this Draft Red Herring Prospectus	27.70	0 to 34
Last 3 years preceding the date of this Draft Red Herring Prospectus.	27.70	0 to 34

**As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.*

(j) Pre and post-Issue shareholding of Promoters and Promoter Group (other than our Promoter) and Additional top 10 Shareholders of our Company

Set out below is the Pre-Issue and Post-Issue shareholding of our Promoters, Promoter Group and Additional top 10 shareholders as of the date of allotment:

Sr. No.	**Name of the Shareholders**	**Pre-Issue shareholding as at the date of this Draft Red Herring Prospectus**		**Post-Issue shareholding at Allotment(1)**			
				At lower end of the price band (₹ [●])		**At upper end of the price band (₹ [●])**	
		Number of Equity Shares of face value of ₹ 10 each	**Shareholding (in %)**	**Number of Equity Shares of face value of ₹ 10 each**	**Shareholding (in %)**	**Number of Equity Shares of face value of ₹ 10 each**	**Shareholding (in %)**
Promoter							
1.	Patel Nilesh Kumar Babubhai	2,130,000	5.83	[●]	[●]	[●]	[●]
2.	Rahulkumar Abji Dholu	2,325,000	6.37	[●]	[●]	[●]	[●]
3.	Radheshyam Parshottambhai Pokar	2,480,000	6.79	[●]	[●]	[●]	[●]
Sub-Total (A)		**6,935,000**	**18.99**				
Promoter Group (Other than our Promoter)							
1.	Kalpesh Abjibhai Dholu	2,325,000	6.37	[●]	[●]	[●]	[●]
2.	Abji Karamshi Dholu	1,550,000	4.24	[●]	[●]	[●]	[●]
3.	Purshottambhai Khimjibhai Patel	1,240,000	3.4	[●]	[●]	[●]	[●]
4.	Pokar Archanaben Radheshyambhai	930,000	2.55	[●]	[●]	[●]	[●]
5.	Patel Shilaben Nileshkumar	930,000	2.55	[●]	[●]	[●]	[●]
6.	Taraben Parshottambhai Patel	930,000	2.55	[●]	[●]	[●]	[●]
7.	Patel Ishwarbhai Karamshibhai	7,75,000	2.12	[●]	[●]	[●]	[●]
Sub-Total (B)		**8,680,000**	**23.77**	[●]	[●]	[●]	[●]
Additional top 10 Shareholders (Other than our Promoters and Promoter Group)							
1.	Amee D Shah	2,941,177	8.05	[●]	[●]	[●]	[●]
2.	Shah Dhiren Mahendrakumar (Huf)	1,470,589	4.03	[●]	[●]	[●]	[●]
3.	Patel Harilal Arjanbhai	1,240,000	3.40	[●]	[●]	[●]	[●]

4.	Dushyantkumar Narayanbhai Bhojani	775,000	2.12	[●]	[●]	[●]	[●]
5.	Patel Rajeshkumar	620,000	1.70	[●]	[●]	[●]	[●]
6.	Ronakkumar Mohanbhai Patel	620,000	1.70	[●]	[●]	[●]	[●]
7.	Parekh Mukeshkumar Ganpatlal	620,000	1.70	[●]	[●]	[●]	[●]
8.	Chandrakant Mohanbhai Patel	620,000	1.70	[●]	[●]	[●]	[●]
9.	Chandulal M Makani	620,000	1.70	[●]	[●]	[●]	[●]
10.	Mahendra Manilal Makani	620,000	1.70	[●]	[●]	[●]	[●]
Sub-Total (C)		**10,146,766**	**27.79**	[●]	[●]	[●]	[●]
Other Public Shareholders							
Public Shareholders		10,753,234	29.45	[●]	[●]	[●]	[●]
Sub-Total (D)		**10,753,234**	**29.45**	[●]	[●]	[●]	[●]
Total (A+B+C+D)		**3,65,15,000**	**100**	[●]	[●]	[●]	[●]

Note:

(1) To be updated at the Prospectus stage. Based on the Issue price of ₹[●] and subject to finalization of the basis of allotment.

(2) As on the date of this Draft Red Herring Prospectus, our Company has 27 other public Shareholders (based on beneficiary position statement available on September 11, 2026).

(k) Details of the price at which equity shares were acquired in the last 3 years immediately preceding the date of this Draft Red Herring Prospectus by our Promoters, members of our Promoter Group and the Shareholders entitled with the right to nominate directors or other special rights

Except as stated below, none of our Promoters and members of our Promoter Group have acquired any Equity Shares in the 3 years immediately preceding the date of this Draft Red Herring Prospectus:

Name of acquirer	Date of Acquisition / Allotment	Face Value (in ₹)	Number of Equity Shares	Nature of Transaction	Acquisition price per Equity Share*
Promoters					
Radheshyam Parshottambhai Pokar	August 18, 2026	10	155000	Transfer of 1,55,000 Equity Shares from Mukesh B Patel	34
Radheshyam Parshottambhai Pokar	August 18, 2026	10	1,55,000	Transfer of 1,55,000 Equity Shares from Patel Lilaben Babulal	34
Patel Nilesh Kumar Babubhai	August 19, 2026	10	4,25,000	Transfer of 4,25,000 Equity Shares by way of Gift from Mukesh B Patel	0
Patel Nilesh Kumar Babubhai	August 19, 2026	10	9,30,000	Transfer of 1,55,000 Equity Shares by way of Gift from Babulal Lalji Patel	0
Dhansukhbhai Patel	August 18, 2026	10	95,000	Transfer of 1,55,000 Equity	34

Name of acquirer	Date of Acquisition / Allotment	Face Value (in ₹)	Number of Equity Shares	Nature of Transaction	Acquisition price per Equity Share*
Promoters					
				Shares from Patel Lilaben Babulal	
Mukesh B Patel	August 18, 2026	10	40,000	Transfer of 40,000 Equity Shares from Mukesh B Patel	34

**As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.*

As on the date of this Draft Red Herring Prospectus, no Shareholders have any special rights in our Company, including the right to nominate directors on our Board.

8. **Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel**

Other than as disclosed in "*Our Management – Shareholding of our Directors in our Company*" and "*Our Management – Shareholding of Key Managerial Personnel and Senior Management in our Company*" on pages 288 and 298 respectively, none of our Directors, Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

9. **Details of Promoters' contribution and lock-in**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoters' contribution and is required to be locked-in for a period of three year from the date of Allotment ("**Minimum Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 6,935,000 Equity Shares which constitutes 18.99% of the issued, subscribed and paid-up share capital of our Company on a fully diluted basis.

Out of the total 6,935,000 Equity Shares held by the Promoters 1,665,000 Equity Shares were acquired during the 1 year preceding the Draft Red Herring Prospectus at a price which may be lower than the Issue Price ("**Recently Acquired Shares**"). As on the date of the Draft Red Herring Prospectus, remaining 5,270,000 Equity Shares held by our Promoters are eligible to be included as part of minimum Promoters' Contribution; and (ii) constitute more than 10% pre-Issue and post-Issue paid-up Equity Share capital of our Company (on a fully diluted basis).

Further, post-Issue, the shareholding of our Promoters will be less than 20% of the post-Issue Equity Share capital of our Company, which is less than the requisite shareholding required for complying with minimum promoter's contribution, therefore, in accordance with Regulation 14 of the SEBI ICDR Regulations, three of Shareholders who are members of the Promoter Group have agreed to contribute towards the shortfall in Minimum Promoter's Contribution by way of their consent letters in the following manner, subject to a maximum aggregate contribution of 10% of the post-Offer paid-up equity share capital of our Company:

Name of Shareholder (Promoter Group)	Date of Consent Letter	Number of Equity Shares on fully diluted basis
Parshottambhai Khimjibhai Patel	[●]	[●]
Kalpesh Abji Dholu	[●]	[●]
Abji Karamshi Dholu	[●]	[●]

The aforementioned Equity Shares are collectively referred to as the "**PC Shortfall Shares**". (Numbers have been intentionally left blank and will be filled in once the Offer Price is finalised in the Prospectus to be filed with the RoC.)

Our Promoters and the PC Shortfall Contributors have, severally and not jointly, given their respective consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoters and the PC Shortfall Contributors have agreed not to sell, transfer, pledge, lien or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The details of Equity Shares held by our Promoters and the PC Shortfall Contributors which will be locked-in for Minimum Promoters' Contribution for a period of three years or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Minimum Promoters' Contribution are as provided below:

The details of the Equity Shares held by our Promoters and Members of Promoter Group contributing the PC Shortfall Shares, which shall be locked-in towards Minimum Promoters' Contribution for a period of 3 years, from the date of Allotment are set out below:*

Name of the Shareholder	**Category of Shareholder**	**Number of Equity Shares which shall be Eligible for lock-in**	**Date up to which Equity Shares are subject to lock-in**	**Date of acquisition of Equity Shares and when made fully paid-up**	**Nature of transaction**	**Face value (in ₹)**	**Issue/Acquisition price per Equity Share (in ₹)**	**Pre - Issue Equity Share capital (in %)**	**Post-Issue Equity Share capital (in %)**
[●]	[●]	[●]	[●]	[●]	[●]	10	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]		[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]		[●]	[●]	[●]

*To be completed prior to filing of the Prospectus with the RoC.

Our Company undertakes that the Equity Shares held that are being locked-in will not be ineligible for computation of Minimum Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "*Capital Structure —Build-up of Promoters' Equity shareholding in our Company*" on page 102.

In this connection, we confirm the following:

(i) The Equity Shares offered towards Minimum Promoters' Contribution have not been acquired during the 3 years immediately preceding the date of filing this Draft Red Herring Prospectus: (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares held, which are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) The Equity Shares offered towards Minimum Promoters' Contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price;

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company; and

(iv) The Equity Shares forming part of the Minimum Promoters’ Contribution are not subject to any pledge or any encumbrance.
(v) All Equity Shares held by our Promoters, Promoter Group, Directors, Key Managerial Personnel and members of Senior Management are in dematerialsed form as on the date of this Draft Red Herring Prospectus.

10. **Details of Equity Shares locked-in for six months**

In terms of Regulation 16(1)(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Issue Equity Share capital of our Company (other than the Promoters’ Contribution and shortfall in promoter contribution as prescribed in “*Capital Structure - Details of Promoters’ contribution and lock-in*” on page 108) will be locked-in for a period of 6 months from the date of Allotment in the Issue or such other period as may be prescribed under the SEBI ICDR Regulations.

In terms of proviso (c) to Regulation 17(1) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund (“**VCF**”) or alternative investment fund (“**AIF**”) of category I or category II or a foreign venture capital investor (“**FVCI**”) shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

As on the date of this Draft Red Herring Prospectus, our Company does not have Shareholders that are venture capital funds or alternative investment funds of category I or category II or a foreign venture capital investor.

11. **Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment as per SEBI ICDR Regulations.

12. **Other requirements in respect of lock-in**

Pursuant to Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that details of locked-in Equity Shares will be recorded by relevant Depository.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations: (a) as Promoters’ Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such loan has been granted for the purpose of financing one or more of the objects of the Issue, and pledge of the Equity Shares is one of the terms of the sanctioned loan; and (b) in excess of the Promoters’ Contribution, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoters, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that are locked in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover

Regulations, as applicable.

(*the remainder of this page has been intentionally left blank*)

13. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as of the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized Form (XIV)
								No. of voting rights			Total as a % of (A+B+ C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class: Equity Shares	Class: Others	Total								
(A)	Promoters and Promoter Group	10	15,615,000	0	0	15,615,000	42.76	15,615,000	0	15,615,000	42.76	0	0	0		0	0	15,615,000
(B)	Public	37	20,900,000	0	0	20,900,000	57.24	20,900,000	0	20,900,000	57.24	0	0	0		0	0	20,900,000
(C)	Non-Promoter-Non-Public	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized Form (XIV)
								No. of voting rights			Total as a % of (A+B + C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class: Equity Shares	Class : Others	Total								
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0
	Total	**47**	**36,515,000**	**0**	**0**	**36,515,000**	**100.00**	**36,515,000**	**0**	**36,515,000**	**100.00**	**0**	**0**	**0**		**0**	**0**	**36,515,000**

*The total number of Shareholders has been computed based on the beneficiary position statement dated September 11, 2026.

14. **Details of the Shareholding of the major Shareholders of our Company**

(1) Set out below are details of the Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares held	Pre- Issue Equity Share capital (in %)
1.	Amee D Shah	2,941,177	8.05
2.	Radheshyam Parshottambhai Pokar	2,480,000	6.79
3.	Rahulkumar Abji Dholu	2,325,000	6.37
4.	Kalpesh Abji Dholu	2,325,000	6.37
5.	Patel Nilesh Kumar Babubhai	2,130,000	5.83
6.	Abji Karamshi Dholu	1,550,000	4.24
7.	Shah Dhiren Mahendrakumar (HUF)	1,470,589	4.03
8.	Parshottambhai Khimjibhai Patel	1,240,000	3.40
9.	Patel Harilal Arjanbhai	1,240,000	3.40
10.	Taraben Parshottambhai Patel	930,000	2.55
11.	Pokar Archanaben Radheshyambhai	930,000	2.55
12.	Patel Shilaben Nileshkumar	930,000	2.55
13.	Dushyantkumar Narayanbhai Bhojani	775,000	2.12
14.	Patel Ishwarbhai Karamshibhai	775,000	2.12
15.	Patel Rajeshkumar	620,000	1.70
16.	Ronakkumar Mohanbhai Patel	620,000	1.70
17.	Parekh Mukeshkumar Ganpatlal	620,000	1.70
18.	Chandrakant Mohanbhai Patel	620,000	1.70
19.	Chandulal M Makani	620,000	1.70
20.	Mahendra Manilal Makani	620,000	1.70
21.	Makani Mukesh Manilal	620,000	1.70
22.	Nitinkumar K Surani	620,000	1.70
23.	Patel Pravinbhai Govindbhai	620,000	1.70
24.	Patel Ganpatbhai H	620,000	1.70
25.	Patel Anilkumar	620,000	1.70
26.	Kantibhai Parshotambhai Patel	620,000	1.70
27.	Patel Dashrathbhai D	620,000	1.70
28.	Patel Rasilaben Harilal	620,000	1.70
29.	Velani Vipul Ambalal	620,000	1.70
30.	Senghani Jitendra Vasantlal	620,000	1.70
31.	Mohanbhai Hirajibhai Patel	620,000	1.70
32.	Fivex Capital VCC - Fivex Emerging Star Fund	514,706	1.41
33.	Jagdishkumar Ranchhodbhai Patel	465,000	1.27
34.	Patel Tulshibhai Ranchodbhai	465,000	1.27
Total		**34,026,472**	**93.18**

Based on the beneficiary position statement dated September 11, 2026.

(2) Set out below are details of the Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares held	Pre- Issue Equity Share capital (in %)
1.	Amee D Shah	2,941,177	8.05
2.	Radheshyam Parshottambhai Pokar	2,480,000	6.79
3.	Rahulkumar Abji Dholu	2,325,000	6.37
4.	Kalpesh Abji Dholu	2,325,000	6.37
5.	Patel Nilesh Kumar Babubhai	2,130,000	5.83
6.	Abji Karamshi Dholu	1,550,000	4.24
7.	Shah Dhiren Mahendrakumar (HUF)	1,470,589	4.03
8.	Parshottambhai Khimjibhai Patel	1,240,000	3.40
9.	Patel Harilal Arjanbhai	1,240,000	3.40

Sr. No.	Name of Shareholder	Number of Equity Shares held	Pre- Issue Equity Share capital (in %)
10.	Taraben Parshottambhai Patel	930,000	2.55
11.	Pokar Archanaben Radheshyambhai	930,000	2.55
12.	Patel Shilaben Nileshkumar	930,000	2.55
13.	Dushyantkumar Narayanbhai Bhojani	775,000	2.12
14.	Patel Ishwarbhai Karamshibhai	775,000	2.12
15.	Patel Rajeshkumar	620,000	1.70
16.	Ronakkumar Mohanbhai Patel	620,000	1.70
17.	Parekh Mukeshkumar Ganpatlal	620,000	1.70
18.	Chandrakant Mohanbhai Patel	620,000	1.70
19.	Chandulal M Makani	620,000	1.70
20.	Mahendra Manilal Makani	620,000	1.70
21.	Makani Mukesh Manilal	620,000	1.70
22.	Nitinkumar K Surani	620,000	1.70
23.	Patel Pravinbhai Govindbhai	620,000	1.70
24.	Patel Ganpatbhai H	620,000	1.70
25.	Patel Anilkumar	620,000	1.70
26.	Kantibhai Parshotambhai Patel	620,000	1.70
27.	Patel Dashrathbhai D	620,000	1.70
28.	Patel Rasilaben Harilal	620,000	1.70
29.	Velani Vipul Ambalal	620,000	1.70
30.	Senghani Jitendra Vasantlal	620,000	1.70
31.	Mohanbhai Hirajibhai Patel	620,000	1.70
32.	Fivex Capital VCC - Fivex Emerging Star Fund	514,706	1.41
33.	Jagdishkumar Ranchhodbhai Patel	465,000	1.27
34.	Patel Tulshibhai Ranchodbhai	465,000	1.27
Total		**34,026,472**	**93.18**

Based on the beneficiary position statement dated September 4, 2026.

(3) Set out below are details of the Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of Equity Shares held by them 1 year prior to the date of this Draft Red Herring Prospectus:

Sr. No	Name of the Shareholder	Number of Equity Shares held of face value	Percentage of pre-Issue Equity Share capital (%)
1	Kalpesh Abji Dholu	2,325,000	7.50
2	Rahulkumar Abji Dholu	2,325,000	7.50
3	Radheshyam Parshottambhai Pokar	2,170,000	7.00
4	Abji Karamshi Dholu	1,550,000	5.00
5	Patel Harilal Arjanbhai	1,240,000	4.00
6	Parshottambhai Khimjibhai Patel	1,240,000	4.00
7	Pokar Archanaben Radheshyambhai	930,000	3.00
8	Babulal Lalji Patel	930,000	3.00
9	Chandulal M Makani	930,000	3.00
10	Mahendra Manilal Makani	930,000	3.00
11	Shilaben Nileshbhal Patel	930,000	3.00
12	Taraben Paashottambhai Patel	930,000	3.00
13	Dushyantkumar Narayanbhai Bhojani	775,000	2.50
14	Patel Ishwarbhai Karamshibhai	775,000	2.50
15	Patel Nilesh Kumar babubhai	775,000	2.50
16	Chandrakant M Chhabhaiah	620,000	2.00
17	Patel Dashrathbhai D	620,000	2.00
18	Patel Ganpatbhai H	620,000	2.00
19	Kantibhai Parshotambhai Patel	620,000	2.00
20	Mohanbhai Hirajibhai Patel	620,000	2.00
21	Mukesh G Parekh	620,000	2.00
22	Mukesh B Patel	620,000	2.00
23	Mukeshbhai Manibhai Makani	620,000	2.00

24	Nitinkumar K Surani	620,000	2.00
25	Pravinbhai Govindbhai Patel	620,000	2.00
26	Patel Rasilalben Harilal	620,000	2.00
27	Rekhaben Mukeshbhai Patel	620,000	2.00
28	Ronakkumar Mohanbhai Patel	620,000	2.00
29	Patel A D	310,000	1.00
30	Dhanjibhai Vashrambhai Patel	310,000	1.00
31	Jagdishbhai Ranchhodbhai Patel	310,000	1.00
32	Kamlesh J Pokar	310,000	1.00
33	Nikunjbhai Tulshibhai Patel	310,000	1.00
34	Rajesh Jayantibhai Patel	310,000	1.00
35	Ranchodbhai Shamjibhai Patel	310,000	1.00
36	Patel Sudarshankumar Vasantbhai	310,000	1.00
37	Patel Tulasidas Arjanbhai	310,000	1.00
38	Tulsibhai R Patel	310,000	1.00
39	Patel Vasantbhai Ratilal	310,000	1.00
40	Patel Vipulkumar Bipinbhai	310,000	1.00
	Total	**30,535,000**	**98.50**

Based shareholding as on dated September 17, 2025.

(4) Set out below are details of the Shareholders who held 1% or more of the paid-up equity share capital of our Company and the number of equity shares held by them 2 years prior to the date of this Draft Red Herring Prospectus:

Sr. No	Name of the Shareholder	Number of Equity Shares held of face value	Percentage of pre-Issue Equity Share capital (%)
1	Kalpesh Abji Dholu	2,325,000	7.50
2	Rahulkumar Abji Dholu	2,325,000	7.50
3	Radheshyam Parshottambhai Pokar	2,170,000	7.00
4	Abji Karamshi Dholu	1,550,000	5.0
5	Patel Harilal Arjanbhai	1,240,000	4.00
6	Parshottambhai Khimjibhai Patel	1,240,000	4.00
7	Pokar Archanaben Radheshyambhai	930,000	3.00
8	Babulal Lalji Patel	930,000	3.00
9	Chandulal M Makani	930,000	3.00
10	Mahendra Manilal Makani	930,000	3.00
11	Shilaben Nileshbhal Patel	930,000	3.00
12	Taraben Paashottambhai Patel	930,000	3.00
13	Dushyantkumar Narayanbhai Bhojani	775,000	2.50
14	Patel Ishwarbhai Karamshibhai	775,000	2.50
15	Patel Nilesh Kumar babubhai	775,000	2.50
16	Chandrakant M Chhabhaiah	620,000	2.00
17	Patel Dashrathbhai D	620,000	2.00
18	Patel Ganpatbhai H	620,000	2.00
19	Kantibhai Parshotambhai Patel	620,000	2.00
20	Mohanbhai Hirajibhai Patel	620,000	2.00
21	Mukesh G Parekh	620,000	2.00
22	Mukesh B Patel	620,000	2.00
23	Mukeshbhai Manibhai Makani	620,000	2.00
24	Nitinkumar K Surani	620,000	2.00
25	Pravinbhai Govindbhai Patel	620,000	2.00
26	Patel Rasilalben Harilal	620,000	2.00
27	Rekhaben Mukeshbhai Patel	620,000	2.00
28	Ronakkumar Mohanbhai Patel	620,000	2.00
29	Patel A D	310,000	1.00
30	Dhanjibhai Vashrambhai Patel	310,000	1.00
31	Jagdishbhai Ranchhodbhai Patel	310,000	1.00
32	Kamlesh J Pokar	310,000	1.00
33	Nikunjbhai Tulshibhai Patel	310,000	1.00
34	Rajesh Jayantibhai Patel	310,000	1.00
35	Ranchodbhai Shamjibhai Patel	310,000	1.00

36	Patel Sudarshankumar Vasantbhai	310,000	1.00
37	Patel Tulasidas Arjanbhai	310,000	1.00
38	Tulsibhai R Patel	310,000	1.00
39	Patel Vasantbhai Ratilal	310,000	1.00
40	Patel Vipulkumar Bipinbhai	310,000	1.00
	Total	**30,535,000**	**98.50**

Based shareholding as on dated September 17, 2024.

15. **Issue of Equity Shares under employee stock option schemes or a stock appreciation rights scheme**

    As on the date of this Draft Red Herring Prospectus, our Company does not have any subsisting employee stock option scheme/plan, or stock appreciation rights scheme.

16. As of the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person to an option to receive Equity Shares.

17. As on the date of this Draft Red Herring Prospectus, our Company has 47 shareholders.

18. As on the date of this Draft Red Herring Prospectus, the BRLM and their respective associates (determined as per the definition of 'associate company' under the Companies Act and as per definition of the term 'associate' under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. BRLM 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.

19. Our Company, our Directors and the BRLM have not entered into any buy-back arrangements for purchase of Equity Shares to be Allotted pursuant to the Issue.

20. Our Company does not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Issue will be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

21. Except for any Equity Shares to be issued pursuant to the offer, there is no proposal or intention, negotiations and consideration of our Company to alter its capital structure, within a period of 6 months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or issue of specified securities on a preferential basis or issue of bonus or rights or by way of further public offer of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares).However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements

22. Our company shall also ensure that any proposed pre-offer placement disclosed in this Draft Red Herring Prospectus shall be reported to the Stock Exchanges within twenty-four hours of such pre-offer transactions (in part or in entirety)

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. There have been no financing arrangements whereby our Promoters, directors of our Promoter, members of our Promoter Group, our Directors and their relatives have purchased or sold or 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 filing of this Draft Red Herring Prospectus.

25. Except as disclosed under "*Capital Structure - Notes to the Capital Structure – Share Capital History of our Company*" and "*Capital Structure - Build-up of Promoters' Equity shareholding in our Company*" on pages 81 and 104 respectively, our Promoters, any member of our Promoter Group, our Directors, or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. Provided, however, that the foregoing restrictions do not apply to any issuance of Equity Shares pursuant to the Pre-IPO Placement, if any.

26. Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly

or indirectly, for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

27. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

28. No person connected with the Issue, including, but not limited to, the BRLM, the members of the Syndicate, our Company, our Promoters, members of our Promoter Group, our Directors or Group Companies, the Selling Shareholders 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.

29. Neither the (i) Book Running Lead Manager or any associates of the Book Running Lead Manager (other than the Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associates of the Book Running Lead Manager or AIFs sponsored by the entities which are associates of the Book Running Lead Manager or FPIs other than individuals, corporate bodies and family offices which are associates of the Book Running Lead Manager or pension funds sponsored by entities which are associates of the Book Running Lead Manager) nor (ii) any person related to our Promoters or the members of the Promoter Group shall apply in the Issue under the Anchor Investors Portion.

30. Our Promoters and the members of the Promoter Group shall not participate in the Issue.

31. As on the date of this Draft Red Herring Prospectus, our Company does not have any investors which are either directly or indirectly related to the BRLM and/or their respective affiliates.

32. Except as disclosed below, our Company is in compliance with the Companies Act, 2013 with respect to the issuances of securities and secondary transactions of equity shares from the date of incorporation of our Company until the date of filing of this Draft Red Herring Prospectus:

    See "*Risk Factor 10 – Our Company had in past not complied or delayed in complying with certain provisions of the Companies Act, 2013. Further, our Company has filed adjudication applications with RoC and these applications are currently pending with the RoC. Also, challans in relation to some of our statutory forms in terms of Companies Act, 2013 are untraceable. Any adverse action in this regard, if determined against us, could attract penalties and prosecution against the Company and our directors, which could impact the financial position and results of operations of our Company to that extent.*"

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OBJECTS OF THE ISSUE

The Issue comprises a fresh issue of up to 12,500,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a securities premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million by our company, subject to finalization of Basis of Allotment. For details, see "*The Issue*" beginning on page 66.

Objects of the Issue

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

1. Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility ("**Proposed Expansion**");

2. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company; and

3. General corporate purposes.

(collectively, the "**Objects**").

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

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

Net Proceeds

The details of the proceeds of the Issue are set forth below:

(₹ in million)

Particulars	Estimated Amount
Gross proceeds from the Issue	[●]
(Less) Issue related expenses [(1)]	[●]
Net Proceeds*	**[●]**

[(1)] *For details, see "Objects of the Issue –Issue related Expenses" on page 148.*
* *To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of funds and utilisation of Net Proceeds

(₹ in million)

Sr. No.	Particulars	Estimated Amount
1.	Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility	480.00
2.	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company	370.00
3.	General corporate purposes [(1)]	[●]

[(1)] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

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

(₹ in million)

Particulars	Total Estimated Cost	Amount deployed as on July 31, 2026 [(2)]	Estimated amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in	
				Fiscal 2027	Fiscal 2028
Funding the capital expenditure requirements of our Company in relation to the expansion and augmentation of our Manufacturing Facility	480.72 [(1)]	0.72	480.00	-	480.00
Prepayment or repayment of all or a portion of	370.00	-	370.00	-	370.00

Particulars	Total Estimated Cost	Amount deployed as on July 31, 2026 [(2)]	Estimated amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in	
				Fiscal 2027	Fiscal 2028
certain outstanding borrowings availed by our Company					
General corporate purposes [(3)]	[●]	[●]	[●]	[●]	[●]
Total [(3)]	[●]	[●]	[●]	[●]	[●]

[(1)] *Total estimated cost as per Cost Vetting Report dated September 17, 2026 issued by Dun & Bradstreet, Research Analyst in respect of the Proposed Expansion.*

[(2)] *Entire amount for the owned land has been deployed from Internal Accruals, as certified by Mistry and Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) by way of their certificate dated September 17, 2026.*

[(3)] *To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The requirement and deployment of funds and the intended use of the Net Proceeds as indicated above are based on our current business plan, management estimates, prevailing market conditions, exchange rate fluctuations, changes in design and configuration of the Proposed Expansion, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, engineering procurement and construction costs, regulatory costs, environmental factors and other external factors which may not be within the control of our management. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors including timing of completion of the Issue, financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of certain factors, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, 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 Object or increasing or decreasing the amounts earmarked towards any of the aforementioned Objects at the discretion of our management, subject to compliance with applicable laws. For these reasons, if we are unable to utilise Net Proceeds (in full or part) within the period stated above, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by the Company; provided that, if the Issue opens prior to the end of Fiscal 2027, the Company may, at its discretion, utilise the Net Proceeds prior to the scheduled period of utilisation set out above. For further details, see "*Risk Factor 49 — Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 54.

Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects of the Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations. Further, in case of variations in the actual utilisation 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 general corporate purposes for which funds are being raised in the Issue, in accordance with applicable law.

1. Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility

We are engaged in the manufacturing of cotton yarn and the trading of cotton bales and cotton yarn. Our cotton yarn product portfolio comprises of EliTwist technology based compact yarn, conventional compact yarn, carded yarn and combed yarn. Our EliTwist technology based compact yarn and conventional compact yarn are offered in both carded and combed form, and we accordingly manufacture a variety of yarn variants in aggregate. We regard our EliTwist technology based compact yarn as a value-added product by reason of its technical characteristics, being superior yarn strength as compared to conventional compact yarn, lower hairiness, enhanced abrasion resistance, improved fabric appearance and surface smoothness, reduced pilling technology and better dimensional stability. Further, as per *D&B report* the EliTwist technology based compact yarn commands a price premium over conventional carded yarn. Our yarn is supplied as an intermediate input across a variety of downstream textile segments, including garment, knitwear, denim, home textiles, premium fabrics and other textile products.

We operate a semi-automated manufacturing facility situated at Survey No. 837, Village – Kadjodara, Taluka - Dehgam, District - Gandhinagar, Gujarat, India. Our total installed capacity, as of July 31, 2026, was 27,360 spindles, translating to an installed cotton yarn production capacity of approximately 9,307.50 MT per annum. Our installed machinery is capable of producing cotton yarn in single counts ranging from Ne 16 to Ne 40, (*"Ne" refers to the English Cotton Count System, a standard way to measure the fineness or thickness of yarn. The higher the Ne, the finer the yarn*). Our EliTwist technology based compact yarn is presently offered in 2/20, 2/30, 2/32 and 2/40 counts.

The installed capacity, actual production and capacity utilisation of our Manufacturing Facility for the last three Fiscals, as certified by Babulal A Ughreja, Independent Chartered Engineer, pursuant to their certificate dated September 16, 2026, is set out below:

Particulars	Installed spindles (2)	Installed production capacity (in kg/day) (3)	Installed production capacity (approx. MTPA(1)) (4)	Utilised production capacity (approx. MTPA)	Capacity utilisation (in %) (5)
As of March 31, 2026	27,360	25,500	9,307.50	8,819.90	94.76%
As of March 31, 2025	27,360	25,500	9,307.50	8,644.51	92.88%
As of March 31, 2024	27,360	25,500	9,307.50	5,269.12	56.61%

Note:
1. MTPA refers to metric tonnes per annum.
2. The installed spinning capacity of the Manufacturing Facility comprises 15 ring frames of 1,824 spindles each, aggregating 27,360 installed spindles.
3. Production capacity of 25,500 kg/day has been computed based on the 15 installed ring frames, considering machine configuration, spindle speed, efficiency, twist multiplier and yarn realisation of 85%–90%.
4. The Manufacturing Facility operates on a continuous basis, in three shifts of eight hours each per day, throughout the year save for 2 days of factory closure for electric maintenance. The production achieved is 25,500 kg per day, and the installed production capacity has accordingly been computed on a normative basis of 365 days as 25,500 kg per day equalling to 9,307.50 MT per annum.
5. Capacity utilisation represents actual production during the relevant fiscal year as a percentage of the installed production capacity for such fiscal year.

Over the past years, our Company has demonstrated consistent growth in operating performance, as reflected in the increase in revenue, quantity of manufactured yarn sold, and utilisation percentage of our installed capacity. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, we have recorded steady growth across key performance indicators. Detailed information relating to revenues, growth trends, quantity of manufactured yarn sold, and utilisation percentage of our installed capacity for the aforesaid periods has been set out in the table below:

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Revenue from sale of manufactured cotton yarn (₹ in million)	2,062.50	1,946.91	1,124.77
Growth in Revenue from sale of manufactured cotton yarn (%)	5.94%	73.09%	NA
Quantity of manufactured yarn sold (in MT)	9,330.35	8,745.52	4,945.21
Utilisation percentage of our installed capacity (%)	94.76%	92.88%	56.61%

We aim to expand our manufacturing capacity, both in order to meet the increasing demand for our existing products and in order to enter value added yarn segment.

Rationale for the Proposed Expansion

The cotton spinning industry in India is estimated at INR 770 billion in FY26, increasing from INR 570 billion in FY21. Over FY21- FY26, the industry recorded an estimated CAGR of around 6.2%, reflecting steady demand from downstream textile segments despite periodic volatility in raw material prices and yarn realisations. Going forward, the India cotton yarn market is projected to reach INR 820 billion in FY2026-27, INR 875 billion in FY2027-28, INR 935 billion in FY2028-29 and INR 1,010 billion in FY2029-30 at a CAGR of 7.20% between FY26-FY30. (*Source: D&B Report*)

Our capacity utilisation at the Manufacturing Facility has increased from 56.61% in Fiscal 2024 to 94.76% in Fiscal 2026, and we believe that our existing installed capacity constrains our ability to accept incremental orders, to widen our count range and to undertake further value addition on the yarn we manufacture. The proposed capital expenditure will enable us to unlock further capacity, improve operational efficiencies and cater to new product market.

Accordingly, our Board, pursuant to its resolution dated September 17, 2026, has approved the expansion and augmentation of our Manufacturing Facility, and we propose to utilise from the Net Proceeds an aggregate amount of ₹ 480.00 million towards such proposed expansion, comprising of setting up additional spinning capacity of 9,120 spindles (the "**Spinning Expansion Project**"); and towards setting up of a new two-for-one twisting unit comprising 4,800 TFO spindles together with four cheese winders (the **"TFO Project"**, together with the Spinning Expansion Project, the **"Proposed Expansion"**). Each of the Spinning Expansion Project and the TFO Project is proposed to be undertaken on the land partially owned by the Company and partially leased by our Company on a long-term basis. Out of the total land parcel required for the Proposed Expansion, 2,532 sq. mtrs. of land is owned by the Company, adjacent to its existing Manufacturing Facility, along with 5,565.26 sq. mtrs. of land leased from the Promoters of the Company and 63 sq. mtrs. of land leased from certain shareholders of the Company.

Value addition through the Proposed Expansion

The Spinning Expansion Project and the TFO Project are not stand-alone investments; they are inter-linked components of a single value-addition strategy. We presently manufacture and sell single yarn and do not have in-house two-for-one twisting capacity and, consequently, we do not realise the value addition associated with the conversion of single yarn into twisted yarn. The Proposed Expansion is intended to enable us to capture that value addition within our Manufacturing Facility by (i) creating additional spinning capacity, configured to manufacture the yarn counts which constitutes the principal input for the two-for-one twisting process; and (ii) creating downstream twisting capacity which will convert such yarn into higher-value twisted and zero-twist yarn. The Spinning Expansion Project is accordingly proposed to serve a dual purpose: it will create a captive source of raw material for the TFO Project, and it will simultaneously increase the quantity of single yarn available for sale to our existing and prospective customers.

Details of the Proposed Expansion

A. Spinning Expansion Project

We propose to install 5 additional ring frames with a total spinning capacity of 9,120 spindles at the land adjacent to our Manufacturing Facility, situated at Survey No. 837 and 842, Village – Kadjodara, Taluka- Dehgam, District – Gandhinagar, Gujarat, India, which is partially owned by our Promoters and shareholders. Our Company proposes to expand the Spinning Expansion project on the land partially owned by the Company and partially leased by the Company on a long-term basis. Out of the total land parcel required for the Proposed Expansion 2,532 sq. mtrs. of land is owned by the Company, adjacent to its existing Manufacturing Facility, along with 5,565.26 sq. mtrs. of land leased from the Promoters of the Company and 63 sq. mtrs. of land leased from certain shareholders of the Company. This would result in increase in our aggregate installed capacity from 15 ring frames having spinning capacity of 27,360 spindles to 20 ring frames having spinning capacity of 36,480 spindles, representing an increase of approximately 33.33% over our existing installed capacity. The Spinning Expansion Project is proposed to be equipped with modern, energy-efficient spinning machinery with enhanced automation, and will include the requisite preparatory and supporting infrastructure, comprising blowing, carding, drawing, simplex/roving, ring spinning and winding machinery, together with electrical and automation systems, humidification and air-conditioning systems, compressors and other utilities, and material handling and storage systems.

The Indian cotton yarn manufacturing industry primarily utilizes ring spinning and open-end (rotor) spinning technologies to convert cotton fibres into yarn. Over time, technological advancements have led to the development of compact spinning and EliTwist (compact twin spinning) technologies, which are designed to improve yarn quality, reduce hairiness and cater to premium textile applications. These technologies enable manufacturers to produce differentiated, value-added yarns that command higher realizations compared to conventional commodity yarns such as traditional ring-spun and open-ended rotor-spun cotton yarns (*Source: D&B Report*). Currently, we manufacture yarn ranging from 16s to 40s counts using 15 ring frames. We propose to utilise the additional capacity primarily for the manufacturing of yarn in the range of 6s to 14s counts through the installation of 5 additional ring spinning systems. The yarn proposed to be manufactured under the Spinning Expansion Project is proposed to be further processed through the TFO Project to manufacture twisted yarn, thereby enabling value addition and production of differentiated yarn products at our Manufacturing Facility.

B. TFO Project

Two-For-One (TFO) yarn is produced by twisting two or more single yarns together using a Two-For-One Twister machine. The process significantly enhances yarn properties, including strength, uniformity, abrasion resistance, elongation, and overall fabric performance. Compared to single yarns, TFO yarn offers superior tensile strength, durability, dimensional stability, and appearance, making it an essential input for high-quality textile and apparel applications. The TFO process is widely preferred across spinning mills and yarn processing units due to its operational advantages over conventional twisting methods. These include higher production efficiency, superior twist uniformity, lower yarn breakage rates, reduced operational costs, and improved yarn quality consistency. As a result, TFO machines are extensively utilized for manufacturing premium cotton, polyester, viscose, and blended yarns catering to diverse end-use industries. The increasing premiumisation of garment and home textile markets is further supporting demand for such yarns. (*Source: D&B Report*)

India's trade performance in Cotton Carded TFO Double Yarn (Grey) reflects a strong export-oriented market with limited reliance on imports. Export value increased significantly from approximately INR 4,812.8 million in FY 2021-22 to INR 8,562.9 million in FY 2025-26, representing a CAGR of approximately 15.5% during the period. This growth highlights the increasing acceptance of Indian cotton yarn in international markets, supported by the country's abundant cotton availability, large spinning capacity and competitive manufacturing ecosystem. Manufacturers of branded garment, high-thread-count bedding, premium home furnishings and export-oriented textile products are increasingly seeking yarns that offer improved consistency, reduced fabric defects and superior finished-product aesthetics. As a result, value-added yarn categories such as compact yarns, doubled yarns and compact twin-spun yarns are increasingly being adopted across downstream textile manufacturing segments. (*Source: D&B Report*)

We propose to set up a new two-for-one twisting unit (the "**TFO**" unit) at the land partially owned by our Promoters and shareholders, which is leased by our Company on a long-term basis. Out of the total land parcel required for the Proposed

Expansion, 2,532 sq. mtrs. of land is owned by the Company, adjacent to its existing Manufacturing Facility, along with 5,565.26 sq. mtrs. of land leased from the Promoters of the Company and 63 sq. mtrs. of land leased from certain shareholders of the Company.The TFO Unit will comprise of 20 Savio Cosmos two-for-one twisting machines, each having 240 spindles and aggregating 4,800 TFO spindles, together with four cheese winders having 100 spindles each. The TFO Project is proposed to have an installed production capacity of 22 to 24 tonnes per day. The cheese winders proposed to be installed will support the twisting section by providing adequate winding capacity for the preparation and finishing of yarn packages. A cheese winding machine is a specialized textile machine used to wind yarn into cylindrical packages known as cheese packages. The proposed cheese winders are intended to facilitate proper package formation, including the required package geometry, density and yarn tension, thereby enabling consistent yarn unwinding performance and compatibility with downstream twisting operations. The provision of adequate cheese winding capacity is also intended to ensure an appropriate balance between the winding and twisting capacities of the TFO Project.

We propose to utilise the TFO capacity for the manufacture of twisted yarn from single yarn in the double count range of 2/6,2/13,2/16,2/20,2/24,2/30,2/40,2/60, including zero-twist yarn which will enable us to: (i) create adequate downstream capacity for our spinning operations, including the additional capacity proposed to be created under the Spinning Expansion Project, thereby improving the utilisation of our spinning capacity; (ii) increase the value addition on our yarn production by converting spun yarn into higher-value twisted products; (iii) improve our control over quality; (iv) provide flexibility to manufacture a wider range of yarn counts and twisted products and to respond more quickly to customer requirements; and (v) meet increasing customer requirements for twisted yarn.

The proposed configuration of the TFO Project is set out below:

Particulars	Proposed configuration
Make and model of TFO machine	Savio Cosmos
Number of TFO machines	20
Spindles per TFO machine	240
Total TFO spindles	4,800
Number of cheese winders	4
Spindles per cheese winder	100
Total winding spindles	400
Proposed installed production capacity	22 to 24 tonnes per day
Proposed double count range	2/6,2/13,2/16,2/20,2/24,2/30,2/40,2/60

C. Inter-linkage between the Spinning Expansion Project and the TFO Project

The Proposed Expansion is intended to strengthen our presence in the yarn manufacturing value chain. At present, our operations end with the manufacture of single yarn, which we sell to our customers, and the subsequent conversion of such yarn into twisted yarn is undertaken by third parties. Upon completion of the Proposed Expansion, we propose to undertake both spinning and two-for-one twisting, and to sell twisted and zero-twist yarn in addition to single yarn.

We believe that this value-addition will enable us to: (i) retain within our Company the value addition arising from the conversion of single yarn into twisted and yarn, which we presently do not capture; (ii) improve the realisation per kilogram on a portion of the yarn we manufacture, by selling twisted and yarn in place of single yarn; (iii) exercise control over the entire manufacturing process from raw cotton to twisted yarn, thereby improving quality consistency, traceability and adherence to delivery schedules; (iv) improve the utilisation of our spinning capacity, since a substantial portion of the additional output will be consumed captively rather than being dependent on external demand for single yarn; and (v) broaden our product portfolio and our customer base in the domestic and export markets.

The two projects are, however, inter-dependent, and the benefits described above are premised upon both the projects being implemented substantially in accordance with the proposed schedule of implementation. Any delay in the implementation of the Spinning Expansion Project may require us to procure a greater proportion of the raw material requirement of the TFO Project from the open market than presently proposed, which may increase our raw material cost and adversely affect the margins we expect to realise from the TFO Project. Similarly, any delay in the implementation of the TFO Project may require us to sell a greater proportion of the output of the Spinning Expansion Project as single yarn, which may adversely affect the realisation we expect from such output. For further details, see "*Risk Factor 27 – We have not yet placed orders in relation to the capital expenditure to be incurred we intend to fund through our Net Proceeds. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*" on page 42.

Estimated Cost of Proposed Expansion

The total estimated cost of the Proposed Expansion is ₹ 480.72 million, as provided by Dun & Bradstreet, Research Analyst in its Cost Vetting Report dated September 17, 2026 ("**CVR**"). The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Expansion as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors.

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

(₹ in million)

Sr. No.	Particulars	Total estimated cost [(1)(2)]	Amount deployed as on July 31, 2026 [(3)]	Amount to be funded from borrowings	Amount proposed to be funded from the Net Proceeds
1.	Land acquisition	0.72	0.72	-	-
2.	Civil and structural work	101.52	-	-	101.52
3.	Plants and machineries	375.22	-	-	375.22
	Sub total	**477.46**	**0.72**	**-**	**476.74**
4.	Contingency at the rate of 0.68%	3.26	-	-	3.26
	Total	**480.72**	**0.72**	-	**480.00**

Notes:

(1) *Total estimated cost as per Cost Vetting Report, dated September 17, 2026 issued by M/s. Dun & Bradstreet, Research Analyst.*

(2) *Subject to applicable taxes, to the extent not included in the estimated cost.*

(3) *As of July 31, 2026, the amount deployed towards the Proposed Expansion was ₹ 0.72 million, as certified by Mistry and Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) by way of their certificate dated September 17, 2026.*

The current estimates and specifications for the capital expenditure requirements of the Proposed Expansion are based on the current status of implementation, project design and layout. Further, we may continue to place additional orders or amend existing orders based on Proposed Expansion requirements or pursuant to any design or technical changes or make scheduled payments against orders placed with vendors for plant, machinery and equipment, materials, civil work and any other requirements (including services) required for the Proposed Expansion. Such payments or any subsequent initial expenditure for the Proposed Expansion will be funded through internal accruals of our Company, until the Net Proceeds are available to our Company.

We intend to place orders with vendors based on the competitive pricing offered and proposed delivery schedule of the equipment. The vendors for supply of such other equipment have been shortlisted on the basis of the historical performance of the equipment supplied by them and other factors such as electrical energy consumption of the machineries supplied by the vendors, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

We will place orders for the assets and services for which orders are yet to be placed as per the schedule of implementation for the Proposed Expansion. For further details, see "*Risk Factors 27 – We have not yet placed orders in relation to the capital expenditure to be incurred we intend to fund through our Net Proceeds. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected*" on page 42.

Means of finance for Proposed Expansion

The total estimated cost of the Proposed Expansion is ₹ 480.72 million. We intend to fund the cost of the Proposed Expansion as follows:

(in ₹ million)

Source of fund	Amount
Total estimated project cost (A) [(1)]	480.72
(less) Amount deployed as of July 31, 2026 (B) [(2)]	0.72
Balance amount to be incurred (C) = (A-B)	**480.00**
(less) Internal Accruals / Borrowings (D)	-
Amount to be funded by infusion of Net Proceeds (E) = (C-D)	**480.00**

(1) *Total estimated cost as per the certificate dated September 17, 2026 and the project cost vetting report dated September 17, 2026 issued by Dun & Bradstreet, Research Analyst, in respect of the Proposed Expansion.*

(2) *As certified by Mistry and Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) by way of their certificate dated September 17, 2026.*

In accordance with Regulation 7(1)(e) of the SEBI ICDR Regulations, our Company confirms that firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the Proposed Expansion, excluding the amount to be raised through the Fresh Issue and existing identifiable internal accruals, have been made. Since the entire cost of the Proposed Expansion is proposed to be funded from the Net Proceeds and from our existing identifiable internal accruals, and no part thereof is proposed to be funded through borrowings, no further firm arrangement of finance is required to be made in respect of the Proposed Expansion.

Break-up of the estimated cost

Land

Our existing manufacturing facility is situated on land bearing Survey No. 837, at Moje Village, Kadjodara, Taluka Dehgam, District Gandhinagar, Gujarat (the "**Existing Facility Land**"), which is owned by our Company. The Existing Facility Land was acquired by our Company from Mansuri Yusufbhai Hasambhai ("**Seller**") pursuant to a sale deed dated August 24, 2017, executed between the Seller and our Company.

The Proposed Expansion is proposed to be established at Survey Nos. 837 and 842 at the aforesaid location. The aggregate land requirement for the proposed expansion and augmentation of our manufacturing facility is approximately 8,160.26 sq. mtrs. The said land requirement is proposed to be met through a combination of land already owned by our Company and land taken on lease from our Promoters and other persons, comprising the following:

a. **Land owned by our Company:** Approximately 2,532 sq. mtrs. forming part of the Existing Facility Land and bearing Survey No. 837;

b. **Land leased from our Promoters:** Approximately 5,565.26 sq. mtrs. adjacent to our existing facility bearing Survey No. 837 (owned by our Promoters), taken on lease from our Promoters; and

c. **Land leased from other persons:** Approximately 63 sq. mtrs. bearing Survey No. 842, taken on lease from Parekh Mukeshkumar Ganpatlal and Chandulal M. Makani.

Civil and structural work

The civil and structural works for the Proposed Expansion will comprise construction and related works required for the development of the Proposed Expansion, including the construction of two sheds, comprising (i) one shed for the Spinning Expansion Project, adjacent to the existing spinning unit; and (ii) one shed for the additional TFO Project, which will be located adjacent to the proposed additional spinning unit. The total estimated cost of the civil and structural works for the Proposed Expansion is ₹101.52 million, which our Company proposes to fund entirely from the Net Proceeds.

Details of the quotations of such proposed civil and structural works is set forth below:

Civil construction work quotation from NIJ Buildcon LLP dated July 07, 2026 with a validity up to July 07, 2027 for an amount of ₹ 101.52 million

Section	Particulars	Total Cost (₹ in million)
A	Earthing and Grounding Works	3.77
B	PCC/RCC and Other Concrete Works	60.36
C	Brick/Block Masonry Works	5.75
D	Structural Steel and Associated Fabrication Works	14.72
E	Roofing, Cladding & Allied Works	6.16
F	Doors, Windows	0.34
G	Plastering and Finishing Works	0.33
H	Painting and Protective Coating Works	0.06
I	Flooring, Skirting and Dado Works	9.30
J	Miscellaneous Civil and Allied Works	0.37
K	Sanitary, Plumbing and Water Supply Installations	0.35
Total Amount		**101.52**

The detailed break-up of the cost mentioned above is given below containing a detailed bill of quantity required for the civil construction work:

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
	Section - A : Earthwork				
1	Cutting of grass & bushes including removing rubbish shifting of the same upto 3 KM. Lead.	Sq.M.			
2	Excavation in all types of soil viz., sand, clay, gravel, Clayton, mud, slush other than rock for foundation of walls, columns, cable trenches, equipment foundation, etc. as per the Drawing, including shoring, strutting, de watering of any nature whereve				
(a)	Upto 1.50 mtr. depth	Cu.M.	315	5,620.33	1.77
(b)	From 1.50 mtr. to 3.00 mtr.	Cu.M.	350	685	0.24
(c)	From 3.00 mtr. to 4.50 mtr.	Cu.M.			
3	Back filling in foundation with Out side approved earth including of spreading in layers 150 mm thick, consolidating each layer by ramming, watering, Compacting the same with vibrating plate compactor, etc. complete. (This item will be operated when exc				
(c)	Earth brought from outside.	Cu.M.			
3	Filling in plinth with approved materials in layers of 200 mm thickness, consolidating & watering, each layer by ramming & compacting with 10 Ton capacity mechanical roller / with earth 2 to 4 Ton compactor for a compaction to the modified proctor densit				
(a)	Earth obtained from excavation.	Cu.M.	100	6,260.62	0.63
(b)	Earth obtained from outside.	Cu.M.	321	50	0.02
(c)	Sand filling	Cu.M.	450	50	0.02
4	Backfilling in plinth/ foundation with the mixture of fly ash with approved earth or stone dust	Cu.M.			
5	Providing and laying of 230 mm thick, Black trap 50 mm to 65 mm size stone metal in two layer after compacting by 8/10 Ton Power Roller including filling the interstices with good quality approved earth as binding material, spreading, watering, and conso				
(a)	soling	Cu.M.	800		
6	Carting away surplus earth.				
(a)	Beyond 1 km to 10 km	Cu.M.	100		
7	Providing, spraying and Injecting Chlorophysyphos / Lindane EC 20% with 1% concentration or Biflex TC / equivalent emulsifiable concentrates or approved chemical for pre constructional antitermite treatment so as to create a chemical barrier under and aro	Sq.M.	112.16	9,745.47	1.09
8	Providing cast-in-situ M20 Grade reinforced cement concrete under reamed piles of 250 mm bore dia. With single under reamed of 2½ times the bore diameter and of length 3500mm from general ground level design to carry a safe working load of 15 Ton in compr	No.			
8	Under-reamed Pile - 300 mm dia. 4500 mm depth	No.			
9	Providing cast-in-situ M20 Grade reinforced cement concrete under	No.			

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
	reamed piles of 375mm bore dia. With double under reamed of 2½ times the bore diameter and of length 4500mm from general ground level design to carry a safe working load of 25 Ton in compre				
10	Providing cast-in-situ M20 Grade reinforced cement concrete under reamed piles of 450mm bore dia. With double under reamed of 2½ times the bore diameter and of length 5000 mm from general ground level design to carry a safe working load of 35 Ton in compr	No.			
10a	Extra for Additional Length for 250 mm dia. Pile.	Rmt.			
11	Extra for Additional Length for 300 mm dia. Pile.	Rmt.			
12	Extra for Additional Length for 375mm dia. Pile.	Rmt.			
13	Extra for Additional Length for 450mm dia. Pile.	Rmt.			
14	Rebate for Reduction in length - 300 mm dia. Pile.	Rmt.			
15	Rebate for Reduction in length - 375mm dia. Pile.	Rmt.			
16	Rebate for Reduction in length - 450mm dia. Pile.	Rmt.			
17	Empty Boring - 375mm dia. Pile.	No.			
18	Empty Boring - 450mm dia. Pile.	No.			
19	Routine Test				
(a)	Single Pile - 38 Ton Capacity	No.			
(b)	Single Pile - 53 Ton Capacity	No.			
20	Well point dewatering including making a sump of required size including excavation for collecting seepage water and pump out the same in plain specified area as directed by engineer-in-charge. (Required pump and pipes to be provided by the contractor.)	H.P./Hr		Q.R.O	
	Total of Section 'A'				**3.77**
	Section - B : P.C.C. / R.C.C. Work				
1	Providing, mixing and laying plain cement concrete 1:4:8 with 25 to 40 mm nominal size graded aggregates of approved quality as a leveling course under the column foundation, wall Foundation, cable trenches, other trenches, machinery foundations, raft fo	Cu.M.	5500	1,543.56	8.49
2	B.B.C.C. 1:4:8	Cu.M.			
3	R.C.C. M:25				
(a)	Upto Plinth	Cu.M.	5500	2,859.51	15.73
(b)	Upto 5.00 mtr. height	Cu.M.	5600	245.64	1.38
(c)	- Do - 5.00 mtr. to 10.00 mtr. Height	Cu.M.	5700	191.67	1.09
(d)	- Do - 10.00 mtr. to 15.00 mtr. height	Cu.M.	5800		
4	j	Cu.M.	400		
5	FORM WORK				
(a)	Upto Plinth	Sq.M.	553	12,417.29	6.87
(b)	Upto 5.5 mtr. height	Sq.M.	553	1,109.37	0.61
(c)	- Do - 5.00 mtr. to 10.00 mtr. Height	Sq.M.	625	862.52	0.54
(d)	- Do - 10.00 mtr. to 15.00 mtr. Height	Sq.M.	680		
6	R.C.C. Precast slab.				
(a)	R.C.C. M:20				
(i)	50 mm thk. precast slab	Sq.M.	1800	10	0.02
ii	100 mm th. Precats slab	Sq.M.	1950	10	0.02
7	Reinforcement				

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
(a)	TMT Bar IS1786 Fe 500	M.T.	80000	319.58	25.57
8	CONBEXTRA GP-2 for grouting.	Cu.M.	30000	1	0.03
8(a)	- Do - but with concrete.	Cu.M.	4000		
9	Waterproofing liquid - PROLAPIN 421 IC	Ltr.	450	50	0.02
10	Damp Proof Course - 50mm thk.	Sq.M.	250		
11	25mm thick Premoulded compressible foam for expansion joint filler.	Sq.M.	200		
12	Expansion Joint filler.	Rmt.	500		
13	Expansion Joint Cover.	Rmt.	100		
	Total of Section 'B'				**60.36**
	Section - C : Masonary Work				
1	Solid Block Brick Masonary C.M. 1:6 in plinth	Cu.M.	3500	136.33	0.48
	Extra Over Item No1 for CM 1:3			Q.R.O	
2	- Do - in superstructure.				
(a)	Upto 5.00 mtr. height	Sq.M	6700	499.35	3.35
(b)	- Do - 5.00 mtr. to 10.00 mtr. Height	Sq.M	6900	269.2	1.86
(c)	- Do - 10.00 mtr. to 15.00 mtr. Height	Sq.M	7100		
3	115mm thk. Brick partition walls	Sq.M.	1100	63	0.07
4	Brick Masonary C.M. 1:4 in M.C. fdns.	Cu.M.			
(a)	Upto Plinth level.	Cu.M.			
5	100mm x 100mm Single projected Patta / Cornish	Rmt.	100		
6	- Do - but Double projected Patta / Cornish	Rmt.			
	Total of Section 'C'				**5.75**
	Section - D : Structural Steel work				
1	Fabrication & Erection with Red Oxide but w/o Paint and normal nut & bolts	M.T.	80000	180.91	14.47
2	- Do - but for nozing, insert plates.	M.T.	80000	2	0.16
3	- Do - but for round bars for Sag rods.	M.T.	80000	1	0.08
4	Truss bolts.	Kgs.	100	100	0.01
	Total of Section 'D'				**14.72**
	Section - E :				
	Roofing, Cladding, Accessories, Roof				
	Gutters, Rainwater down take pipes etc.				
	ALT. 1				
1	Hi Tech Corrugated Sheets/ A.C. Sheets Fixing				
(a)	For Roofing	Sq.M.			
(b)	For Cladding	Sq.M.			
(c)	Ridge	Rmt.			
(d)	Flashing piece & Corner piece	Rmt.			
	ALT. 2				
2	Fixing of Bare galvalume / Precoated sheets with Self tapping screws				
(a)	For Roofing	Sq.M.	550	5,997.00	3.3
(b)	For Cladding	Sq.M.	550	582.5	0.32
(c)	Ridge	Rmt.	300		
(d)	Flashing piece & Corner piece	Rmt.	300	65	0.02
2a	Insulation below roof	Sq.M.	120	5,997.00	0.72
3	50mm x 6mm MS flats in wind ties.	Kgs.		Q.R.O	
4	Rain water down take pipes.				
(a)	PVC pipes 4kg/ sqcm				
i	110 mm dia.	Rmt.	200	8	0
ii	160 mm dia.	Rmt.	300	17	0.01
iii	200 mm dia.	Rmt.	400		
iv	250 mm dia.	Rmt.			
v	300 mm dia.	Rmt.			
5	M.S. Gutters				
(a)	Valley Gutters	Kgs.			
(b)	Eaves Gutters	Kgs.			
6	**FRP Gutter 4 to 5 mm th.**	Smt.			

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
7	Aluminium Gutter 3 mm th.	Kgs.		Q.R.O	
8	False ceiling 1200 x 600 mm with E Grid & 6 mm th. E board with 2 coats of painting	Smt.	300	5,999.00	1.8
	Total of Section 'E'				**6.16**
	Section - F : Doors / Windows / Ventilators				
1	Rolling shutters of 18 gauge thk.				
(a)	- Do - with gear arrangement	Sq.M.	4500	45	0.2
(b)	- Do - but without gear arrangement	Sq.M.			
(e)	- Do - but without 50 % grill type gear arrangement.	Sq.M.			
2	Door frames made out of cold rolled steel				
(a)	Pressed Steel :				
(i)	Hollow doorframe size 125mm x 60mm	Rmt.	1500	6	0.01
(ii)	- Do - but for double rebate profile.	Rmt.			
3	35 mm thk. solid core flush door	Sq.M.	2500	6.3	0.02
(a)	Extra over item no. 4 for marine waterproof ply on one side	Sq.M.	500	12.6	0.01
(b)	Extra over item no. 4 for marine waterproof ply on both face.	Sq.M.	500	12.6	0.01
(c)	Extra over item no. 4 for marine waterproof ply on one face.	Sq.M.			
(d)	Extra over item no. 4 for colored melamine board on both face.	Sq.M.			
(e)	Extra over item no. 4 for colored melamine board on one face.	Sq.M.			
4	Extra for 22 gauge plain alu. sheets over door	Sq.M.	500		
5	Aluminum doors.	Sq.M.	3500	10	0.04
6	Aluminum Windows				
(a)	Fully openable type.	Sq.M.	3500	6.3	0.02
(b)	- Do - but sliding type.	Sq.M.	3600	6.3	0.02
(c)	Fixed type.	Sq.M.	3000	5	0.02
(d)	Adjustable Louvered type.	Sq.M.	3500	1	0
7	- Do - extra over for colored float glass	Smt.			
8	M.S. sliding doors.	Sq.M.	4000		
	Total of Section 'F'				**0.34**
	Section - G : Plastering				
1	12 mm thk. smooth cement plaster				
(a)	Upto plinth level.	Sq.M.	450	210.55	0.09
(b)	Upto 5.00 mtr. height	Sq.M.	450	190.54	0.09
(c)	- Do - 5.00 mtr. to 10.00 mtr. Height	Sq.M.	550	104.88	0.06
(d)	- Do - 10.00 mtr. to 15.00 mtr. Height	Sq.M.	650		
2	Extra for lime punning	Sq.M.	30		
3	20 mm thk. sand faced plaster.	Sq.M.	480	190.54	0.09
4	20 TO 25 mm thk. water proof plaster	Sq.M.	480		
	Total of Section 'G'				**0.33**
	Section - H : Painting				
1	3 coats of lime white wash	Sq.M.	26	295.42	0.01
2	2 coats of cement paint	Sq.M.			
3	2 Coats of "Weather Seal" paint	Sq.M.	80	510	0.04
4	2 coats of Oil Bound distemper	Sq.M.	98	100	0.01
5	2 coats of Acrylic Emulsion paint	Sq.M.	112	25	0
	Total of Section 'H'				**0.06**
	Section - I : Flooring / Skirting / Dado				
1	P.C.C. / R.C.C. M:20 granolithic floor				
(a)	40 mm thk. Granolithic floor (Without V.D. & Trowel Finish)	Sq.M.	140		
(b)	100 mm thk. Granolithic floor (With V.D. & Trowel Finish)	Sq.M.	250	3,046.00	0.76
(c)	125 mm thk. Granolithic floor (With	Sq.M.	275		

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
	V.D. & Trowel Finish)				
(d)	150 mm thk. Granolithic floor (With V.D. & Trowel Finish)	Sq.M.	350	9,733.65	3.41
2	20mm wide expansion / contraction joints				
(i)	In 100 mm thk. floor	Rmt.	150	72	0.01
3	Reinforcement in floor				
(b)	TMT Bar IS1786 Fe 500	M.T.	72000	64.8	4.67
4	Marble mosaic tiles flooring.	Sq.M.			
5	- Do - 125 mm high skirting	Rmt.			
6	- Do - extra over item no. 7 for 25mm thk. heavy				
	duty industrial marble mosaic tiles	Sq.M.			
7	6 mm thk. white glazed ceramic tiles.(200 to 300 mm size)				
(a)	In Floors	Sq.M.	350	12	0
(b)	In Dado	Sq.M.	350	28	0.01
(c)	In Channels	Sq.M.	400		
8	Extra for coloured glazed ceramic tiles.				
(a)	In Floors	Sq.M.	25	12	0
(b)	In Dado	Sq.M.	25	28	0
(c)	In Channels	Sq.M.	25		
9	Polished kotah stone flooring 32 to 45 mm th. Diamond cut	Sq.M.		Q.R.O	
10	- Do - 150 mm high skirting.	Rmt.		Q.R.O	
11	Polished kotah stone flooring - machine cut. 32 to 45 mm th. Diamond cut	Sq.M.		Q.R.O	
11a	Polished kotah stone flooring - machine cut. 25 to 30 mm th. Diamond cut	Sq.M.		Q.R.O	
11 b	do 100 mm high skirting	Rmt.	100		
12	Floor Hardner Natural or Color	Kgs.	10	43,811.40	0.44
13	25mm thk. good quality available stone flooring	Sq.M.			
14	Isolation Joint	R.M.			
15	Control Joint	R.M.			
16	Nina Fibers in Floor concrete	Kgs.			
17	Ashford Formula Floor treatment	Sq.M.			
18	Minimum 10mm thick Vitrified Tiles in floor	Sq.M.			
19	Polish Kota stone for Staircase and Window Sill	Sq.M.	800		
20	Marble for Staircase and Window Sill	Sq.M.	1500		
	Total of Section 'I'				**9.3**
	Section - J : Misc. Items				
1	R.C.C. Precast Jali	Sq.M.			
2	P.C.C. 1:2:4 fillets				
(a)	100 mm x 100 mm size.	Rmt.	150		
3	M.S. Grill	Kgs.			
4	Galabid	Sq.M.			
5	**M.S. fan hook box**	Nos.	200	6	0
6	Brick bat coba concrete.	Sq.M.			
7	200 mm wide PVC water stopper dumble type	Rmt.			
8	G.I. chicken wire mesh.	Sq.M.	107	108	0.01
9	**Polyethylene film of 500 micron**	Sq.M.			
11	40 mm dia. G.I. water spout	No.			
12	Rain water catch-pits	No.	6000	6	0.04
13	8 mm thk. M.S. plate covers.	No.	1000	6	0.01
14	Marble flooring	Sq.M.			
15	Dismantling of PCC/ Rubble soiling	Cu.M.			
16	Dismantling of Brick masonry with plaster	Cu.M.			
17	Dismantling of RCC	Cu.M.			
18	Providing , making and finishing small jari for electrical conducting	Rmt.	100	200	0.02

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
19	**Supplying & Fixing of PVC pipes in floor**				
i	**100 mm dia.**	Rmt.	150	120	0.02
ii	160 mm dia.	Rmt.			
20	Cutting of existing rods.	No.			
22	**India type water proofing average 115 mm th.**	Sq.M.	300	832	0.25
22a	**Do but extra over for more than 115 mm th.**	Cmt.	2500	10	0.03
23	**Plaster of Paris finish for Grill Cutouts**	Rmt.	20		
24	M-16 Anchor bolt fixing	No.			
25	- Do - but for M-20 Anchor bolt fixing	No.			
26	**Fixing of R.A. / S.A. fan frames**	No.	500	3	0
27	**Fixing of Air tight Doors**	No.	500	7	0
28	**Fixing of Slit in floor**	No	100	24	0
	Total of Section 'J'				**0.37**
	Section - K : Sanitary Installations, Water				
	supply and Drainage				
1	Orissa pattern W.C. Pan	No.	1500	4	0.01
2	- Do - extra for colored Orissa W.C. Pan	No.	300	4	0
3	European W.C. Pan	No.	1500	1	0
4	- Do - extra for colored European W.C. Pan	No.	300	1	0
5	Wash Basin	No.	1500	3	0
6	Extra for coloured Wash Basin	No.	300	3	0
7	China semi stall lipped urinals				
(a)	One urinal with 5 ltr. flushing cistern.	No.	3000	3	0.01
8	Extra for coloured urinals				
(a)	One urinal with 5 ltr. flushing cistern.	No.	300	3	0
9	25mm thk. polished granite stone partition	No.	1500	1	0
10	C.P. Brass bib tap				
(a)	In bathroom and drinking water place.	No.	300	2	0
(b)	In W.C.	No.	300	3	0
11	China Toilet paper holder	No.	200	1	0
12	600 x 450 mm beveled mirror	No.	600	1	0
13	C.P. Brass towel rails	No.	500	1	0
14	Liquid soap container	No.	300	1	0
15	Cast Iron Waste and vent pipes				
(a)	100 mm dia.	Rmt.	500	42	0.02
(b)	75 mm dia.	Rmt.	400	40	0.02
17	150 mm dia. C.P. hinged grating	No.	250	20	0.01
18	G.I. Pipes (Medium class)				
(a)	15 mm dia. nominal bore.	Rmt.	180	108	0.02
(b)	20 mm dia. nominal bore.	Rmt.	250	50	0.01
(c)	25 mm dia. nominal bore.	Rmt.	350	50	0.02
(d)	40 mm dia. nominal bore.	Rmt.	450	50	0.02
(e)	- Do - in ground 50 mm dia.	Rmt.	500	50	0.03
19	Brass full way wheel valve.				
(a)	20 mm dia. nominal bore.	No.	200	2	0
(b)	25 mm dia. nominal bore.	No.	300	2	0
(c)	40 mm dia. nominal bore.	No.	400	2	0
(d)	50 mm dia. nominal bore.	No.	500	2	0
20	SMC Panel Water Storage Tank				
(a)	25000 ltrs. capacity tank	No.	125000	1	0.13
(b)	20000 Liters capacity tank	No.			
21	Painting G.I. pipes and fittings with oil paint.				
(a)	15 mm dia. nominal bore.	Rmt.	20		
(b)	20 mm dia. nominal bore.	Rmt.	30		
(c)	25 mm dia. nominal bore.	Rmt.	40		
(d)	40 mm dia. nominal bore.	Rmt.	50		

Item No.	Description	Unit	Approx Rate	Factory Building	
				Qty	Amount (₹ in million)
(e)	- Do - in ground 50 mm dia.	Rmt.	60		
22	30cm x 30cm x 60cm brick masonary chamber	No.	2000	3	0.01
23	Stoneware pipes				
(a)	100 mm dia. S.W. pipes	Rmt.	300	25	0.01
(b)	150 mm dia. S.W. pipes	Rmt.	400	25	0.01
(c)	230 mm dia. S.W. pipes	Rmt.	500		
24	- Do - but depth below 1.5 to 3.0 mtr.				
(a)	100 mm dia. S.W. pipes	Rmt.			
(b)	150 mm dia. S.W. pipes	Rmt.	450	25	0.01
(c)	230 mm dia. S.W. pipes	Rmt.	550	25	0.01
25	Stoneware gully trap including chamber	No.	1000	2	0
26	900 x 900 mm brick masonary manholes.	No.	2000	2	0
27	Extra over for depth below 1.5 to 3.0 mtr.	No.	500	2	0
28	**SEPTIC TANK :**				
A2(a)	Excavation upto 1.5 mtr. in any soil	Cu.M.	80		
A2(b)	- Do - but from 1.5 mtr. to 3.0 mtr.	Cu.M.	120		
A2(c)	- Do - but from 3.0 mtr. to 5.0 mtr.	Cu.M.	150		
B1	P.C.C. 1:4:8 in foundation	Cu.M.	1200		
B3(a)	P.C.C. / R.C.C. in fdn. over lean mix	Cu.M.	1800		
B7(a)	Tor steel Reinforcement	M.T.	4000		
C1	Brick masonary in plinth in C.M. 1:6	Cu.M.	2200		
G4	25 mm thk. Water proof plaster	Sq.M.	150		
J2(c)	100 mm x 100 mm concrete fillets	Rmt.	100		
(m)	Cast iron Rungs	No.	500		
(n)	450 x 600 mm Cast iron Main hole cover	No.	3000		
(o)	100 mm dia. Cast iron Vent pipes with cowl.	No.	500		
29	**SOAK WELL :**				
A2(a)	Excavation upto 1.5 mtr. in any soil	Cu.M.	80		
A2(b)	- Do - but from 1.5 mtr. to 3.0 mtr.	Cu.M.	120		
A2(c)	- Do - but from 3.0 mtr. to 5.0 mtr.	Cu.M.	150		
B1	P.C.C. 1:4:8 in foundation	Cu.M.	1200		
B3(a)	P.C.C. / R.C.C. in fdn. over lean mix	Cu.M.	1800		
B9(a)	Formwork upto Plinth	Sq.M.	300		
B7(a)	Tor steel Reinforcement	M.T.	4000		
(d)	Honey comb brick masonary in C.M. 1:4	Cu.M.	2000		
(f)	Filling the annular shape brick bats of 50 to 70 mm size	Cu.M.	1500		
(n)	Cast Iron Manhole cover	No.	3000		
(o)	100 mm dia. Cast iron Vent pipes with cowl.	No.	500		
	Total of Section 'K'				**0.35**
	Total of Section - A to K				**101.52**

Note: Details mentioned above are in-verbatim from the quotations received except total amount is converted into million.

The total land area admeasuring 8,160.26 square mtrs is proposed to be utilised for the expansion of the spinning unit and the TFO unit. Since the Proposed Expansion will be undertaken adjacent to the existing spinning facility, the Company proposes to utilise the existing common administrative infrastructure and utility facilities, together with such additional common administrative infrastructure and utility facilities as may be required, for meeting the administrative and operational requirements of the Proposed Expansion.

Plants and Machineries

Out of the total estimated cost of the Proposed Expansion, ₹375.22 million is estimated to be incurred towards plant and machinery for the Spinning Expansion Project and the TFO Project. Our Company proposes to fund such cost entirely from the Net Proceeds of the Issue. A detailed break-up of the estimated cost towards the plant and machinery proposed to be funded from the Net Proceeds is set forth below:

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
1	Swift Floc LA21	Tower with movable plucking head of size 1700 MM with track length 15 M with optical light barrier	2.5997	1	2.60	LMW Limited	25-08-2026	09-10-2026
2	Vario Clean Model LB9/2	Cleaning and dedusting machine to handle different assortments, beater with multiple beating elements, inverter for beater drive, traversing grid	1.6331	1	1.63	LMW Limited	25-08-2026	09-10-2026
3	Unimix Model LB7/4	Mixing and blender machine with 1600 MM working width, large storage volume, upright lattice with staggered steel spikes - With Beater - With waste collection system	2.3214	1	2.32	LMW Limited	25-08-2026	09-10-2026
4	Flexiclean Model LB5/6	Universal opening and cleaning machine with laminae trunk and cleaning unit, fan to feed tufts from preceding machine, with SDDU (stationary dedusting unit) - With waste collection system	0.7049	1	0.70	LMW Limited	25-08-2026	09-10-2026
5	Gravitas LA1	Heavy particle separator	0.0803	1	0.08	LMW Limited	25-08-2026	09-10-2026
6	Bend Metal Extractor	Bend Metal Extractor	0.0621	1	0.06	LMW Limited	25-08-2026	09-10-2026
7	Straight Metal Extractor	Straight Metal Extractor	0.0621	1	0.06	LMW Limited	25-08-2026	09-10-2026
8	Ventilator Model LA5/4	Ventilator with discharge capacity 1.2M3/SEC, with inverter, with 7.5 Kw motor power	0.1051	2	0.21	LMW Limited	25-08-2026	09-10-2026
9	Ventilator Model LA5/6	Ventilator with discharge capacity 1M3/SEC with inverter	0.0925	2	0.19	LMW Limited	25-08-2026	09-10-2026
10	Ventilator Model LA5/7	Ventilator with discharge capacity 0.5M3/SEC	0.0475	1	0.05	LMW Limited	25-08-2026	09-10-2026
11	Two Way Distributor LA4/4A	Two Way Distributor LA4/4A	0.0455	1	0.05	LMW Limited	25-08-2026	09-10-2026
12	Stationary Dedusting Unit - LA4/8	Stationary Dedusting Unit - LA4/8	0.0528	1	0.05	LMW Limited	25-08-2026	09-10-2026
13	Flushing Unit	Flushing Unit	0.0050	1	0.01	LMW Limited	25-08-2026	09-10-2026

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
14	Blowroom Panel 3M	Blowroom Panel 3M	0.5300	1	0.53	LMW Limited	25-08-2026	09-10-2026
15	WCS Panel 3M	WCS Panel 3M	0.5300	1	0.53	LMW Limited	25-08-2026	09-10-2026
16	Card LC363 S / 361 S	Triple lickerin arrangement working with 100M width, built in multilevel sensing, short & long winding with pre/post carding elements, continuous collection, Philipson brush roller arrangement - Conveyor web doffing system, inverter drive for cylinder, automatic piecing aid, fine feed chute feeding system - With linear can changer 40 inch x 48 inch - With additional licker-in mote knife	3.4859	3	10.46	LMW Limited	25-08-2026	09-10-2026
17	Speedframe LF 4280/A	With 200 spindles, inverter controlled drive for flyer bobbin & trough movement, suction device for broken end, roving photocell for roving stop motion for broken end - Servo drive for drafting - single side - Short cradle - Terra Spin PK1500 3 roller drafting system - Stripper arrangement for 3 roller drafting system - Automatic roving tension control (2 ATC) - With bobbin tilting mechanism - Empty bobbin storage - 5 row creel - Additional flyer trough support - Additional dynamic energy supply unit - Additional roving sensor for false twister - Sliver guide - grooved shaft	4.6600	1	4.66	LMW Limited	25-08-2026	09-10-2026
18	Draw Frame Twin Delivery Auto Leveller LDF3 2S	With delivery can size upto 24 inch x 48 inch, two deliveries with independent drive system, digital short term auto levelling system, servo drive for drafting, inbuilt spectrogram display, inverter controlled main drive, independent drive for coiler, with auto-piecing	6.5208	2	13.04	LMW Limited	25-08-2026	09-10-2026
19	Ring Frame LRJ 9/SX/SXL	For processing cotton - With 1824 spindles, 70 MM gauge, 39 MM cage, Credo + rings, compact stretch (680 CC), inverter drive for main motor, common servo drive for 2nd & 3rd drafting rollers to make basic slubs, T-Flex drive, duo suction for Pneumafil	14.5542	5	72.77	LMW Limited	25-08-2026	09-10-2026

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		- Inbuilt energy module, inbuilt HPM (High Performance Module), 6 row creel, LMW Alucore Cots (front & back) and aprons, with SASU for compact arrangement and provision for link winder - Suitable for link winder - special bottom peg - 39 MM cradle - Lift 190 - Spindle insert - HLLD - HS1 RYC - Single compact - Duo suction for Pneumafil - 90 KW main motor instead of 75 KW main motor - 110 KW main motor inverter instead of 90 KW inverter for 90 KW main motor						
20	Rotary Screw Compressor	KAESER make Rotary Screw Compressor Model: BSD 75 SFC / 8.5 with Siemens make Variable Drive & Siemens make Premium Efficiency (IE4) motor of 37 kw having free air delivery of 55 to 269 cfm @ 7 bar (g)	1.8220	1	1.82	Kaeser Compressors (India) Pvt. Ltd.	10-08-2026	10-02-2027
21	Refrigerated Air Dryer	KAESER SECOTEC® Refrigerated Air Dryer Model : TE 120 with energy saver cycle	0.5050	1	0.51	Kaeser Compressors (India) Pvt. Ltd.	10-08-2026	10-02-2027
22	Micro Filter	KAESER make Micro Filter Model : F 83 KE Which can reduce the oil content upto 0.01 mg/m3	0.0485	1	0.05	Kaeser Compressors (India) Pvt. Ltd.	10-08-2026	10-02-2027
23	Vertical Air Receiver	VERTICAL AIR RECEIVER–2 Cubic Meters Design as per ASME Sec VIII, Design for 8 bar Pressure with Pr Gauge, SV, Manual Drain Cock	0.1080	1	0.11	Kaeser Compressors (India) Pvt. Ltd.	10-08-2026	10-02-2027
24	Fire Control System	Fire/Metal Detection System with - 8-Z Control Panel Only (DFP8Z-01) - 16-Z Control Panel Only (DFP16Z-01) - Spark Detector (SD-05/1R) – DIA 300 + RTT - Spark Diverter (SDVR/03/300) - Spark Detector (SD-05/1R) – DIA 500 + RTT - Spark Diverter (SDVR/03/500) - Pneumatic Control Panel with 1 × 50 Ltr. Air Tank - Fan Ventilator - 7.5 HP	3.0569	1	3.06	Vetal Hitech Machines Pvt Ltd	20-08-2026	20-08-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		- BOFES Control Panel & Sensor – L200MM – Bale Plucker / Blendomat						
25	Simplex Bobbin Suitable For LMW Speed Frame	Simplex Bobbin – Suitable for LMW Speed Frame LF4200A & LF4280A/AX - ID at Top: 25.2 mm - Yarn Carrier Length: 450 mm - Bore Dia. at Bottom: 40.3 mm - Outside Diameter: 48 mm - Piecing Aid: 25 mm at a distance of 45 mm from top - Weight per Piece: 285 ± 5 g - Material: HIABS Compound - Item Name: 450/25.2/Close/ABS/285 ±5 - Item Code: 11101	0.0001	12,000	1.42	Ideal Sheet Metal Stampings & Pressings Pvt Ltd	21-07-2026	21-07-2027
26	LMW Autodoff "HCC" Tubes for Spindle	LMW Autodoff "HCC" Tubes for Spindle with Spring Button Tube Clutch - Dui: 18 mm - Yarn Carrier Length: 200 mm - Taper: 1:40 - Wall Thickness: 1.8 mm - Weight per Piece: 30 ± 2 g - Material: HIPAC66-GF Compound - Item Name: 18/200/1:40/1.8/30 ±2 - Item Code: 81403	0.0000	23,000	0.66	Ideal Sheet Metal Stampings & Pressings Pvt Ltd	21-07-2026	21-07-2027
27	Cotton Contamination Cleaning Machine	Cotton Contamination Cleaning Machine (Model : Rappio Scan Bold x 1.3)	3.9960	1	4.00	Vetal Hitech Machines Pvt Ltd	20-08-2026	20-08-2027
28	Sliver Can N 40X48 with Pantograph	Ideal make HDPE Sliver Can Can Diameter: 40 inch, Can Height: 48 inch Top Plate: Galvanized Iron Top Band & Top Ring: Stainless Steel Bottom Plate & Bottom Ring: Galvanized Iron Heat Treated Spring with Pantograph Castor Wheels: 3 nos of Ø 80 mm Item Name: Sliver Can N 40X48 with Pantograph Item Code: SN40-001P	0.0074	88	0.65	Ideal Sheet Metal Stampings & Pressings Pvt Ltd	21-07-2026	21-07-2027
29	Sliver Can N 20X48	Ideal make HDPE Sliver Can Can Diameter: 20 inch, Can Height: 48 inch Top Plate: Plastic	0.0025	500	1.24	Ideal Sheet Metal Stampings & Pressings Pvt Ltd	21-07-2026	21-07-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		Top Band & Top Ring: Stainless Steel Bottom Plate & Bottom Ring: Galvanized Iron Heat Treated Spring Castor Wheels: 3 nos of Ø 60 mm Item Name: Sliver Can N 20X48 Item Code: SN20-001						
30	Perfect - Magitex Overhead Travelling Cleaner - Bus Bar Type	PERFECT – MAGITEX Overhead Travelling Cleaner – Bus Bar Type Host Machine: LMW Speed Frame Machine - No. of Spindles: 200 - Approx. Straight-Path Length: 25 m - OHTC Details: Fan Motor – 1.5 kW; Drive Motor – 180 W - Travelling Speed: 12 m/min - Waste Collection Unit provided - Start/Stop switches mounted on pipes - Automatic parking during doffing - Suction in Pneumafil box of Speed Frame Machine	0.1715	2	0.34	Perfect Engineering Corporation	31-07-2026	31-07-2027
31	Perfect - Magitex Overhead Travelling Cleaner - Bus Bar Type	PERFECT – MAGITEX Overhead Travelling Cleaner – Bus Bar Type Host Machine: LMW Ring Machine - No. of Spindles: 1,824 - Approx. Straight-Path Length: 85 m - OHTC Details: Fan Motor – 1.5 kW; Drive Motor – 180 W - Travelling Speed: 12 m/min - Waste Collection Unit provided - Start/Stop switches mounted on pipes - Automatic parking during doffing	0.2384	5	1.19	Perfect Engineering Corporation	31-07-2026	31-07-2027
32	Perfect - Magitex Overhead Travelling Cleaner - Belt Drive Type	PERFECT – MAGITEX Overhead Travelling Cleaner – Belt Drive Type Host Machine: LINK CONER MURATA - Approx. Straight-Path Length: 22 m - No. of Drums: 46 - OHTC Details: Fan/Drive Motor – 1.5 kW - Waste Collection Box connected to the suction pipe of OHTC	0.1195	5	0.60	Perfect Engineering Corporation	31-07-2026	31-07-2027
33	Centralized Waste	Centralized Waste Collection System for 5 Nos.	0.1143	1	0.11	Perfect	31-07-2026	31-07-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
	Collection System for 5 Nos. Ring Frames	Ring Frames - Maximum distance from the first suction point to the fan: 30 m - Conveying Pipe: 160 mm diameter - Note: Conveying pipe to be procured by the customer from the local market and is not included in the supplier's scope				Engineering Corporation		
34	Bobbin Transport System	Bobbin Transport System Total 5 Ring And 2S Speed Frame 2 Bobbin Transport System Lup Type	2.8479	2	5.70	Veratex Revolution Pvt. Ltd.	02-07-2026	02-07-2027
35	Integrated Climate Control (ICC) and Integrated Waste Management (IWM) System	'Design and supply of Integrated Climate Control (ICC) & Integrated Waste Management (IWM) for 9120 spindles cotton ring spinning project. Supply of Air Washer Plants, dampers, air washer equipment, axial flow fans, electric motors, inverters, automation systems and electrical panels. Provision of waste management systems including primary disc filter, fibre compactor, rotary drum filter, suction fans, cyclone separator and dust collector. It also includes Air Washer plant in pre-fabricated construction with PUFF panels, along with associated equipment and systems as specified in the quotation.	21.1000	1	21.10	DRAFT-AIR (I) P. LTD.	20-08-2026	20-08-2027
36	H-PLANT COMPONENTS	Supply & installation of Supply Air Ducting with Duct Insulation Made From GI 120 GSM With 13 mm Insulation with Aluminium Foil. Supply & Installation of False Ceiling Material Made from GI Powder Coated Grid & Cement Sheet with Water Based 2 Coat Paint with 750mm Long Supporting Wire. (6 mm Road Provided By Client For Extra Support)	6.5700	1	6.57	Samarth Air Tech Pvt Ltd	07-08-2026	07-02-2027
37	Machine Erection and Commissioning	Erection of Bale - Pluckier, Blow-Room, Carding, Draw frame Breaker, Draw frame Finisher, Comber, Lap former, Speed frame without doffer, Ring frame (1824 Spindle), Lycra, Linc coner (46 DRUM), S/F OHTC, R/F OHTC, L/C OHTC, B.T.S., TFO (240 DRUM) and WINDER,	3.2643	1	3.26	Sai Service Centre	12-08-2026	12-08-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		CONDENSER.						
38	SITC of Electrical material for TFO projects	- Supply of Main PCC & Other LT panel as per details specification enclosed sheet A - Supply & installation of APFC Panels With Capacitors For improving of Powerfactor For Energy saving & as per Electrical board Rules. - Rubber matting For laying on front of All Panels - Supply of LT Bus way system - Equipment For Fire safety For Plant & Electrical system - Supply, installation & Testing of Cable tray, Cable, Earthing system & whole Plant For Electrical Panels, Machines.	9.4380	1	9.44	Poojan Engineers	22-07-2026	22-07-2027
39	MURATA Automatic Cone Winding Machine	Individual air splicer (Mach Splicer), single side and single deck type, to wind from ring spinning bobbins onto 6" traverse paper /plastic cone, Winding speed changeable by individual direct drive drum system with electronic anti-patterning, Each winding unit equipped with Steel Drum (high efficiency motor mounted), New Cradle, Cradle lifting & package brake system, Winding tension control system, Photo feeler, Hard Waste Reducer, Ceramic Cutter, Blower with Static pressure control - Individual drive system for each movable component - Winding Tension Control by PC-module (PC-Sensor/PC-Tensor/PC-BalCon) - VOS 4 (Visual On-demand System) with 15.6" display monitor/touch screen & VOS Circle - Integrated Communication System - Direct drive with inteverter for suction control with suction shutter system - Automatic bobbin centering system - Non-stop yarn waste removal function - CBF (Continous bobbin feeding system) - Conveyor Rotation Sensor - Smart guide panel on each winding unit, Auto Doffer, Continuous bobbin feeding position & Package conveyor	20.2067	5	101.03	Murata Machinery, Ltd.	24-08-2026	28-02-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		- Unit Module design (top/middle/bottom) - Yarn end finding device (Hyper Cop Robo (1 device / machine)) - Linking system (Tray-To-Tray type) - S-Feed II - Plus Run system - Auto Balance - Quick bobbin change - Optimised electric current control system (OES) - LED Indication for CBF - CBF with AAF (Automatic Adjustment Function) - i-Release - E-Drive						
40	Two-For-One Twisters of Vandewiele-Savio	Two-For-One Twisters of Vandewiele-Savio India Make Model "COSMOS EDS 201.5 ARRA" with 240 Spindles 200 mm gauge machine 240 spindles per machine Take up drum with Rubber Band Drive Take up packages with 4D 20' Standard Conicity Take up arm locking device Second Overfeeding Roller EDS with Inverter & Axial displacement Pneumatic Yarn Threading Bunching Device Savio Belt Blower with Obstacle Reversal & with Dust Collection in pipe Main motor : IE3	3.8400	14	53.76	Vandewiele Savio India Private Limited	21-07-2026	21-07-2027
41	Two-For-One Twisters of Vandewiele-Savio	Two-For-One Twisters of Vandewiele-Savio India Make Model "COSMOS EDS 201 ARAL" with 240 Spindles 200 mm gauge machine 240 spindles per machine Take up drum with Rubber Band Drive Take up packages with 4D 20' Standard Conicity Take up arm locking device Second Overfeeding Roller	3.9000	6	23.40	Vandewiele Savio India Private Limited	21-07-2026	21-07-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		EDS with Inverter & Axial displacement Pneumatic Yarn Threading Bunching Device Savio Belt Blower with Obstacle Reversal & with Dust Collection in pipe Main motor : IE3						
42	Ultiflex Mono Drive Assembly Winder 7" (FG)	Ultiflex Mono Drive Assembly Winder 7" (FG) - Spare requirement - 2% Spares - Provision To Doffer the Package Based on Length / Diameter - Centrally Controlled and Monitored Cradle Pressure System - Air Pressure Control Unit - Count Wise Recipe Storage - Cradle Arm - Double Flange Take Up Support - Yarn Presence Sensing for Individual Ply - Traverse sensor - Heavy Electronic Yarn Cutter for Individual Spindles - Spindles Per Section (Double side) - 10 Spindle - Individual Inverter Per Spindle - Included - Schematic Representation of Package with Programmed Dimension in Display - Colour Touch Screen for Monitoring Individual Spindle - Length, Speed, Breaks, 90 Days Report Etc., 15" - Individual Spindle Yarn Length, Dia Meter Setting & Measurement - Creel Arrangement - INTERNAL - Machine Layout - DOUBLE SIDE - Yarn Laying With Counter Rotating Propeller Blades - EMTD - Programable Electro Magnetic Tension Device System - Included - Traverse by counter rotating propeller Blades - Yes - Traverse Length - 7" - Final Package Formation - CHEESE - No of Spindles/Module - 10	0.0630	400	25.20	Reshmi Industries (India) Pvt Ltd	18-07-2026	18-01-2027

Sr. no.	Particulars	Description	Rate (₹ in million)*	Qty	Total estimated costs (₹ in million)*	Quotations received from	Date of Quotations	Validity of Quotation
		- Number Of Ply - 2 PLY - Individual Danfoss Inverter per spindle - 1 Spindle Machine Model: APAW						
Total Amount					**375.22**			

*excluding taxes and duties.

[(1)] *Machinery is to be imported from Japan, the quotation has been received in EUR (€), and the conversion rate prevailing as on July 31, 2026, INR / 1 EUR = 109.8189 has been considered to convert to INR (source: www.fbil.org.in)*

Contingencies

The Company envisages that there might be price fluctuations and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes. The total estimated cost for contingencies is ₹ 3.26 million as estimated by the Company, based on its past experience which is 0.68% of the total project cost for setting up the Proposed Expansion.

The quotation received from the above suppliers are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with the suppliers and there can be no assurance that the abovementioned suppliers would be engaged to eventually provide the services at the same costs. If there is any increase in the costs over and above the contingencies, the additional costs shall be paid by our Company from its internal accruals. Also see "*Risk Factor 9 - Our inability to effectively manage our growth or successfully implement our business strategies may adversely affect our business, financial condition, and results of operations*." on page 31.

Schedule of implementation

The proposed schedule of activities as per the CVR issued by Dun & Bradstreet, Research Analyst in respect of the Proposed Expansion are as follows:

Spinning Expansion and TFO Unit

Sr. No.	Activity	Estimated date of commencement	Estimated date of completion
1	Land acquisition	Already done on 24/08/2017	NA
2	Design and Planning	Already done on 11/08/2026	NA
3	Statutory Approvals	Already done on 23/06/2025	NA
4	Site development and Foundation work	Apr-27	May-27
5	Placement of orders for plant and machinery	Apr-27	May-27
6	Civil and Structure work	Jun-27	Jul-27
7	Installation of electrical, humidification, compressed air and other utility systems	Aug-27	Sep-27
8	Delivery, Erection and installation of plant and machinery at site	Oct-27	Nov-27
9	Inspection, Handover and Trial runs	Dec-27	Jan-28
10	Commencement of commercial production	Jan-28	

Source: Project Cost Vetting Report dated September 17, 2026 issued by Dun & Bradstreet, Research Analyst

Utilities

The incremental power requirement for the Proposed Expansion is proposed to be met through our existing arrangements with Uttar Gujarat Vij Company Limited, together with the enhancement of our sanctioned load, for which we propose to make the requisite application to the relevant electricity distribution licensee at the relevant stage. The incremental water requirement for the Proposed Expansion is proposed to be met through the existing borewell. The requirement for compressed air and humidification for the Proposed Expansion is proposed to be met through the compressors and humidification plants proposed to be installed as part of the Proposed Expansion, as set out in the plant and machinery table above.

Material approvals

As the Proposed Expansion is proposed to be undertaken at our existing Manufacturing Facility on land already owned by our Company and on the adjacent land leased from our Promoters and shareholders, no additional land is proposed to be acquired. In relation to the Proposed Expansion, we are required to obtain approvals from certain governmental and local authorities, as set out in the table below and as per Project Cost Vetting Report dated September 17, 2026 by Dun & Bradstreet, Research Analyst:

Sr. No.	Approval / Registration	Approval obtained/ Stage at which approval is required	Status
1	Consent to Establish (CTE)	Obtained	Issued on January 11, 2017 as amended on April 06, 2021

Sr. No.	Approval / Registration	Approval obtained/ Stage at which approval is required	Status
2	Factory License	Obtained	Issued on February 01, 2018
3	Consolidated Consent and Authorisation (CCA)	Obtained	Issued on May 15, 2018 as renewed and extended till March 12, 2035
4	Electrical Installation Approval	Prior to energisation of the electrical installation	Will be applied for at the relevant stage
5	Electricity Connection (HT Connection)	Prior to commencement of commercial operations	Will be applied for at the relevant stage

As on the date of this Draft Red Herring Prospectus, our Company has not commenced the civil and construction work in relation to the Proposed Expansion. Our Company undertakes to file the necessary applications with the relevant authorities to obtain remaining approvals set out above, as applicable, at the relevant stages. For further details, see "*Government and Other Approvals*" on page 401 and "*Risk Factor 30 – Business of our Company is capital intensive, and we may require significant financing to support our growth strategies and expansion plans. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.*" on page 44.

Other confirmations

As on the date of this Draft Red Herring Prospectus, we have not yet placed orders for the plant, machinery and equipment proposed to be acquired from the Net Proceeds. While we have obtained quotations from various vendors for such plant, machinery and equipment, such quotations are indicative in nature and may be subject to revision based on, the prevailing commercial and technical terms, changes in specifications, delivery schedules and other project requirements. Accordingly, there can be no assurance that we will be able to procure such plant, machinery and equipment at the costs currently estimated by us or from the vendors from whom we have obtained such quotations. For further details, see "Risk Factors — *27 - We have not yet placed orders in relation to the capital expenditure to be incurred we intend to fund through our Net Proceeds. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.*" on page 42 .

Further, certain quotations obtained by us may not include freight, insurance, applicable taxes and other charges, as the same may be determined at the time of placement of orders. Any increase in the estimated cost of procurement, including on account of such additional costs, will be funded from the contingencies provided for the Proposed Expansion or through the internal accruals of our Company.

No second-hand or used equipment is proposed to be purchased out of the Net Proceeds.

None of the vendors from whom we have procured quotations of building, civil work and electrification and plant and machineries are related or connected to our Company, Promoters, members of Promoter Group, Directors, Key Managerial Personnel or Senior Management. Our Promoters, members of Promoter Group, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed construction of building, civil works & electrification and purchase of plant and machineries.

2. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company

Our Company has entered into financing arrangements with banks and other lenders for availing terms loans and working capital loans, including fund-based and non-fund based borrowings. For details of our Company's outstanding borrowings, see "*Financial Indebtedness*" on page 363.

As on July 31, 2026, our Company had sanctioned facilities (fund based and non-fund based) aggregating to ₹ 1,397.13 million and outstanding facilities aggregating to ₹ 1,163.43 million. Our Company proposes to utilise an estimated amount of ₹ 370.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company as disclosed in the table below. Our Company may, from time to time, refinance some or all of these borrowings or enter into further financing arrangements and may draw down funds thereunder, if required. In such cases, the Net Proceeds may also be utilized towards prepayment or repayment of such refinanced or additional borrowings, the details of which shall be provided in the Red Herring Prospectus. In terms of our Company's borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges. Such prepayment charges, as applicable, may also be funded out of the Net Proceeds. If the Net Proceeds are insufficient for payment of pre-payment penalty, interest or other related costs, as applicable, such payment shall be met through the internal accruals of our Company. Our Company believes that such prepayment will help reduce the net debt and the associated debt servicing costs, and improve our net leverage and enable utilisation of our Company's internal accruals for further investment in our Company's business growth and expansion, thereby improving the results of our operations and financial condition. Additionally, our Company believes that our capacity to leverage would improve our ability to raise further resources in the future to fund potential business growth and expansion. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

The selection of borrowings proposed to be repaid/prepaid amongst the various borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the borrowing, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, including restricting the ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of prepayment, (iv) provisions of any laws, rules and regulations governing such borrowings, and (v) other commercial considerations including, among others, the amount of the loan outstanding. However, our Company shall not repay the borrowings availed from Promoters through Net Proceeds.

Further for the purposes of the Issue, our Company has intimated and has obtained the necessary consents from our lenders for the deployment of the Net Proceeds towards the Objects.

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The following table sets forth details of certain borrowings availed by our Company which are outstanding as on July 31, 2026, out of which we may repay/ prepay, all or a portion of any or all of the borrowings aggregating upto ₹ 370.00 million from the Net Proceeds:

Sr. No.	Name of the lender	Date of facility agreement/Sanction Letter	Nature of borrowing	Purpose of borrowing	Amount sanctioned(2) as on July 31, 2026	Amount outstanding as on July 31, 2026	Repayment schedule/ Tenor	Interest rate as at July 31, 2026 (% p.a.)	Prepayment conditions/ penalty, if any	Whether utilized for purpose mentioned(3)
1.	State Bank of India	**Original Sanction Date**: September 12, 2017 **Latest Sanction Date**: October 21, 2025	Cash Credit	Working Capital requirement	₹ 370.00 million	₹ 363.24 million	12 months	8.25% EBR(1) + 3.50%	i. Pre-payment charges (on Term Loan Facility): 2.00 % of the pre-paid amount. ii. Pre-Closure charges (on Fund Based Facilities except Term Loan): 2% of the "Outstanding Amount" being taken over. However, no prepayment/pre-closure charges are to be levied where the loans are prepaid by the borrowers from internal cash accruals/ equity infusion.	Yes
2.	State Bank of India	**Original Sanction Date**: September 12, 2017 **Latest Sanction Date**: October 21, 2025	Term Loan	For Factory Building and purchase of Plant & Machinery	**Original Sanction amount**: ₹ 480.00 million **Revised Sanction Amount**: ₹ 112.64 million	₹ 27.30 million	90 monthly installments post moratorium period of 13 months after 1st disbursement or 10 months after the estimated commencement of commercial operations	8.25% (EBR(1) + 3.50%)		Yes
3.	State Bank of India	**Original Sanction Date**: March 15, 2021 **Latest Sanction Date**: October 21, 2025	Term Loan	Term loan for capex pertaining to Windmill installation	**Original Sanction amount**: ₹ 127.00 million **Revised Sanction Amount**: ₹ 62.70 million	₹ 43.21 million	87 monthly installments post moratorium period of 5 months	8.25% (EBR(1) + 3.50%)		Yes
4.	State Bank of India	**Original Sanction Date**: February 28, 2022 **Latest Sanction Date**: October 21, 2025	Term Loan	Working Capital requirement	**Original Sanction amount**: ₹ 83.60 million **Revised Sanction Amount**: ₹ 58.30 million	₹ 30.00 million	48 monthly installments post moratorium period of 24 months	8.65% (EBR(1) + 7.50%)		Yes
5.	State Bank of India	**Original Sanction Date**: April 03, 2024 **Latest Sanction Date**: October 21, 2025	Term Loan	Term loan for capex pertaining to Solar Rooftop installation	**Original Sanction amount**: ₹ 40.50 million **Revised Sanction Amount**: ₹ 38.96 million	₹ 32.07 million	114 monthly installments post moratorium period of 6 months	7.90% (EBR(1))		Yes

Sr. No.	Name of the lender	Date of facility agreement/Sanction Letter	Nature of borrowing	Purpose of borrowing	Amount sanctioned[(2)] as on July 31, 2026	Amount outstanding as on July 31, 2026	Repayment schedule/ Tenor	Interest rate as at July 31, 2026 (% p.a.)	Prepayment conditions/ penalty, if any	Whether utilized for purpose mentioned[(3)]
6.	State Bank of India	**Original Sanction Date**: July 07, 2025 **Latest Sanction Date**: October 21, 2025	Term Loan	Term loan for capex pertaining to Ground Mount Solar installation	**Original Sanction amount**: ₹ 152.80 million **Revised Sanction Amount**: ₹ 152.80 million	₹ 146.30 million	94 monthly installments post moratorium period of 6 months	8.25% (EBR[(1)] + 3.50%)		Yes
Total					**795.40**	**642.12**				

Note: In accordance with paragraph 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Statutory Auditors, by way of their certificate dated September 17, 2026, have confirmed that our Company has utilised the loans for the purposes for which they were availed.

(1) External Benchmark Rate (EBR) is Repo Rate of 5.25% + Spread other than Risk Premium of 2.65% (Source: Sanction letter dated October 21, 2025).
(2) The original sanctioned amount is revised to the outstanding principal amount as on the date of the revised sanction letter October 21, 2025.
(3) As certified by Mistry and Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) by way of their certificate dated September 17, 2026.

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3. General Corporate Purposes

The Company intends to deploy from the Net Proceeds a sum of up to ₹[●] million towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds may include, but shall not be restricted to:

- capital expenditures of our Company, including acquisition, upgradation of machinery, equipment, IT infrastructure and software;
- working capital requirements of our Company, including funding trade receivables, inventory, vendor advances and operational liquidity;
- funding growth opportunities, including strategic initiatives, partnerships, joint ventures, licensing arrangements and inorganic acquisitions;
- prepayment or repayment of borrowings of our Company, other than those proposed to be repaid from the Net Proceeds, and payment of interest and other financing costs;
- hiring, training and retention of talent, employee welfare measures and statutory employee benefit obligations;
- payment of taxes, duties, regulatory fees, statutory dues and compliance-related expenses in the ordinary course of business;
- meeting contingencies, unforeseen exigencies, and any other general, administrative or operational expenditure as approved by our Board.

The quantum of utilisation towards each of the above purposes will be determined by our Board based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law. In case of variations in actual utilisation, surplus funds under one sub-head may be redeployed towards any other sub-head above. Our management will have the discretion to revise its business plan, reschedule deployment, and increase or decrease expenditure for any particular object as circumstances may require. Any issue-related expenses shall not form part of the General Corporate Purposes allocation. We confirm that the amount utilised under this head shall not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations.

Issue related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue related expenses primarily include fees payable to the BRLMs and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs and CDPs, SCSBs' fees, Escrow Collection Bank fees, Sponsor Banks' fees, the Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The estimated Issue related expenses are as follows:

Activity	Estimated Expenses (1)	As a percentage of the total estimated Issue expenses(1)	As a percentage of the Gross Issue size (1)
	(₹ in Million)	*(%)*	*(%)*
Fees payable to Book Running Lead Manager (inclusive of underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Others including but not limited to:			
Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses;	[●]	[●]	[●]

Activity	Estimated Expenses [(1)]	As a percentage of the total estimated Issue expenses[(1)]	As a percentage of the Gross Issue size [(1)]
	(₹ in Million)	*(%)*	*(%)*
Printing and distribution of stationery;	[●]	[●]	[●]
Advertising and marketing expenses;	[●]	[●]	[●]
Fees payable to legal counsel;	[●]	[●]	[●]
Fees payable to the auditors and independent chartered accountant	[●]	[●]	[●]
Fees payable to other advisors to the Issue, including but not limited to professional service provider, industry service provider and Monitoring Agency; and	[●]	[●]	[●]
Miscellaneous expenses	[●]	[●]	[●]
Total Estimated Issue Expenses	**[●]**	**[●]**	**[●]**

Notes:

1. *Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price.*

2. *Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:*

Portion for Retail Individual Investors*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	[●]% of the Amount Allotted (plus applicable taxes)

**Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE. No additional uploading/processing charges shall be payable by our Company to the SCSBs on the Bid cum Applications Forms directly procured by them.

3. *Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above ₹ 0.50 million would be ₹* [●] *plus applicable taxes, per valid application.*
Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹ [●] million (plus applicable taxes) and in case if the total processing fees exceeds ₹ [●] million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Non-Institutional Bidders and (ii) Qualified Institutional Bidders, as applicable

4. *Selling commission of Retail Individual Bidders using the UPI mechanism and Non-Institutional Bidders which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat & bank account provided by some of the Registered Brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:*

Portion for RIBs*	[●]% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% of the Amount Allotted (plus applicable taxes)

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined:

(i) For Retail Individual Bidders and Non-Institutional Bidders, on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

(ii) For Non-Institutional Bidders (above ₹ 0.50 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member,

is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

5. ***Uploading Charges****:*

(i) payable to Members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate members);

(ii) payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ [●] per valid application (plus applicable taxes).

The selling commission and bidding charges payable to Syndicate (including their sub-Syndicate Members) will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Notwithstanding anything contained above the total uploading charges payable under this clause will not exceed overall maximum cap of ₹ [●] million (plus applicable taxes) and in case if the total uploading charges exceeds ₹ [●] million (plus applicable taxes) then processing fees will be paid on pro-rata basis for portion of (i) Retail Individual Bidders and (ii) Non-Institutional Bidders, as applicable.

6. Selling commission/ uploading charges payable to the Registered Brokers on the portion for Retail Individual Bidders (up to ₹ 200,000) procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

Portion for RIBs*	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	₹ [●] per valid application (plus applicable taxes)

** Based on valid applications*

Notwithstanding anything contained above the total Selling commission/ uploading charges payable to the Registered Brokers under this clause will not exceed overall maximum cap of ₹ [●] million (plus applicable taxes) and in case if the total Selling commission/ uploading charges exceeds ₹ [●] million (plus applicable taxes) then Selling commission/ uploading charges will be paid on pro-rata basis for portion of (i) Retail Individual Bidders and (ii) Non-Institutional Bidders, as applicable.

7. Uploading charges/ Processing fees for applications made by RIBs (up to ₹ 200,000) and Non-Institutional Bidders (for an amount more than ₹ 200,000 and up to ₹ 500,000) using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs/ Registered Brokers (uploading charges)*	₹ [●] per valid application (plus applicable taxes)
Sponsor Bank / Escrow Bank	₹ [●] processing fees for applications made by Retail Individual Investors will be Nil for each valid Bid cum application form.* The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

** The total uploading charges/ processing fees payable to members of the Syndicate, RTAs, CDPs, Registered Brokers will be subject to a maximum cap of ₹ [●] million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹ [●] million, then the amount payable to members of the Syndicate, RTAs, CDPs, Registered Brokers would be* *proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹ [●] million.*

Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers will not exceed ₹ [●] million (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●] million (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

Appraisal Report

None of the objects for which the Net Proceeds will be utilised have been financially appraised by any bank / financial institutions.

Interim use of Net Proceeds

Our Company, in accordance with the applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Fresh Issue. We confirm that we have not raised any bridge loans from any bank or financial institution as of the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, our Company will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Gross Proceeds. The Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds, and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. The Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The Company shall, for the purpose of quarterly reports to be issued by the Monitoring Agency, provide an item-by-item description for the deployment of the Gross Proceeds until utilised in full.

The Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in the balance sheet for such Fiscals as required under applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. The Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised. Further, the Company, on a quarterly basis, shall include the deployment of the Gross Proceeds, in the notes to the quarterly financial results. The Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of the Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

In accordance with Regulation 32(1) of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating category-wise deviations, if any, in the actual utilisation of the Gross Proceeds from the Objects. Pursuant to Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of the Company in accordance with Regulation 32(5) of SEBI Listing Regulations and such certification shall be provided to the Monitoring Agency.

Variation in the Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013 and applicable provisions of the SEBI ICDR Regulations, the Company shall not vary the Objects unless the Company is authorized to do so by way of a special resolution of its Shareholders through postal ballot.

The notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details in accordance with the Companies Act 2013 and applicable laws. The Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, the vernacular language of the jurisdiction where the Registered Office is situated. Further, pursuant to Sections 13(8) and 27 of the Companies Act 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not approve the variation in the Objects, in the manner specified in the Companies Act 2013 and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid to the Promoter, members of the Promoter Group, Directors, Group Companies, Key Managerial Personnel or Senior Management.

Further, there are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with the Promoter, members of the Promoter Group, Group Companies, Directors, Key Managerial Personnel or Senior Management.

(*Remainder of the page is intentionally left blank*)

BASIS FOR THE ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issue 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 Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Investors should also refer to the sections "*Risk Factors*", "*Our Business*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 242, 307 and 365 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors and our strengths which form the basis for computing the Issue Price are as follows:

1. ***Integrated semi-automated yarn manufacturing plant set up supporting a focused product portfolio***
   We operate an integrated semi-automated ring frame cotton spinning facility at which each stage of the conversion of cotton bales into finished yarn is carried out under a single roof, comprising the blow room, carding, drawing, combing, speed frame, ring spinning and winding stages, followed by packing and dispatch. Our spinning, warehousing and utility functions being housed together, cotton bales moves from bale storage through to finished yarn dispatch without inter-site transportation. This limits material handling between process stages, shortens our production lead times and permits process control to be exercised across the manufacturing cycle. For details, see "*Our Business - Manufacturing Capabilities*" and "*Our Business - Manufacturing Process*" on pages 257 and 259, respectively.

2. ***Consistent improvement in capacity utilization driven by operational efficiency.***
   Our Company has demonstrated a consistent and steady improvement in capacity utilization across our spinning facilities over the last three fiscal years, reflecting the strength of our operational processes, quality of manufacturing infrastructure, and the effectiveness of our management team in optimizing existing assets rather than relying solely on capacity expansion to drive growth. This steady increase in capacity utilisation reflects improved operational efficiency and better absorption of our fixed costs.

3. ***Strategically located Manufacturing Facility with adequate storage and scope for future expansion***
   Our Manufacturing Facility is situated on freehold land admeasuring approximately 13,137 sq. m, with a built-up area of approximately 10,575 sq. m. Its location affords us certain operational advantages in relation to raw material, logistics, labour and utilities.

   In relation to raw material, our Manufacturing Facility is situated within the Gujarat cotton belt. Gujarat is the second largest cotton producing States in India (*Source: D&B Report*) and the Shankar-6 variety, on which we principally rely, is widely available within the State. Proximity to the source of our principal raw material reduces our inbound freight cost and transit time, permits our procurement team to assess the quality of lots at the suppliers end, and enables our procurement without additional transportation charges that attach to inter-state procurement. For details, see "*Our Business - Raw Material and Our Suppliers*" on page 254.

4. ***Experienced Promoters and management team***
   We are led by our Promoters, Mr. Rahulkumar Abji Dholu, Mr. Radheshyam Parshottambhai Pokar and Mr. Patel Nilesh Kumar Babubhai, each of whom has been associated with our Company since its incorporation in March 23, 2016 and each of whom is engaged in its day-to-day management. Responsibility is divided among them by function, so that procurement, plant operations and quality on the one hand, and finance, lender relationships and strategy on the other, are separately owned at Board level.

5. ***Track record of consistent financial growth***
   Our revenue from operations increased from ₹2,223.54 million in Fiscal 2024 to ₹3,453.33 million in Fiscal 2026, representing a CAGR of 24.62%. Our EBITDA increased from ₹320.13 million in Fiscal 2024 to ₹648.16 million in Fiscal 2026, representing a CAGR of 42.29%, and our profit after tax increased from ₹99.97 million to ₹329.89 million over the same period, representing a CAGR of 81.66%. Certain of our key financial measures for the last three Fiscals are set out below:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations (₹ million)	3,453.33	2,761.83	2,223.54
EBITDA (₹ million)	648.16	539.4	320.13
EBITDA margin (%)	18.77%	19.53%	14.40%
Profit after tax (₹ million)	329.89	238.95	99.97
PAT margin (%)	9.55%	8.65%	4.50%
Return on equity (%)	29.40%	28.53%	14.93%
Return on capital employed (%)	25.80%	25.17%	13.97%
Total debt / equity	0.89	0.91	1.37

For further details, see "*Our Business – Our Strengths*" on page 247.

Quantitative Factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Financial Information. For details, see "*Financial Information*" on page 307.

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

1. **Basic and diluted earnings per Share ("EPS"), as adjusted for changes in capital**
   As derived from the Restated Financial Information of our Company:

   Weighted Average EPS:

Financial Year	Basic & Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2026	10.64	3
Financial Year ended March 31, 2025	7.71	2
Financial Year ended March 31, 2024	3.22	1
Weighted Average EPS	**8.43**	

Notes:
i. 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.
ii. Basic Earnings per Equity Share = Net profit after tax attributable to the owners of the company, as restated / weighted average no. of Equity Shares outstanding during the year.
iii. Diluted Earnings per Equity Share = Net Profit after tax attributable to the owners of the company, as restated / Weighted average no. of potential Equity Shares outstanding during the year, as adjusted to reflect the effect of all potential dilutive Equity Shares.
iv. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'

2. **Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the lower end of Price Band (number of times) *	P/E at the higher end of Price Band (number of times) *
Based on Basic and Diluted EPS for the Financial Year ended March 31, 2026	[●]	[●]

**To be computed after finalization of price band*

3. **Industry Peer Group P/E ratio**
   Based on the peer group information (excluding our Company) given below in this section are, the highest, the lowest and the industry average P/E ratio:

Industry Average	P/E Ratio (Basic EPS)	P/E Ratio (Diluted EPS)	Name of Company	Face value of Equity Shares (₹)
Highest	20.84	20.84	Shiva Texyarn Limited	10.00
Lowest	9.84	10.15	Aastha Spintex Limited	10.00
Industry average	**14.79**	**14.90**		

Source: *Based on peer set provided below.*

Notes:

i. *The industry high and low has been considered from the peers set provided later in this chapter. The industry average has been calculated as the arithmetic average of P/E of the industry peers set disclosed in this section. For further details, see para 6 "Basis for the Issue Price – "Comparison of Accounting Ratios with Listed Industry Peers" on page* 155.

ii. *P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 31, 2026 divided by the Basic/Diluted EPS sourced from financial statements of the respective company for the Fiscal ended March 31, 2026.*

4. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

Fiscal Ended	RoNW %	Weight
Financial Year ended March 31, 2026	25.62%	3
Financial Year ended March 31, 2025	24.97%	2
Financial Year ended March 31, 2024	13.92%	1
Weighted Average RoNW	**23.45%**	

Notes:

1. *Weighted average = Aggregate of year/period-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
2. *Return on Net Worth refers to the profit for the year/period attributable to equity shareholders of our Company, as restated divided by Net Worth as at end of the relevant year/period.*
3. *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, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

5. Net Asset Value per Equity Share of face value of ₹ 10 each, as adjusted for changes in capital

As derived from the Restated Financial Information of our Company:

Period	NAV per share (₹)
Financial Year ended March 31, 2026	41.54
Financial Year ended March 31, 2025	30.86
Financial Year ended March 31, 2024	23.17
After the completion of the Issue	
- At Floor Price	[●]
- At Cap Price	[●]
Issue Price per Equity Share	[●]

Notes:

i. *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

ii. *Net assets value per share (in ₹): Net Asset Value per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Outstanding Equity Shares outstanding at the end of the period/year (post effect of Bonus and Split).*

6. Comparison of accounting ratios with listed industry peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)	Basic EPS (₹)	Diluted EPS (₹)	P/E Ratio on Basic EPS	P/E Ratio on Diluted EPS	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in million)
Rudra Cottex Limited	Standalone	10.00	[●]	10.64	10.64	[●]	[●]	25.62%	41.54	3,453.33
Peer Group*										
Aastha Spintex Limited	Standalone	10.00	76.25	7.75	7.51	9.84	10.15	14.80%	50.69	4,426.43
Ambika Cotton Mills Limited	Standalone	10.00	1,711.80	125.00	125.00	13.69	13.69	7.50%	1,666.92	7,809.56
Shiva Texyarn Limited	Consolidated	10.00	164.24	7.88	7.88	20.84	20.84	14.44%	112.06	3,405.24

Source:

The financial information for our Company is based on the Restated Financial Statements as at and for the financial year ended March 31, 2026.

The financial information for listed industry peers mentioned above is sourced from the consolidated financial statements of the respective company for the financial year ended March 31, 2026, as disclosed in their respective annual reports or other regulatory filings available on their websites and Markert Price is Closing market Price as on July 31, 2026 on www.nseindia.com

Notes:

1. Basic EPS and Diluted EPS is sourced from the restated consolidated financial statements of the respective company for the Fiscal ended March 31, 2026.

2. P/E Ratio has been computed based on the closing market price of equity shares on NSE on July 31, 2026 divided by the Basic/Diluted EPS provided.

3. Return on Net Worth for equity shareholders (%) (RONW) = Profit for the year attributable to the equity shareholders of the respective company for the Fiscal 2026 divided by total net worth as at March 31, 2026.

4. Net Asset Value per share is computed as the Total Equity of the Company as on March 31,2026 divided by the outstanding number of Equity shares as on March 31, 2026 as adjusted for the effect of split and bonus.

5. Revenue from Operations has been derived from the restated consolidated financial statements of the respective company for the Fiscal ended March 31, 2026.

7. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse our business performance, which in result, help us in analysing the growth of business verticals in comparison to our peers. The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for the Issue Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 17, 2026. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by Mistry and Shah LLP, our Statutory Auditors, pursuant to a certificate dated September 17, 2026 which has been included as part of the section '*Material Contracts and Documents for Inspection*' of this Draft Red Herring Prospectus on page 463 and shall be accessible on the website of our Company from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*", and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 242 and 365 respectively.

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 Directors of our Company), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; and (b) complete utilisation of the proceeds of the Issue as disclosed in "*Objects of the Issue*" on page 119, or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below. We have also described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" on page 3.

Details of our KPIs for the Financial Year ended March 31, 2026, March 31, 2025, and March 31, 2024 is set our below:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
GAAP Measures			
Revenue from operations (₹ in million) (1)	3,453.33	2,761.83	2,223.54
Profit before Tax (₹ in million) (2)	452.97	353.59	135.92
Profit After Tax (₹ in million) (3)	329.89	238.95	99.97
Net Worth (₹ in million) (4)	1,287.70	956.80	718.41
Non-GAAP Measures			
Growth in Revenue from Operations (%) (5)	25.04%	24.21%	NA
Profit After Tax Margin (%) (6)	9.55%	8.65%	4.50%
EBITDA (₹ in million) (7)	648.16	539.40	320.13
EBITDA Margin (%) (8)	18.77%	19.53%	14.40%
EBIT (₹ in million) (9)	574.25	468.07	248.75
EBIT Margin (%) (10)	16.63%	16.95%	11.19%
RoE (%) (11)	29.40%	28.53%	14.93%
RoCE (%) (12)	25.80%	25.17%	13.97%
Debt to Equity Ratio (13)	0.89	0.91	1.37
Operating Cash Flows (₹ in million) (14)	83.38	287.92	180.87
Operational Metrics			
Installed Capacity (Spinning- in MT) (15)	9,307.50	9,307.50	9,307.50
Utilised Capacity (Spinning- in MT) (16)	8,819.90	8,644.51	5,269.12
Utilised Capacity (Spinning- in %) (17)	94.76%	92.88%	56.61%
Number of Employees (18)	178	177	135
Cotton Yarn Sales Volume (MT) (19)	10,428.97	10,213.52	4,945.21
Spindle Capacity (in numbers) (20)	27,360	27,360	27,360

Notes:

(1) Revenue from Operations means the revenue from operations as appearing in the Restated Financial Information.

(2) Profit Before Tax means profit/(loss) before tax as appearing in the Restated Financial Information including profit / (loss) from discontinued operation and exceptional items.

(3) Profit after Tax means profit / (loss) for the period/ year from continuing and discontinued operations attributable to the owners of the parent company as appearing in the Restated Financial Information.

(4) 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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(5) Growth in revenue from operations (%) is calculated as a percentage of revenue from operations of the relevant year minus Revenue from Operations of the preceding year, divided by revenue from operations of the preceding year.

(6) Profit after Tax Margin refers to the percentage margin derived by dividing profit after tax by Revenue from Operations.

(7) EBITDA is calculated as profit / (loss) before tax for the period / year plus finance costs (including interest on lease liability) and depreciation & amortization expenses minus Other Income.

(8) EBITDA Margin (%) is computed as EBITDA divided by revenue from operations.

(9) EBIT is calculated as profit / (loss) before tax for the period / year plus finance costs (including interest on lease liability) minus Other Income.

(10) EBIT Margin (%) is computed as EBIT divided by revenue from operations.

(11) Return on Equity (RoE) refers to the profit for the year/period attributable to equity shareholders of our Company divided by Average Equity attributable to owners of the parent company as at beginning and end of the relevant year/period.

(12) Return on Capital Employed (ROCE): Calculated as Earnings before Interest and Tax (EBIT) divided by Average of opening and closing Capital Employed where Capital Employed equals Total Equity + Current/Non-Current Term Borrowings including lease liability + Deferred Tax (Asset)/ Liability - Intangible Assets (including Intangible Assets under Development).

(13) Debt-equity ratio calculated as total debt (current and non-current borrowings) divided by total Equity.

(14) Net Cash Generated from Operating Activities refers to the net amount of cash inflows and outflows arising from the principal revenue-generating activities of a company during a specified period.

(15) Installed Capacity of the Spinning Division (in MT) refers to the estimated quantity of Cotton Yarn that can be produced based on the standard count of Ne 20, Carded / Compact type.

(16) Utilised Capacity of the Spinning Division (in MT) refers to the actual total quantity of Cotton Yarn produced (in MT) across various counts and types during the relevant period.

(17) Utilised Capacity of the Spinning Division (in %) is calculated by dividing the Utilised Capacity of the Spinning Division (in MT) by the Installed Capacity of the Spinning Division (in MT) and multiplying the result by 100.

(18) Nos. of Employees represents the closing headcount of permanent employees as at the end of the respective period.

(19) Cotton Yarn Sales Volume (in MT) refers to the total quantity of Cotton Yarn sold (in MT), including Cotton Yarn manufactured by the Company and Cotton Yarn sold as part of its trading activities.

(20) *Spindle Capacity (in Numbers) refers to the total number of spindles installed and available for production in the Spinning Division as at the relevant reporting date.*

Explanation for the Key Performance Indicators

KPI	Explanation
Revenue from operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Profit before Tax	The amount that remains after the Company has paid off all of its operating and non-operating expenses. It provides information regarding the profitability before tax of our Company.
Profit/ (Loss) after tax	The amount that remains after a company has paid off all of its operating and non-operating expenses and taxes. It provides information regarding the profitability of our Company.
Net Worth	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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. This is helpful in evaluating current financial standing of the Company
Growth in revenue from operations (%)	Growth in Revenue from Operations provides information regarding the growth of the business for the respective period.
Profit/ (Loss) after tax margin (%)	Percentage of the amount that remains after a company has paid off all of its operating and non-operating expenses, other liabilities and taxes. It provides information regarding the profitability of our Company.
EBITDA	Earnings before interest, tax, depreciation and amortization is calculated as the restated profit before tax for the period, finance cost, depreciation and amortization expenses less other income. EBITDA provides information regarding operational profitability and efficiency of our Company.
EBITDA Margin (%)	EBITDA Margin (%) is computed as EBITDA divided by revenue from operations. This metric helps in benchmarking the operating profitability against the historical performance of our Company.
EBIT	Earnings before interest and tax is calculated as the restated profit before tax for the period or year plus finance cost less other income.
EBIT Margin (%)	EBIT Margin (%) helps in keeping track of the operational efficiency of our company after the depreciation and amortization expenses calculated as EBIT as a percentage of revenue from operations.
RoE (%)	Return on Equity is calculated on the basis of net profit after tax divided by shareholder’s equity and is calculated by profit after tax divided by our net worth (share capital and other equity). It indicates our Company’s ability to turn equity investments into profits.
RoCE (%)	Return on Capital Employed provides us information on efficiency of our capital deployment and utilization.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.
Operating Cash Flows	Operating cash flows provides how efficiently our company generates cash through its core business activities.
Installed Capacity (Spinning-in MT)	Installed Capacity of the Spinning Division provides an indication of the production capacity and scale of operations of the Company's Spinning Division. It is useful in evaluating the Company's manufacturing capacity and potential to scale its production.
Utilised Capacity (Spinning-in MT)	Utilised Capacity of the Spinning Division provides an indication of the actual production levels achieved by the Company during the respective period. It is useful in evaluating the Company's production performance and utilisation of its manufacturing infrastructure.
Utilised Capacity (Spinning-in %)	Utilised Capacity of the Spinning Division (%) provides an indication of the extent to which the Company's installed production capacity is being utilised. It is useful in evaluating operational efficiency and capacity utilisation of the Spinning Division.
Number of Employees	Nos. of Employees provides an indication of the size of the Company's permanent human resources deployed across its operations. It is useful in evaluating the scale of the Company's operations and workforce requirements.

KPI	Explanation
Cotton Yarn Sales Volume (MT)	Cotton Yarn Sales Volume provides an indication of the volume of Cotton Yarn sold by the Company during the respective period. It is useful in evaluating the Company's sales performance, market demand and scale of its Cotton Yarn business.
Spindle Capacity (in numbers)	Spindle Capacity provides an indication of the installed production infrastructure and scale of the Company's spinning operations. It is useful in evaluating the Company's production capacity and potential for future growth in spinning operations.

For further details on the Key Performance Indicators, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 369.

8. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Bidders are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

9. Comparison of our key performance indicators with listed industry peers

Set forth below is a comparison of our KPIs with our peer group companies, which have been determined on the basis of companies listed on Indian stock exchanges, operating in the similar industry segments, having business profile comparable to our business in terms of our size, scale and business model:

Particulars	Fiscal 2026			
	Rudra Cottex Limited	Aastha Spintex Limited	Ambika Cotton Mills Limited	Shiva Texyarn Limited
GAAP Measures				
Revenue from operations (₹ in million)	3,453.33	4,426.43	7,809.56	3,405.24
Profit before Tax (₹ in million)	452.97	338.45	961.93	134.84
Profit After Tax (₹ in million)	329.89	237.36	715.65	209.79
Net Worth (₹ in million)	1,287.70	1,603.92	9,543.14	1,452.62
Non-GAAP Measures				
Growth in Revenue from Operations (%)	25.04%	26.05%	11.24%	5.52%
Profit After Tax Margin (%)	9.55%	5.36%	9.16%	6.16%
EBITDA (₹ in million)	648.16	553.71	1,141.96	340.64
EBITDA margins (%)	18.77%	12.51%	14.62%	10.00%
EBIT (₹ in million)	574.25	410.46	936.34	195.78
EBIT Margin (%)	16.63%	9.27%	11.99%	5.75%
RoE(%)	29.40%	16.87%	7.70%	14.94%
RoCE (%)	25.80%	16.46%	9.54%	7.92%
Debt Equity Ratio	0.89	0.67	-	0.48
Operating Cash Flows (₹ in million)	83.38	53.64	2,282.54	497.92
Operational Metrics				

Particulars	Fiscal 2026			
	Rudra Cottex Limited	Aastha Spintex Limited	Ambika Cotton Mills Limited	Shiva Texyarn Limited
Installed Capacity (Spinning- in MT)	9,308	17,457.00	NA	NA
Utilised Capacity (Spinning- in MT)	8,820	NA	NA	2,994.11
Utilised Capacity (Spinning- in %)	94.76%	NA	NA	NA
Number of Employees	178	212	1,511	1,430
Cotton Yarn Sales Volume (MT)	10,428.97	NA	10,546.00	3,103.74
Spindle Capacity (in numbers)	27,360	25,920	1,14,336	52,416

Note:
1. All the financial information for listed industry peers mentioned above is on a standalone or consolidated basis as applicable and is sourced from the annual report, prospectus, or audited financial statements of the respective company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 as available on the website of the company.
2. All metrics are calculated to the extent ascertainable using publicly disclosed information as on date of this Draft Red Herring Prospectus.

Particulars	Fiscal 2025			
	Rudra Cottex Limited	Aastha Spintex Limited	Ambika Cotton Mills Limited	Shiva Texyarn Limited
GAAP Measures				
Revenue from operations (₹ in million)	2,761.83	3,511.60	7,020.70	3,227.07
Profit before Tax (₹ in million)	353.59	320.87	911.87	97.38
Profit After Tax (₹ in million)	238.95	229.16	657.42	120.63
Net Worth (₹ in million)	956.80	1,210.52	9,040.56	1,356.68
Non-GAAP Measures				
Growth in Revenue from Operations (%)	24.21%	15.19%	-14.74%	-3.75%
Profit After Tax Margin (%)	8.65%	6.53%	9.36%	3.74%
EBITDA (₹ in million)	539.40	498.61	1,033.18	334.12
EBITDA margins (%)	19.53%	14.20%	14.72%	10.35%
EBIT (₹ in million)	468.07	418.09	808.77	190.57
EBIT Margin (%)	16.95%	11.91%	11.52%	5.91%
RoE(%)	28.53%	23.21%	7.46%	9.32%
RoCE (%)	25.17%	21.41%	8.33%	7.60%
Debt Equity Ratio	0.91	0.79	0.06	0.73
Operating Cash Flows (₹ in million)	287.92	(181.34)	1,290.50	133.36
Operational Metrics				
Installed Capacity (Spinning- in MT)	9,307.50	7,700.00	NA	NA
Utilised Capacity (Spinning- in MT)	8,644.51	7,436.00	NA	3,313.05
Utilised Capacity (Spinning- in %)	92.88%	96.57%	NA	NA
Number of Employees	177	NA	1,771	1,608
Cotton Yarn Sales Volume (MT)	10,213.52	6,965.00	8,942.00	3,329.92
Spindle Capacity (in numbers)	27,360	25,920	1,08,288	52,416

Note:
1. All the financial information for listed industry peers mentioned above is on a standalone or consolidated basis as applicable and is sourced from the annual report, prospectus, or audited financial statements of the respective company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 as available on the website of the company.
2. All metrics are calculated to the extent ascertainable using publicly disclosed information as on date of this Draft Red Herring Prospectus.

Particulars	Fiscal 2024			
	Rudra Cottex Limited	Aastha Spintex Limited	Ambika Cotton Mills Limited	Shiva Texyarn Limited
GAAP Measures				
Revenue from operations (₹ in million)	2,223.54	3,048.62	8,234.60	3,352.77
Profit before Tax (₹ in million)	135.92	212.27	852.47	-138.15
Profit After Tax (₹ in million)	99.97	162.88	629.74	-107.67

Particulars	Fiscal 2024			
	Rudra Cottex Limited	Aastha Spintex Limited	Ambika Cotton Mills Limited	Shiva Texyarn Limited
Net Worth (₹ in million)	718.41	763.78	8,588.94	1,231.78
Non-GAAP Measures				
Growth in Revenue from Operations (%)	NA	27.42%	-2.84%	-18.40%
Profit After Tax Margin (%)	4.50%	5.34%	7.65%	-3.21%
EBITDA (₹ in million)	320.13	371.96	1,092.67	75.13
EBITDA margins (%)	14.40%	12.20%	13.27%	2.24%
EBIT (₹ in million)	248.75	309.27	815.64	-73.18
EBIT Margin (%)	11.19%	10.14%	9.91%	-2.18%
RoE(%)	14.93%	23.88%	7.52%	-8.37%
RoCE (%)	13.97%	19.80%	9.08%	-3.87%
Debt Equity Ratio	1.37	1.08	0.10	0.78
Operating Cash Flows (₹ in million)	180.87	129.31	(1,377.55)	24.20
Operational Metrics				
Installed Capacity (Spinning- in MT)	9,307.50	7,700.00	NA	NA
Utilised Capacity (Spinning- in MT)	5,269.12	7,361.00	NA	6,101.52
Utilised Capacity (Spinning- in %)	56.61%	95.60%	NA	NA
Number of Employees	135	NA	1,802	1,614
Cotton Yarn Sales Volume (MT)	4,945.21	8,466.00	12,167.00	6,291.43
Spindle Capacity (in numbers)	27,360	25,920	1,08,288	52,416

Note:
1. All the financial information for listed industry peers mentioned above is on a standalone or consolidated basis as applicable and is sourced from the annual report, prospectus, or audited financial statements of the respective company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 as available on the website of the company.
2. All metrics are calculated to the extent ascertainable using publicly disclosed information as on date of this Draft Red Herring Prospectus.

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

10. Weighted Average Cost of Acquisition

a. The price per share of our Company based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Except as stated below, there has been no issuance of Equity Shares or convertible securities or the ESOP Scheme or issuance of Equity Shares pursuant to a bonus issue, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 day.

Date of allotment	Number of Equity shares	Nature of allotment	Face value	Issue Price	Nature of Consideration	Total Consideration (₹ in million)
May 15, 2026	55,15,000	Allotment of Equity Shares on Preferential Basis	10	34.00	Cash	187.51

Note: For further details, see "Capital Structure" on page 80, to have a more informed view.

b. The price per share of our Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group or other Shareholders of our Company with rights to nominate directors during the 18 months preceding the date of filing of the this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group or other Shareholders of our Company with rights to nominate directors during the 18 months preceding the date of filing of the this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c. Based on the above transactions, below are the details of the weighted average cost of acquisition, as compared to the Floor Price and the Cap Price:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (i.e., ₹ [●])*	Cap Price (i.e., ₹ [●])*
WACA of Primary Transactions	34.00	[●]	[●]
WACA of Secondary Transactions	Not applicable	[●]	[●]

**To be updated at Prospectus stage*

d. Detailed explanation for Issue Price/ Cap Price being [●] times of weighted average cost of acquisition of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for Financial Year ended 2026, 2025 and 2024

[●]*

**To be included on finalisation of Price Band*

e. Explanation for the Issue Price/ Cap Price, being [●] times of weighted average cost of acquisition of primary issuances/secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Issue

[●]*

**To be included on finalisation of Price Band*

f. Justification of the Cap Price

[●]*

**To be included on finalisation of Price Band*

11. The Issue Price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of 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*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 242, 307 and 365 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 24 and you may lose all or part of your investments.

(Remainder of this page has been intentionally left blank)

STATEMENT OF SPECIAL TAX BENEFITS

Date: September 17, 2026

To,
The Board of Directors,
Rudra Cottex Limited,
(Formerly Rudra Cottex Private Limited)
403, Satyamev Eminence, B/S. Saptak Bungalows,
Science City Road, Sola, Ahmedabad,
Gujarat, India, 380060
`

Re: **Proposed initial public offering of upto 1,25,00,000 equity shares face value of ₹ 10/- each (the "Equity Shares") of Rudra Cottex Limited, (*formerly Rudra Cottex Private Limited*) (the "Company", and such offering, the "Issue").**

Dear Sir/Madam,

1. We, Mistry & Shah LLP, Chartered Accountants are the Statutory Auditor of the Company ("**Us**" or "**Firm**"). We hereby confirm the enclosed statement in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under Income-tax Act, 1961 ('**Act**') presently in force in India viz. the Act, the Income-tax Rules, 1962 as amended by Finance Act, 2026 ('**Rules**') and Income Tax Act, 2025 as amended by Finance Act, 2026 and Income Tax Rules, 2026 i.e. applicable for Tax Year 2026-27 (collectively hereafter referred to as the "Direct Tax Laws"), and Taxation and Other Laws (Amendment) Bill 2026, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2026, i.e., applicable for the Tax Year 2026-27, , presently in force in India and the Foreign Trade Policy 2023 vide Notification No. 1/2023 dated 31 March 2023, presently in force in India (collectively referred as "Indirect Tax Laws").

   Several of these benefits are dependent on the Company, and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, and its shareholders face in the future, the Company, and its shareholders may or may not choose to fulfil.

   The IT Act, the GST Act, FEMA Act, Customs Act and Tariff Act, as defined above, are collectively referred to as the "Tax Laws".

2. This statement of possible special tax benefits is required as per Schedule VI Part A(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("**SEBI ICDR Regulations**"). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under taxation laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, and its shareholders and do not cover any general tax benefits available to them.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

6. The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the

responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, investors are advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the Equity Shares of the Company and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

7. We do not express any opinion or provide any assurance whether:
   - The Company and its shareholders will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

8. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") (the "**Guidance Note**"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control ("**SQC**") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. 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. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

11. This Statement is addressed to Board of directors and has been issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of Equity Shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment/modification to provisions of the applicable laws may have an impact on the views contained in the statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

12. This certificate may be relied on by the Book Running Lead Manager, its Affiliates and the legal counsel in relation to the Issue and to assist the Book Running Lead Manager in the context of due diligence procedures that the Book Running Lead Manager has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Issue.

13. All capitalized terms not defined herein bear the meaning ascribed to them in the Issue Documents.

14. This certificate is addressed to Board of Directors and BRLM and issued at specific request of the Company for submission to the BRLM to assist them in conducting their due-diligence and documenting their investigations of the affairs of the Company in connection with the proposed Offer.

For and on behalf of
Mistry & Shah LLP

Chartered Accountants
Firm Registration Number: W100683

CA Ketan Mistry
Partner
Membership Number: 112112
UDIN: 26112112FAJYNL4309
Place: Ahmedabad
Date: September 17, 2026

Encl: Annexures I

CC to:

Legal Counsel to the Issue
Chitale Legal,
5th Floor, Nirlon House,
Annie Besant Road, Worli,
Mumbai - 400030, Maharashtra, India.

ANNEXURE 1

Statement of Tax Benefits

Statement of Possible Special Tax Benefits available to the Company and its Shareholders under the applicable Direct and Indirect Taxes ("Tax Laws")

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE TAX LAWS:

A. Possible special tax benefits available to the Company:

1) **Benefit of lower corporate tax rate:**

Section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 ("**the Amendment Act, 2019**") w.e.f. April 1, 2020 (AY 2020-2021) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% *plus* surcharge of 10% and *cess* of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.).

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("**MAT**") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

Further, Income-tax Act, 2025, has been enacted with effect from April 1, 2026, and section 115BAA of the erstwhile Income-tax Act, 1961 has been replaced by a similar section 200 under the Income-tax Act, 2025 and section 115JB of the erstwhile Income-tax Act, 1961 has been replaced by a similar section 206 under the Income-tax Act, 2025.

The Company has opted for concessional rate under section 115BAA of the IT Act from FY 2019-20 onwards. From AY 2020-21 to AY 2026-27, the Company has followed Section 115BAA of the Income Tax Act, 1961, and from Tax Year 2026-27 onwards, the Company shall follow Section 200 of the Income Tax Act, 2025.

2) **Deductions from Gross Total Income in respect of employment of new employees:**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction under section 80JJAA of the Act is available even if the Company opts for concessional tax rate under section 115BAA of the Act, subject to fulfilment of conditions laid down under the provisions of section 80JJAA of the Act.

Further, Income-tax Act, 2025, has been enacted with effect from April 1, 2026, and section 80JJAA of the erstwhile Income-tax Act, 1961 has been replaced by a similar section 146 under the Income-tax Act, 2025. The Company is entitled to claim a deduction of an amount equal to 30% of additional employee cost (as defined u/s 80JJAA of the Act) incurred in the course of business in the previous year for three consecutive assessment years including the assessment year relevant to the previous year in which such employment is provided to the additional employees under section 80JJAA of the Act.

3) **State Incentives -Gujarat Textile Policy**:

As per Gujarat Textile Policy 2012, the Gujarat Government has provided VAT incentives to textile units to the extent of eligible investment in plant and machinery as per the policy. Further, post GST implementation, Government of Gujarat Industries and Mines Department has issued GR stating that the VAT incentives will be replaced by SGST incentives. Basis the above, the Company has received the eligibility certificate for Vat/SGST Concession for the period of eight years from 01 January 2018 to 31 December 2025, subject to specified terms and conditions. Further, vide resolution dated 29 October 2022 and 13 January 2026, the Gujarat Government has provided an extension for utilisation of State Goods and Services Tax amount by two years from the date of expiry of their Eligibility Certificate to all units registered under Gujarat Textile Policy 2012 and having eligibility certificate on 01 April 2020 and receiving benefits. Accordingly, the eligibility period is extended till 31 December 2027.

B. Possible Special tax benefits available to Shareholders:

1) The possible special tax benefits available to Shareholders are: (i) Long-term capital gains arising from transfer of inter alia an equity share exceeding INR 125,000 shall be taxed at 12.5% plus applicable surcharge and cess (without benefit of indexation) under section 112A of the Act of such capital gains subject to fulfilment of prescribed conditions. Further, in respect of non-resident shareholder foreign exchange rate fluctuation as per first proviso to section 48 of the Act shall not be available if capital gains are taxable under section 112 or 112A of the Act. Short-term capital gains arising from transfer of inter alia an equity share shall be taxed at 20% plus applicable surcharge and cess under section 111A of the Act subject to fulfilment of prescribed conditions. (ii) Availment of the beneficial tax rates on capital gains or dividends under applicable double taxation avoidance agreements (DTAA) if the shareholder in Non-resident. (iii) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident is resident. (iv) In respect of dividend, it is taxable in the hands of shareholders. For residents, it is taxed at applicable slab rates with a limited deduction under Section 57 (restricted to interest expense on loans taken to invest in dividend-yielding instruments up to 20% of such dividend income); for non-residents, it is subject to TDS at 20% (plus surcharge and cess) or a lower rate as per the relevant DTAA.

2) Further, Income-tax Act, 2025, has been enacted with effect from April 1, 2026, and Sections 112, 112A and 111A of the erstwhile Income-tax Act, 1961 has been replaced by similar Sections 197, 198 and 196 under the Income-tax Act, 2025 respectively.

NOTES:

1. The above statement of special tax benefits sets out the provisions of the Direct Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

4. This statement is intended only 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 tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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

For and on behalf of
Mistry & Shah LLP
Chartered Accountants
Firm Registration Number: W100683

CA Ketan Mistry
Partner
Membership Number: 112112
UDIN: 26112112FAJYNL4309
Place: Ahmedabad
Date: September 17, 2026

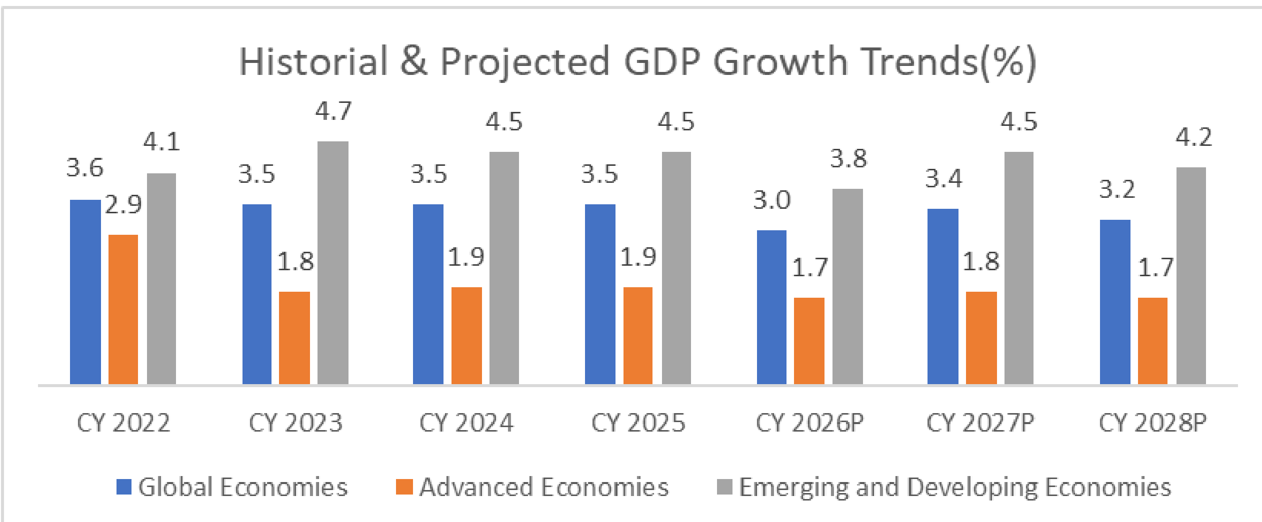
INDUSTRY OVERVIEW

Global Macroeconomic Scenario

Global Economic Overview

The global economy continues to demonstrate resilience despite ongoing geopolitical uncertainties, supply chain disruptions and evolving monetary policy conditions across major economies. According to the International Monetary Fund ("**IMF**"), global economic growth grew at 3.5% in CY2025. The global economy is navigating a period characterized by the interplay of geopolitical uncertainty and accelerating technological transformation. While ongoing geopolitical tensions continue to create challenges for global trade, energy markets, and supply chains, rapid advancements in artificial intelligence (AI), automation, cloud computing, advanced manufacturing, and digital infrastructure are supporting productivity gains and investment activity across major economies.

Despite the economic disruptions arising from regional conflicts, the impact on global growth has thus far been more contained than initially anticipated. Inflation expectations, financial conditions, and commodity markets have remained relatively resilient, allowing economic activity to continue expanding. Looking ahead, technological innovation, digitalization, and evolving supply-chain strategies are expected to remain key structural drivers shaping medium-term global growth prospects.



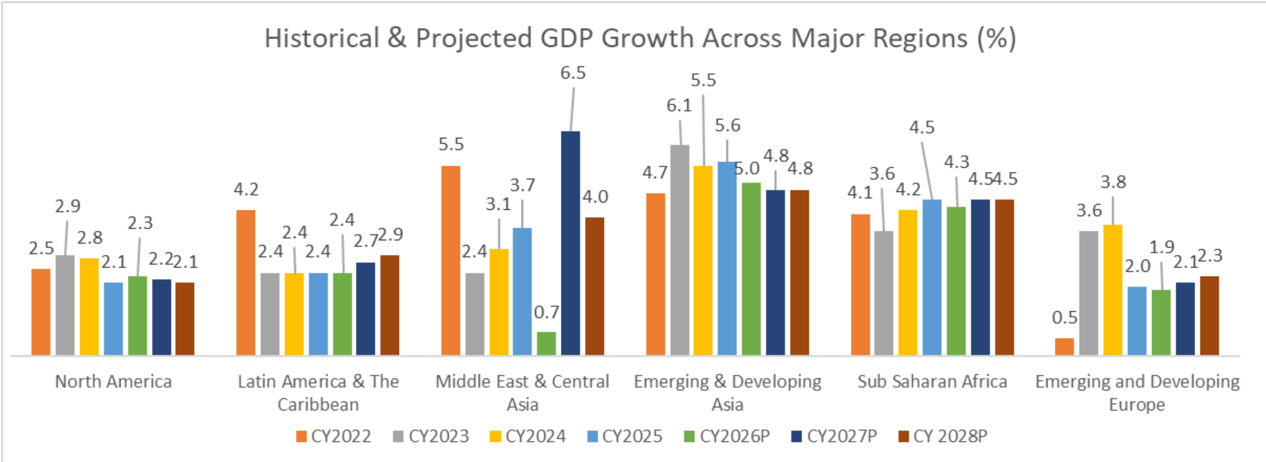
Source – IMF Global GDP Forecast Release, July 2026[1]

Note: Data till CY2027 are sourced from the IMF's July 2026 World Economic Outlook (WEO) Update. The CY2028 data are sourced from the IMF World Economic Outlook Database.[2]

Regional GDP Growth

The chart highlights significant divergence in economic growth trajectories across major regions during CY2022-CY2028P. While Emerging & Developing Asia continues to lead global growth, regions such as the Middle East & Central Asia exhibit higher volatility due to geopolitical and commodity-related factors. Meanwhile, North America, Latin America, and Sub-Saharan Africa are expected to display relatively stable growth patterns over the forecast period

[1] https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf
[2] https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD



Source – IMF Global GDP Forecast Release, July 2026[3]

Note: Data till CY2027 are sourced from the IMF's July 2026 World Economic Outlook (WEO) Update. The CY2028 data are sourced from the IMF World Economic Outlook Database.[4]

North America- Stable and Mature Growth Profile:
North America is expected to maintain a steady growth trajectory, with GDP growth moderating from 2.5% in CY2022 to around 2.1-2.3% during CY2024-CY2028 P. The region benefits from resilient consumer spending, strong labour markets, and ongoing investments in technology and digital infrastructure. Although growth is lower than emerging markets, the consistency reflects the maturity and resilience of its economic structure.

Latin America & Caribbean- Gradual Stabilization:
Growth in Latin America & the Caribbean is projected to normalize after a strong 4.2% expansion in CY2022, settling between 2.4% and 2.9% through CY2028P. The moderation reflects tighter monetary conditions and slower global demand; however, improving domestic consumption, easing inflationary pressures, and commodity sector support are expected to sustain moderate economic expansion across the region.

Middle East & Central Asia- Sharp Volatility Followed by Recovery:
The Middle East & Central Asia region displays the most pronounced fluctuations among all regions. Growth rises from 2.4% in CY2023 to 3.7% in CY2025, before plunging to 0.7% in CY2026F, reflecting geopolitical disruptions, energy market uncertainty, and trade route constraints. A strong rebound is expected thereafter, with growth surging to 6.5% in CY2027 before normalizing to 4.0% in CY2028P, supported by recovery in energy production, infrastructure investments, and normalization of regional trade.

Emerging & Developing Asia- Global Growth Engine
Emerging & Developing Asia continues to outperform all major regions, maintaining growth above 4.5% throughout the period. After peaking at 6.1% in CY2023, growth is projected to stabilize between 4.8% and 5.6% during CY2024-CY2028P. Strong domestic demand, expanding manufacturing capabilities, infrastructure investments, digital transformation initiatives, and favourable demographics continue to position the region as the primary contributor to global economic growth. India and Southeast Asian economies are expected to remain key growth drivers.

Sub-Saharan Africa-Consistent Growth Momentum:
Sub-Saharan Africa demonstrates a relatively stable growth outlook, improving from 3.6% in CY2023 to around 4.3-4.5% during CY2026-CY2028P. Economic activity is supported by urbanization, demographic growth, infrastructure development, and recovery in commodity-related sectors. Despite external risks and fiscal challenges in certain economies, the region is expected to maintain steady medium-term growth momentum.

Emerging & Developing Europe- Recovery After Sharp Slowdown:
Emerging & Developing Europe experienced a significant slowdown from 3.8% in CY2023 to just 0.5% in CY2022, reflecting

[3] https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf
[4] https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

the lingering impact of geopolitical tensions and energy market disruptions. Growth subsequently recovered to 3.6% in CY2023, before moderating and stabilizing around 2.0-2.3% during CY2025-CY2028P. Continued geopolitical uncertainty and energy dependency are expected to constrain growth, although improved trade activity and fiscal support measures provide some stabilization.

Trade and Commodity Market Trends

Commodity markets continue to operate in a high-price environment. Energy prices remain significantly above pre-conflict levels, with the IMF projecting average crude oil prices of approximately US 89 per barrel in CY2026, representing a year-on-year increase of around 32%, while natural gas prices are forecast to rise by roughly 22%. Elevated energy costs are also expected to push fertilizer prices up by approximately 26% and food prices by about 8%, reflecting higher transportation and production costs.

Global trade activity is expected to moderate in the near term, with world trade volume growth projected to decline from 5.0% in CY2025 to 3.5% in CY2026, before recovering to 4.3% in CY2027 as supply-chain conditions improve and demand stabilizes.

Global Economic Outlook[5]

According to the IMF, global GDP growth is projected at **3.0% in CY2026** and **3.4% in CY2027**, compared with an average growth rate of approximately **3.5% during CY2024-CY2025**. Growth in advanced economies is projected at 1.7% in 2026 and 1.8% in 2027, with the overall impact of the Middle East conflict remaining relatively contained compared with emerging market and developing economies. Net energy exporters are partly cushioned by favourable terms-of-trade effects, while net energy importers face greater pressure from higher energy prices. In **the United States**, growth is projected at 2.3% in 2026 and 2.2% in 2027, supported by fiscal policy, accommodative financial conditions, continued technology-related investment and productivity strength. The impact of the Middle East conflict is expected to remain limited given the United States' position as a net energy exporter. In **the euro area**, growth is projected at 0.9% in 2026 and 1.2% in 2027, with higher energy prices, weak consumer confidence and soft underlying momentum weighing on activity.

In **emerging market and developing economies**, growth is projected to slow to 3.8% in 2026 before recovering to 4.5% in 2027. The outlook varies across economies, reflecting differences in commodity dependence, geographic exposure, remittances and tourism receipts, sensitivity to financial conditions, and positioning within the global technology value chain. China's growth is projected at 4.6% in 2026, as higher global oil prices, prolonged uncertainty and structural headwinds are expected to weigh on activity. India remains among the fastest-growing major economies, with growth projected at 6.4% in 2026, supported by strong momentum in private consumption and services activity. Malaysia's economy is projected to grow by 4.7% in 2026, benefiting from data center activity and an upturn in the global technology cycle. Thailand's growth forecast has been revised upward by 0.4 percentage point to 1.9%, supported by emergency fiscal measures, robust technology-related exports and investment. Vietnam's 2026 growth projection has also been revised upward by 0.4 percentage point to 7.5%, driven by stronger-than-expected technology exports and robust domestic demand. By contrast, small island developing states are expected to experience slower growth due to higher energy costs, weaker tourism and lower remittance inflows.

In the **Middle East and Central Asia**, growth is projected to drop sharply to 0.7% in 2026 before rebounding to 6.5% in 2027, representing a downward revision of 1.2 percentage points for 2026 and an upward revision of 1.9 percentage points for 2027. The outlook reflects a longer closure of the Strait of Hormuz than previously assumed and the resulting larger rebound. Iraq, Kuwait and Qatar, among the commodity producers most affected by disruptions to energy output and transportation, are projected to experience sharp economic contractions in 2026, followed by double-digit expansions in 2027. Saudi Arabia is expected to be relatively less affected due to its more diversified export routes, with growth projected at 1.7% in 2026 and 5.5% in 2027. Iran's 2026 growth forecast has been revised upward by 0.7 percentage point to –5.4%, reflecting stronger-than-expected oil exports and some relaxation of export restrictions, while its 2027 forecast has been revised downward by 0.3 percentage point. Commodity importers in the Middle East and North Africa are expected to remain relatively resilient despite higher energy and food prices, while economies in the Caucasus and Central Asia continue to benefit from favourable economic conditions and growth prospects.

In **Emerging and Developing Europe**, growth is expected to remain restrained at around 2.0%, reflecting subdued economic activity and continued geopolitical and energy-related pressures. Russia's growth is projected at 1.1%, with stronger export revenues, partly driven by higher commodity prices, providing some support to the economy. However, the outlook remains challenging for energy-intensive economies and countries dependent on fossil fuel imports, as higher energy prices continue to

[5] https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf

weigh on economic activity. These pressures are partly offset by the positive impact of increased defense spending, which is supporting economic activity across parts of the region.

Key factors impacting Global Macroeconomic landscape

Geopolitical tensions remain one of the most significant sources of macroeconomic uncertainty. Ongoing conflicts continue to influence commodity prices, transportation networks, and trade flows, contributing to elevated energy costs and inflationary pressures. While baseline projections assume a gradual normalization of global energy and logistics conditions, further disruptions remain a key downside risk.

Trade fragmentation and supply-chain diversification are becoming increasingly important. Higher tariffs, geopolitical tensions and policy uncertainty are encouraging companies to diversify sourcing, regionalize production networks and strengthen supply-chain resilience. The resulting shift toward nearshoring, friend-shoring and multi-sourcing is increasing the strategic importance of supply-chain redundancy, even where this involves higher operating costs.

In **Global Trade and Commodity Markets,** Commodity prices remain elevated, with energy prices around 25% above pre-war levels. The IMF projects the average petroleum spot price index at USD 89 per barrel in 2026 and natural gas prices at USD 15, corresponding to increases of 32% for crude oil and 22% for natural gas compared with 2025. Fertilizer prices are projected to rise by 26%, while food prices are expected to increase by 8%, reflecting higher energy, fertilizer and transportation costs. World trade volume growth is projected to slow from 5.0% in 2025 to 3.5% in 2026, before recovering to 4.3% in 2027.

Technology adoption and sustainability are becoming core strategic priorities. Rapid advances in artificial intelligence, cloud computing, automation, data centres and digital infrastructure are supporting technology-related investment and productivity growth. At the same time, rising electricity demand from digital infrastructure is increasing the importance of energy efficiency, advanced cooling systems, grid reliability and renewable-energy integration. The IMF identifies continued technology-related business investment and productivity strength as an important support to US growth, while the IEA highlights the growing role of rare-earth-dependent technologies such as AI data centres, electric vehicles, wind turbines and advanced industrial equipment.

Critical-mineral supply concentration is becoming a strategic economic risk. Rare-earth supply chains remain highly concentrated, particularly for magnet rare earths used in electric vehicles, wind turbines, industrial motors, AI data centres and defence applications. According to the IEA's latest 2026 assessment, China continues to dominate the global rare earth supply chain, accounting for around 60% of global mined production of magnet rare earths, more than 90% of refined output, and almost 95% of permanent magnet production[6].

India Macroeconomic Analysis

The global economy is expected to navigate a more challenging environment as it enters CY 2026. According to the IMF's World Economic Outlook (April 2026), global growth is projected to moderate from **3.4% in CY 2025 to 3.1% in CY 2026**, reflecting weaker economic momentum across several major economies, persistent geopolitical uncertainties, and the lingering effects of global trade disruptions. Growth in advanced economies remains subdued, with the United States expected to expand at a modest pace of around **2.3% in CY 2026**, while China is projected to witness a gradual slowdown to **4.4% in CY 2026 and 4.0% thereafter**, highlighting structural challenges in the world's second-largest economy.

Country	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026 P	CY 2027 P	CY 2028P
India[7]	–5.8%	9.7%	7.6%	9.2%	7.1%	7.7%	6.4%	6.7%	6.5%
China	2.3%	8.6%	3.1%	5.4%	5.0%	5.0%	4.6%	4.1%	4.0%
United States	-2.2%	6.1%	2.5%	2.9%	2.8%	2.1%	2.3%	2.2%	2.1%
Japan	-4.2%	2.7%	0.9%	1.4%	-0.2%	1.1%	0.6%	0.7%	0.6%
United Kingdom	-10.3%	8.6%	4.8%	0.4%	1.0%	1.4%	1.0%	1.3%	1.6%

[6] https://www.iea.org/news/new-projects-partnerships-and-policies-are-needed-to-address-supply-chain-risks-for-rare-earth-elements

Russia	-2.7%	5.9%	-1.4%	4.1%	4.9%	1.0%	1.1%	1.1%	1.0%
Germany	-4.1%	3.9%	1.8%	-0.9%	-0.5%	0.2%	0.7%	1.0%	1.2%

Source: World Economic Outlook, July 2026[8]

Note: The data presented till CY 2027P are taken from the IMF's July 2026 World Economic Outlook (WEO) and the CY2028 data are sourced from the IMF World Economic Outlook Database.[9]

Growth across major economies is expected to remain mixed. The United States is projected to grow by 2.3% in CY 2026 and 2.2% in CY 2027, while China is expected to expand by 4.6% in CY 2026 and 4.1% in CY 2027. Among other major economies, Germany is projected to grow by 0.7% in CY 2026 and 1.0% in CY 2027, while Japan is expected to expand by 0.6% and 0.7%, respectively. The United Kingdom is projected to grow by 1.0% in CY 2026 and 1.3% in CY 2027, while Russia is forecast to grow by 1.1% in both years. Against this backdrop, India continues to stand out as one of the fastest-growing major economies globally. The IMF projects India's growth at 7.7% in CY 2025, 6.4% in CY 2026, 6.7% in CY 2027 and 6.5% in CY 2028.

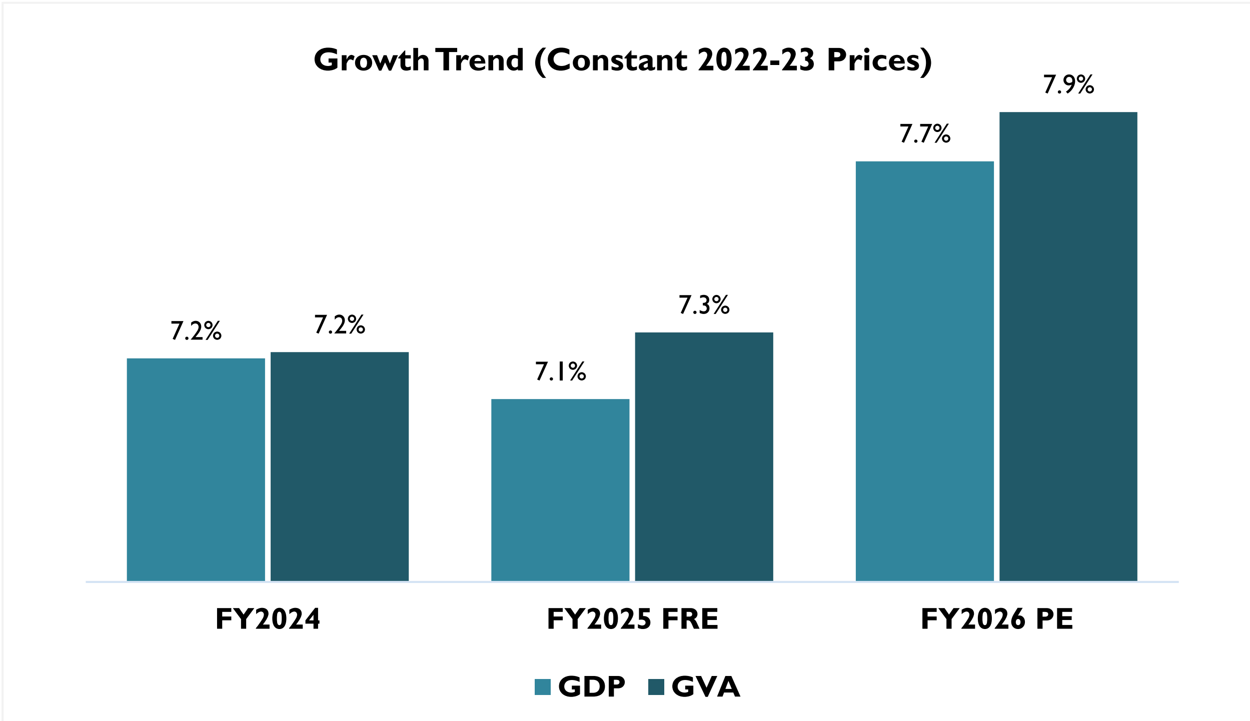
India's growth trajectory is underpinned by a broad-based expansion across key sectors of the economy. The country's large domestic market, favourable demographics, increasing urbanization, growing middle-income population and expanding industrial base continue to support economic activity. In addition, structural reforms, infrastructure development initiatives and efforts to strengthen domestic manufacturing capabilities have contributed to enhancing India's long-term growth potential.

India GDP & GVA Growth Trend

India's macroeconomic setting in FY 2026 is broadly expansionary, providing a supportive demand and supply environment for the cotton yarn sector, even as input-cost inflation, a sharply weaker rupee, and a contraction in wearing-apparel factory output create operating pressure. Real GDP is estimated to have expanded by **7.7%** in FY 2025-26, driven by accelerating private consumption, sustained investment, and a broad-based manufacturing recovery. As per Provisional Estimates, India Real GDP (GDP at constant prices) for FY 2025–26 is estimated to reach INR 323.12 trillion, compared to the First Revised Estimate (FRE) of INR 299.89 trillion for FY 2024–25. This represents a growth rate of 7.7% in 2025–26, higher than the 7.1% growth recorded in 2024–25.

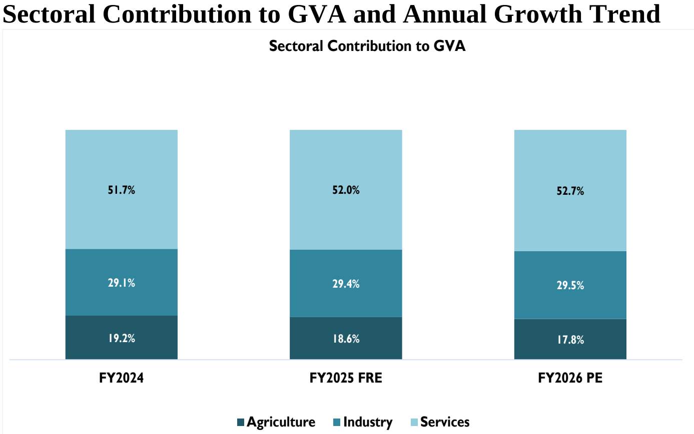
Similarly, Real GVA for FY 2025–26 is estimated to reach INR 294.91 trillion, up from INR 273.36 trillion in FY 2024–25. This indicates a growth rate of 7.9%, compared with the 7.3% growth achieved in the previous year.

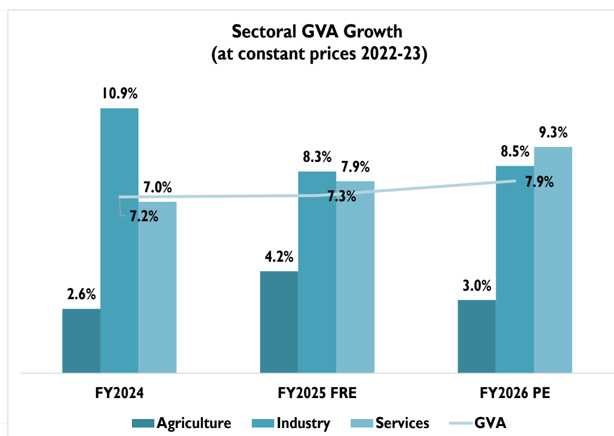
[8] https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf
[9] https://www.imf.org/external/datamapper/ngdp_rpch@weo/oemdc/advec/weoworld



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics: FY2025,
FRE is First Revised Estimate; PE is Provisional Estimates

Sectoral Contribution to GVA and Annual Growth Trend





Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook
FRE is First Revised Estimate; PE is Provisional Estimates[10]

Sectoral analysis of GVA reveals that the industrial sector experienced steady growth momentum in FY 2026, recording a 7.9% y-o-y growth against 7.3% year-on-year growth in FY 2025. Within the industrial sector, Manufacturing gross value added (GVA) grew by 10.7% in FY 2025-26, reinforcing a strong demand pipeline for intermediate fibres across apparel, technical textiles, and nonwovens. However, growth in mining and construction activities moderated to 5.15%, and 7.36%, respectively in FY 2026, compared to 11.69%, and 7.30% in FY 2025. Growth in the utilities sector too moderated to 1.74% in FY 2026 from 2.87% in the previous year. The industrial sector's contribution to GVA increased marginally from 29.4% in FY 2025 to 29.5% in FY 2026.

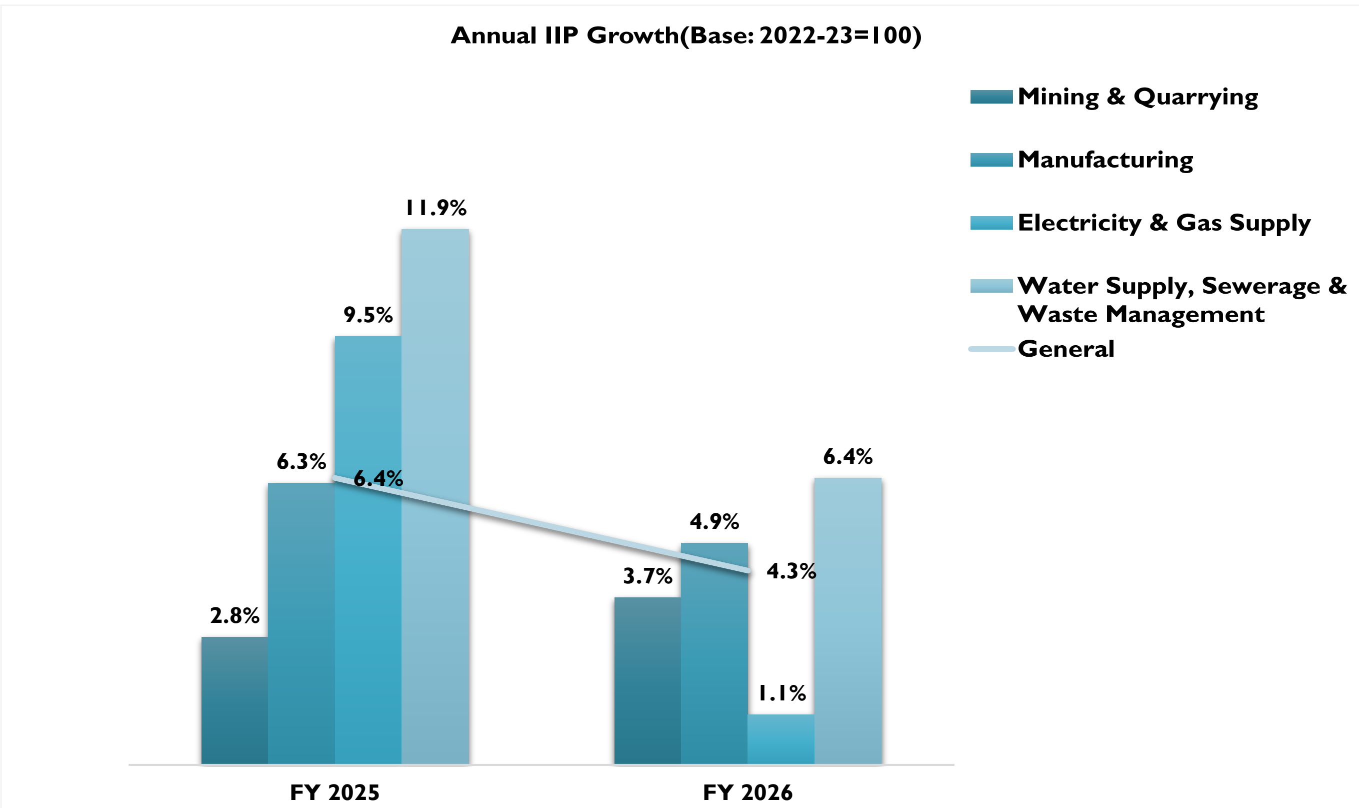
[10] https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-b7a7-57b81da60932_Press_Note_on_GDP_Estimates_for_Q4_2025-26_and_PE_FY_2025-26_F.pdf

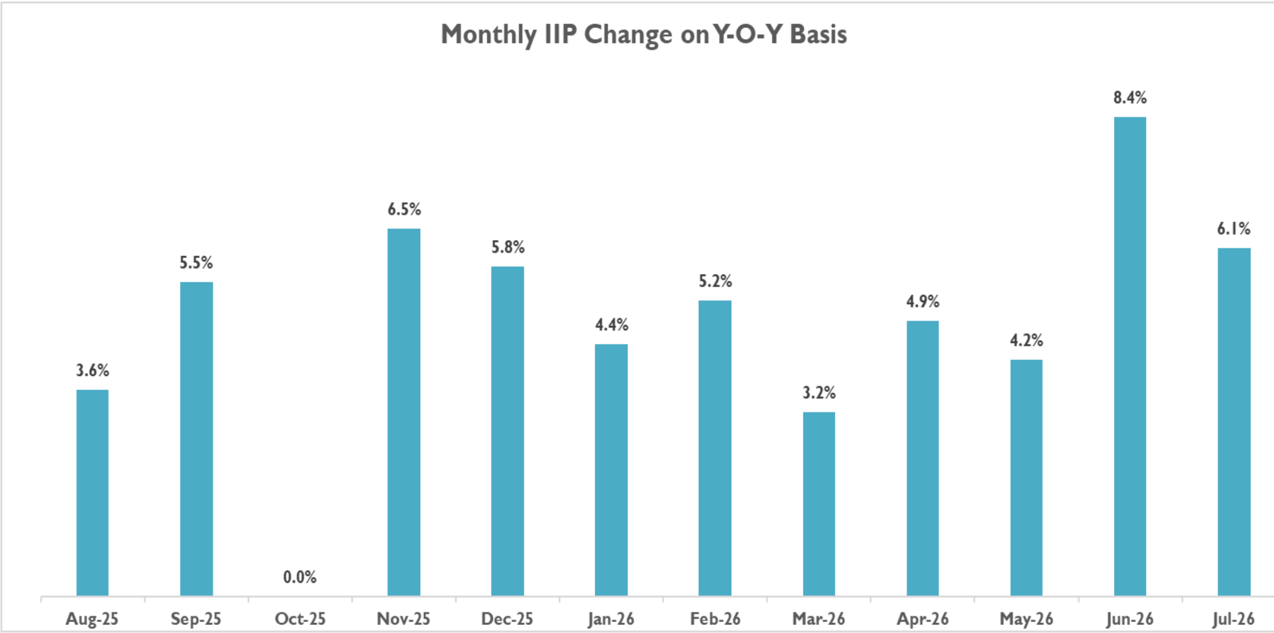
The services sector continued to be the main driver of economic growth. It expanded by 9.3% in FY 2026 from 7.9% in FY 2025. The services sector retained its position as the largest contributor to GVA, rising from 51.7% in FY 2024 to 52.0% in FY 2025, with a further increase to 52.7% in FY 2026.

The agriculture sector saw an acceleration in growth, increasing from 2.66% in FY 2024 to 4.18% in FY 2025, before moderating to 3.0% in FY 2026. However, its contribution to GVA declined marginally from 19.2% in FY 2024 to 17.8% in FY 2026. Overall, Gross Value Added (GVA) growth rose to 7.9% in FY 2026 from 7.3% in FY 2025.

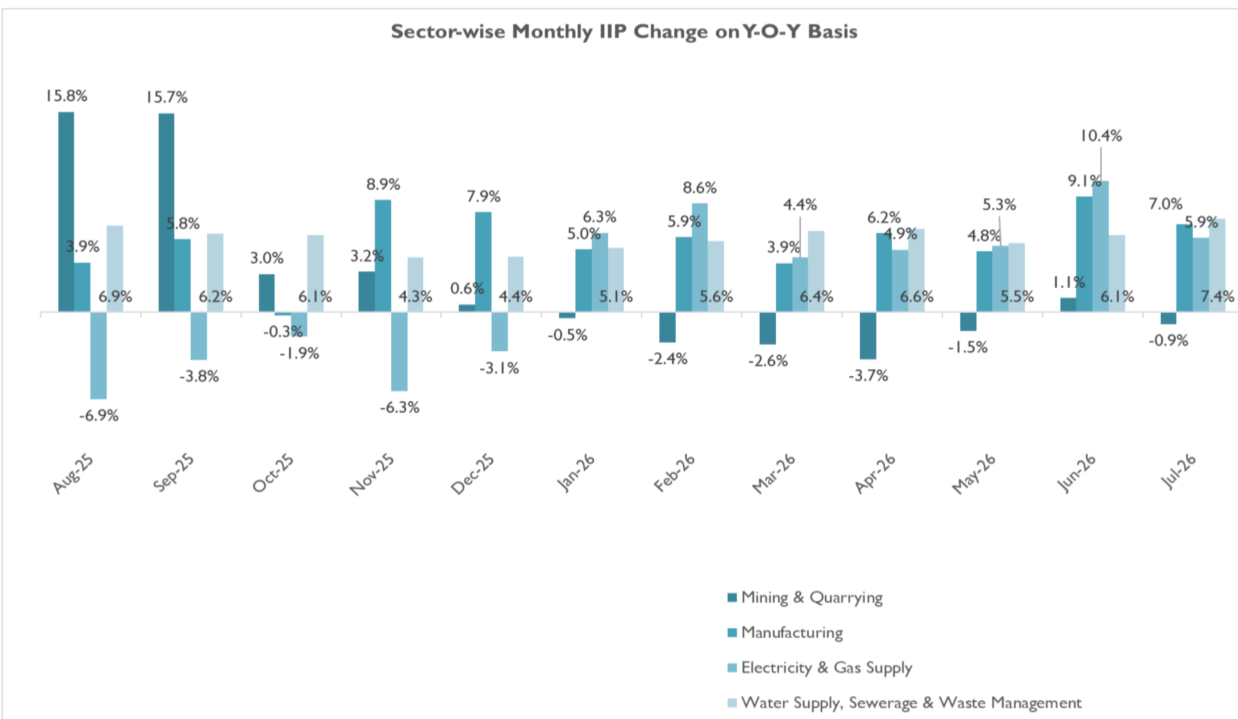
Annual & Monthly IIP Growth

Industrial sector performance as measured by the IIP index exhibited moderation in FY 2026, recording a 4.3% y-o-y growth against 6.4% increase in the previous year. The manufacturing index showed moderation, increasing by 4.9% in FY 2026 compared with 6.3% in FY 2025. The Electricity & Gas Supply sector index also moderated, growing 1.1% in FY 2026 compared with 9.5% in the previous year. Water Supply, Sewerage & Waste Management also moderated by 6.4% in FY 2026 compared with 11.9% in the previous year, while the mining sector index grew by 3.7% in FY 2026 compared with 2.8% in the previous year.





Source: Ministry of Statistics & Programme Implementation (MOSPI)

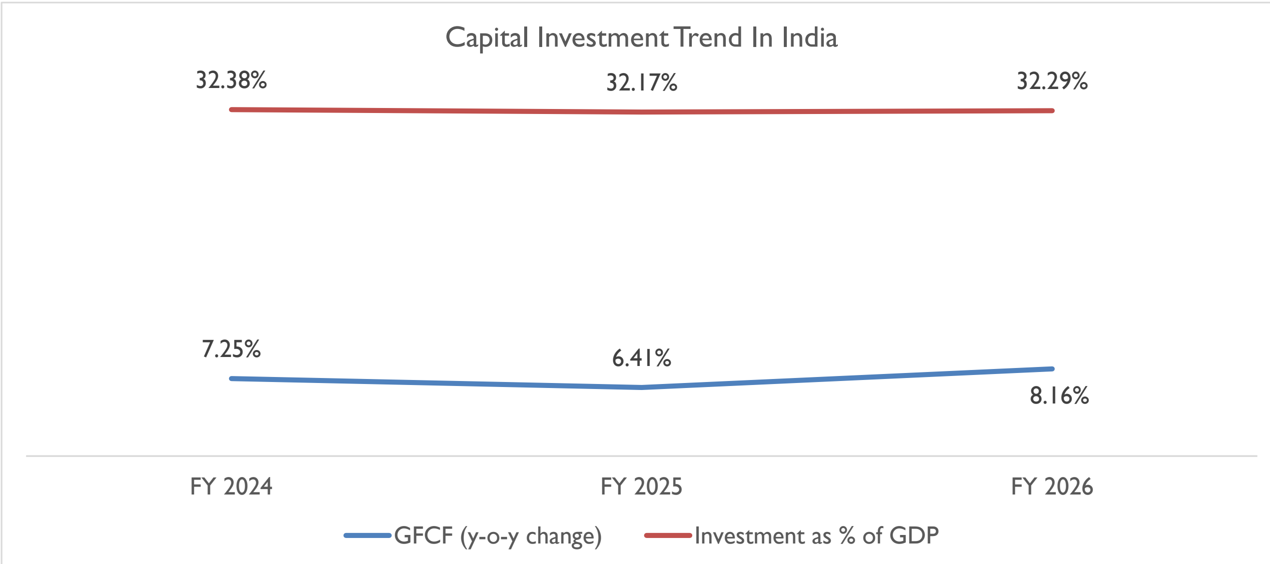


Source: Ministry of Statistics & Programme Implementation (MOSPI)

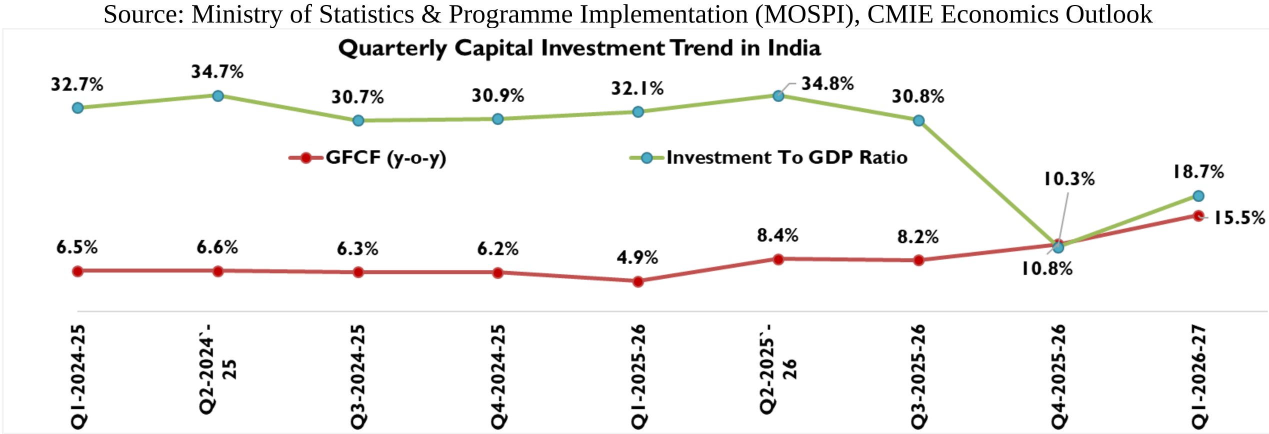
In the latest month shown, July 2026, IIP growth stood at 6.1% y-o-y, compared with 4.2% in May and 8.4% in June 2026. Sector-wise, Mining & Quarrying declined by 0.9%, while Manufacturing grew by 7.0%, Electricity & Gas Supply by 5.9%, and Water Supply, Sewerage & Waste Management by 7.4% in July 2026.

Annual and Quarterly: Investment & Consumption Scenario

Other major indicators, such as Gross Fixed Capital Formation (GFCF), a measure of investment, increased during FY 2026, registering 8.16% year-on-year growth compared with 6.41% in FY 2025, bringing the GFCF-to-GDP ratio to 32.29%.



Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook

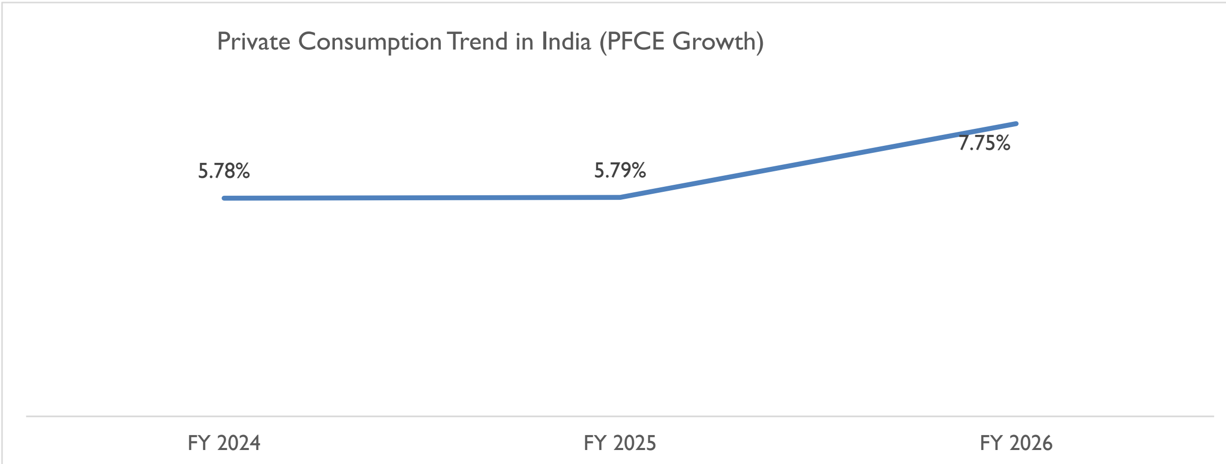


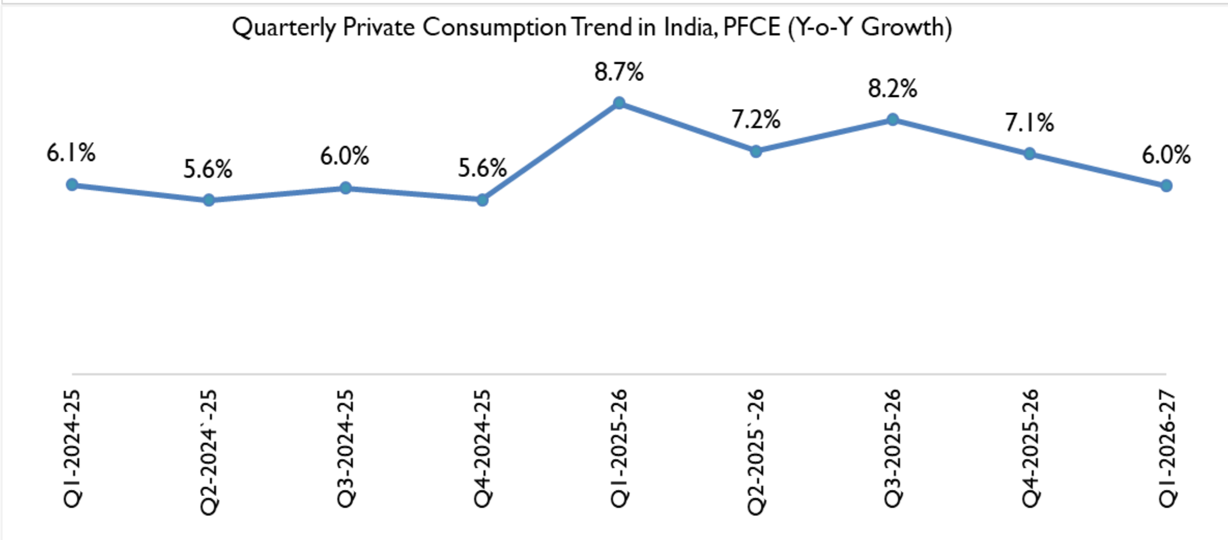
Source: Ministry of Statistics & Programme Implementation (MOSPI), CMIE Economics Outlook

On a quarterly basis, India's capital investment indicators reflect a mixed but resilient investment environment, with the Investment-to-GDP ratio remaining relatively strong through most of the period, while GFCF growth showed significant fluctuations. The Investment-to-GDP ratio increased from 32.7% in Q1 FY 2024-25 to 34.7% in Q2, before moderating to 30.7% in Q3 and 30.9% in Q4. In FY 2025-26, the ratio improved to 32.1% in Q1 and further strengthened to 34.8% in Q2, the highest level recorded during the period. It subsequently moderated to 30.8% in Q3 and 10.3% in Q4, before increasing to 18.7% in Q1 FY 2026-27. This indicates a revival investment intensity in the latest quarters.

GFCF (y-o-y) growth remained broadly stable during FY 2024-25, ranging between 6.2% and 6.6%, before declining to 4.9% in Q1 FY 2025-26. Growth then accelerated significantly to 8.4% in Q2 and 8.2% in Q3, reaching 10.8% in Q4 FY 2025-26. However, the momentum picked up with GFCF growth increasing to 15.5% in Q1 FY 2026-27. Overall, while the earlier period reflects strengthening fixed capital formation and improved investment momentum.

Private Consumption Scenario





Sources: MOSPI, CMIE Economics Outlook

Private Final Consumption Expenditure (PFCE), a practical proxy for household spending, recorded growth in FY 2026 relative to FY 2025. PFCE recorded healthy growth in FY 2025-26 relative to FY 2024-25.

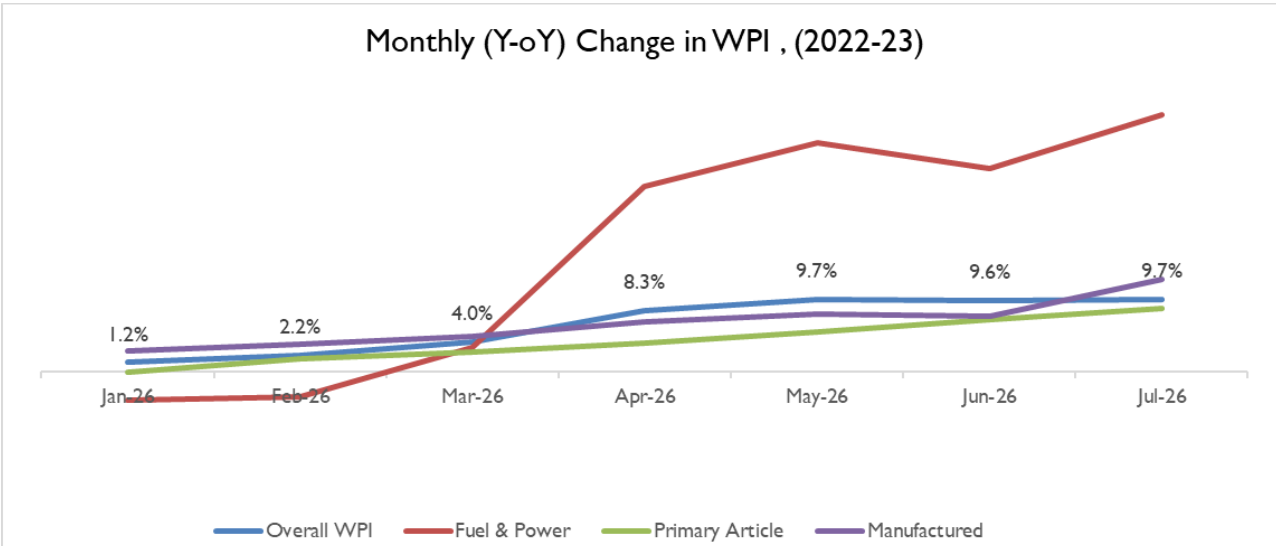
PFCE growth stood at 6.1% in Q1 FY 2024-25, before moderating slightly to 5.6% in Q2, rising to 6.0% in Q3 and easing again to 5.6% in Q4. In FY 2025-26, consumption growth strengthened significantly to 8.7% in Q1, before moderating to 7.2% in Q2 and recovering to 8.2% in Q3. Growth then eased to 7.1% in Q4 FY 2025-26 and further moderated to 6.0% in Q1 FY 2026-27.

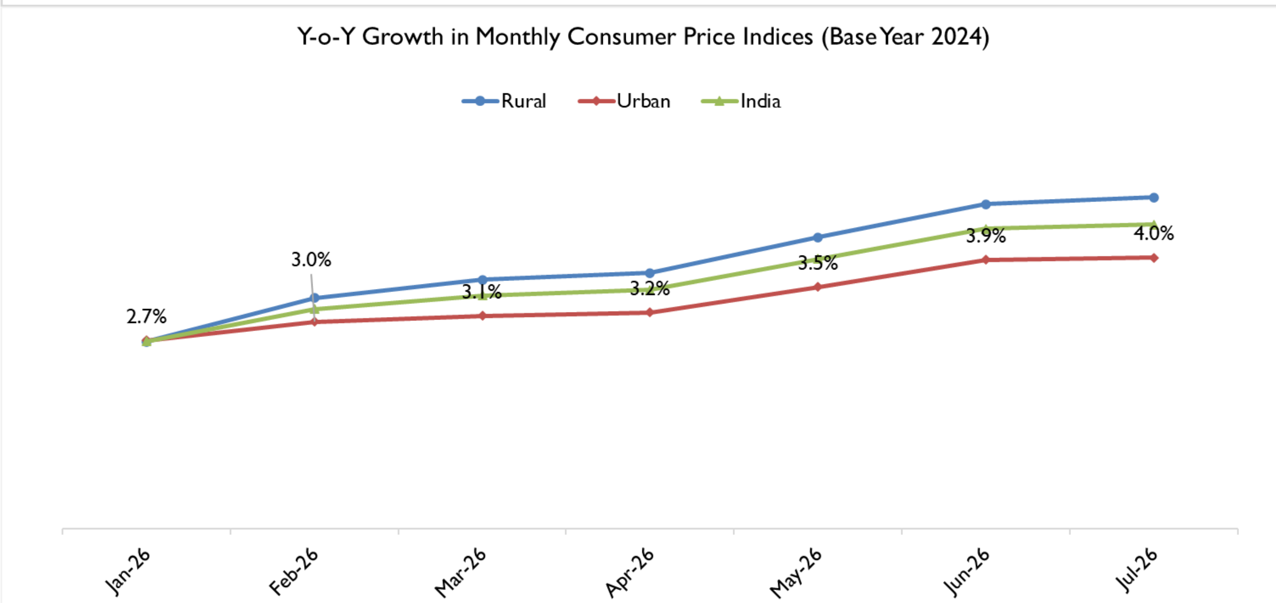
Overall, the data indicates that private consumption remained a key driver of domestic economic activity, with PFCE growth consistently above 5% and recording particularly strong momentum during FY 2025-26. However, the moderation to 6.0% in Q1 FY 2026-27 suggests some easing in household consumption momentum compared with the stronger growth recorded during the preceding quarters.

Inflation Scenario

All India Wholesale Price Index (WPI) inflation for July 2026 is 9.7 per cent on a year-on-year (YoY) basis, compared to 9.6 per cent in June 2026. The index for All Commodities for July 2026 stands at 109.7, whereas it was 109.6 in June 2026. Across Groups, 'Mineral Oils (containing Petroleum Products)', 'Crude Petroleum and Natural Gas', 'Manufacture of Chemicals and Chemical Products', and 'Manufacture of Basic Metals' continued to be major drivers of WPI inflation in June and July 2026.

Across the regions, YoY inflation for Rural, Urban, and India stood at 1.03 per cent, 0.71 per cent, and 0.94 per cent, respectively, in July 2026, compared with 7.24 per cent, 6.69 per cent, and 7.00 per cent, respectively, in June 2026. The indices for Rural, Urban, and India were 108.34, 107.45, and 107.94, respectively, in July 2026, compared with 107.24, 106.69, and 107.00, respectively, in June 2026.





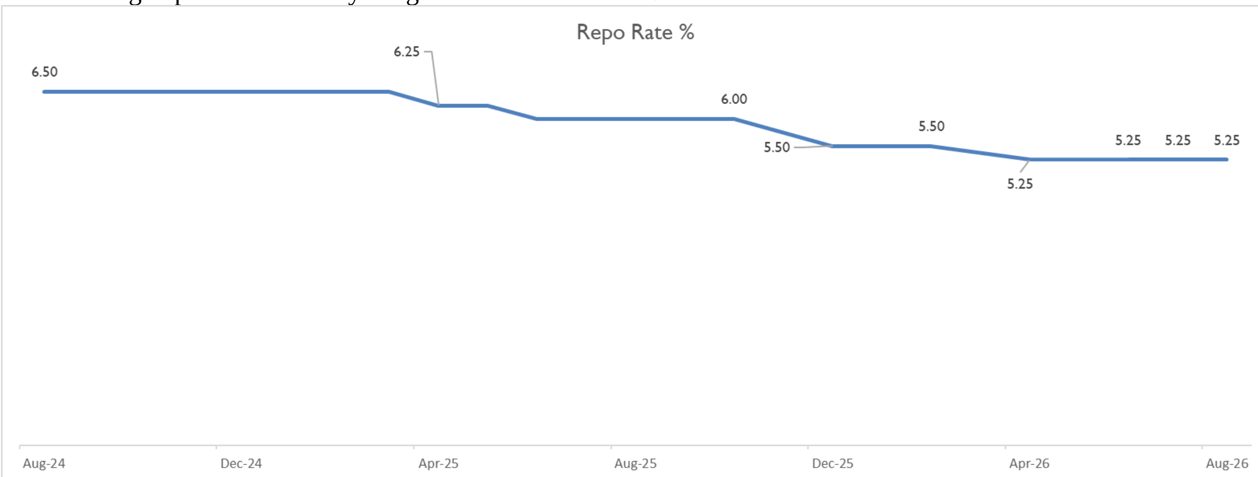
Source: MOSPI, Office of Economic Advisor[11]

Under the revised series, All India CPI inflation increased gradually from 2.7% in January 2026 to 4.0% in July 2026. Inflation rose from 3.0% in February to 3.1% in March and 3.2% in April, before accelerating to 3.5% in May, 3.9% in June and 4.0% in July. The trend indicates a steady pick-up in retail inflation during the first half of 2026, following relatively subdued price pressures at the beginning of the year. Rural inflation remained higher than urban inflation during the period, with the gap widening toward the latest months, indicating relatively stronger price pressures in rural areas.

With inflation moderating below target and growth requiring support, the RBI's Monetary Policy Committee (MPC) commenced an easing cycle in February 2025, delivering a cumulative 125 basis points of rate cuts through four reductions — 25 bps each in February 2025, April 2025, and December 2025, and a larger 50 bps cut in June 2025 — interspersed with pauses in August and

[11] With effect from January 2026, the National Statistics Office (NSO) introduced a revised CPI series with base year 2024=100, drawing revised item weights from the Household Consumption Expenditure Survey (HCES) 2023-24.

October 2025. The repo rate currently stands at 5.25%, in August026. Reduction in repo rate is expected to have improved credit flow and working-capital affordability for garment manufacturers.



Sources: CMIE Economic Outlook

INR-USD Trend and Export Implications

The Indian rupee depreciated from an average of approximately INR 85 per USD in FY 2024-25 to INR 88.3 per USD on average in FY 2025-26, hitting an all-time low of approximately INR 95 per USD by late March 2026, driven by significant foreign portfolio investor outflows and heightened financial market volatility. The RBI reference rate reached a record high of INR 96.844 per USD on 20 May 2026, and stood at INR 95.260 per USD as of 3 August 2026, implying a depreciation of approximately 12% from the FY 2024-25 annual average. For cotton yarn exporters with USD-denominated order books, this movement meaningfully improves realisation in rupee terms, partially offsetting margin pressure from rising domestic input costs. However, it simultaneously raises the landed cost of imported raw materials, cotton fibres, accessories, machinery components, and requires active hedging management environment.

Growth Outlook

Looking ahead, real GDP growth is projected to moderate to 6.6% in FY 2027[12], attributed to headwinds from geopolitical uncertainty and its effects on trade and capital flows, before rebounding to 7.2% in FY 2027-28, while the Economic Survey projects FY 2026-27 growth in the range of 6.8-7.2%, with India's potential growth estimated at around 7%. Industry GVA is projected to grow 7.5% and services GVA 7.5% in FY 2027, sustaining a supportive backdrop for manufacturing capacity and consumer spending. CPI inflation is projected to rise to 4.9% in FY 2027 before moderating to 4.4% in FY 2028, implying a sustained period of elevated input costs for cotton yarn and garment manufacturers alongside a tighter real-income environment for domestic consumers. Labour market conditions remain constructive: total employment stood at 56.2 crore[13] persons in Q2 FY 2025-26 with approximately 8.7 lakh net new jobs added quarter-on-quarter, the unemployment rate declined to 4.8% in December 2025. These indicators support both the domestic garment consumer base and the sector's capacity for workforce expansion.

Overall, the Indian macroeconomic environment in FY 2025-26 is constructive for the textile sector at the aggregate level, with expanding GDP growth, private consumption and accelerating MSME credit, all creating a demand and operating environment capable of sustaining apparel[14] production. However, the sector faces meaningful headwinds that are expected to limit the pace of conversion into margin and volume gains: wearing-apparel factory output contracted 7.4% in cumulative April-June FY 2026-27 under the weight of reduced export orders; wholesale textile inflation reached 10.22%[15] while garment WPI remained subdued

[12] https://thedocs.worldbank.org/en/doc/4262e1e15b463ecb360cec4ad78cf062-0310012026/original/April-2026-India-Development-Update.pdf#page=38

[13]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220800&lang=2&reg=3#:~:text=to%20September,to%20June

[14] Garment refers to an individual item of clothing such as such as a shirt, a T-shirt, a skirt, or a pair of jeans and is a part of broader apparel industry. Apparel, on the other hand, is a broader term that encompasses all types of clothing, including garments, as well as fashion accessories and other items worn or carried by consumers. In addition to garments, apparel may include products such as bags, caps, scarves, gloves, footwear and other textile-based accessories.

[15] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2272872&reg=3&lang=1

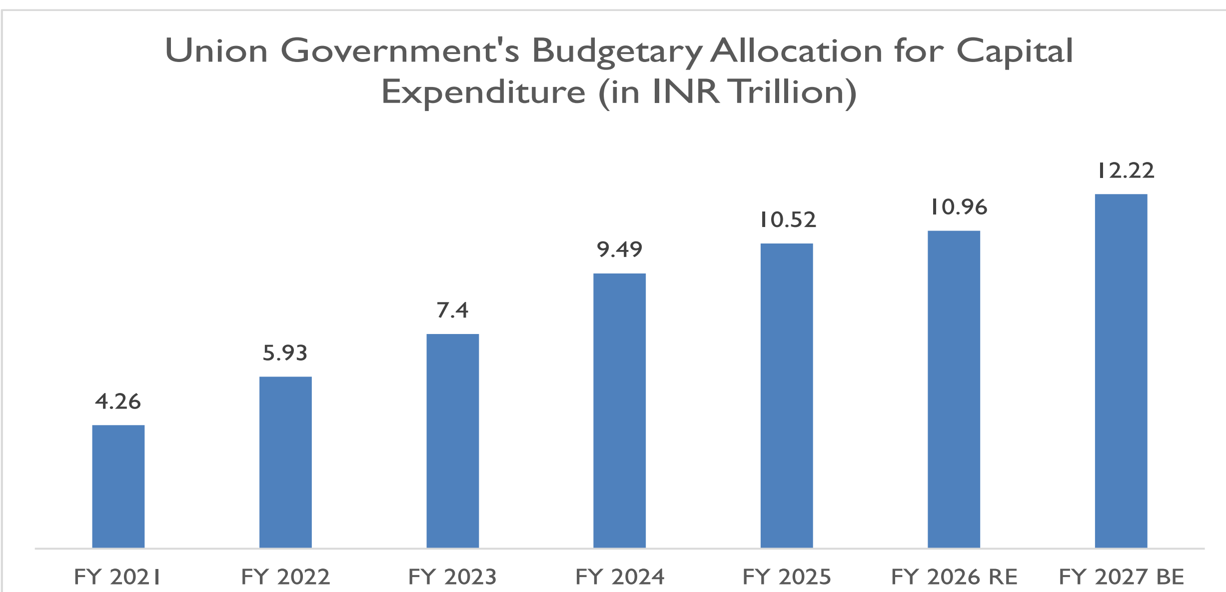
at 4.28%, confirming a margin squeeze; and the rupee's depreciation to approximately INR 95 per USD, while beneficial for export realisations, raises imported input costs and heightens hedging needs. The medium-term trajectory is expected to remain broadly positive, underpinned by India's structural consumption growth, an accommodative monetary policy stance, improving credit availability, and a growing organised workforce.

Key Growth/Demographic Drivers for Economic Growth

Government focus on infrastructure development

The infrastructure sector has received a strong boost in Budget FY'27, marked by a record INR 12.2 trn[16] public capital expenditure allocation, reinforcing the government's focus on making assets more efficient and sustainable. The introduction of the landmark Infrastructure Risk Guarantee Fund aims to provide partial credit guarantees to lenders and revitalise private sector participation in large-scale projects. By lowering project risk premiums and easing borrowing costs, this mechanism is likely to help crowd in private capital and accelerate construction phase financing across the sector. The transport and logistics sector, in particular, will buoy infrastructure growth. Railways have received a substantial boost in allocation, which will help support the planned development of seven new high-speed rail corridors and a Dankuni-Surat DFC[17], which aims to cut logistics costs and improve national connectivity. Moreover, the rollout of 20 new National Waterways, new ship repair hubs and a scheme to double the share of coastal and inland water transport from 6.0% to 12.0% by 2047[18] will together build a greener, more efficient multimodal freight network. Urban transformation continues through targeted development of Tier-2 and Tier-3 cities – with populations over 0.5mn – alongside the creation of City Economic Regions, each supported by multi-year, challenge-based financing to establish new growth hubs and reduce pressure on metros. A broader ecosystem of reforms strengthens medium-term sector prospects. The government aims to scale domestic construction and infrastructure equipment manufacturing, reducing import dependence and improving execution capability in tunnelling, metro construction and road building machinery. The monetisation of CPSE assets will be accelerated through dedicated REIT[19] structures, helping unlock liquidity for redevelopment and new project pipelines. Additional support flows through region-specific initiatives, such as industrial corridor expansion, and tourism development in cultural and Buddhist heritage zones will further reinforce construction demand.

Together, these measures will strengthen India's infrastructure ecosystem through higher public investment, improved risk mitigation tools and wider multimodal connectivity – creating a constructive environment for sustained growth in construction, logistics and urban development.



[16] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222521&reg=3&lang=1#:~:text=Reinforcing%20the%20role%20of%20public,productive%20capacity%20across%20the%20economy.

[17] https://prsindia.org/budgets/parliament/demand-for-grants-2026-27-analysis-railways

[18] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221817&reg=3&lang=1

[19] https://www.hindustantimes.com/real-estate/budget-2026-eyes-dedicated-reits-for-cpse-asset-monetisation-what-it-means-for-investors-101769942312710.html#google_vignette

Union Budget, Government of India
Note: BE (Budget Estimates) and RE (Revised Estimates)

Development of Domestic Manufacturing Capability

India's industrial landscape is undergoing a transformative journey, fuelled by ambitious government initiatives like "Make in India" and rapid economic growth. Amidst this transformation, the industrial construction segment stands as a key driver, laying the foundation for factories, power plants, logistics hubs, and other crucial infrastructure. Government spending on infrastructure development, rising automation in manufacturing, and expansion of sectors like chemicals, pharmaceuticals, and electronics fuel the demand for state-of-the-art industrial facilities. The China Plus One strategy is an approach adopted by companies and countries to diversify their supply chains away from excessive reliance on China as a manufacturing and sourcing hub. The strategy emerged as a response to various factors, including rising labour costs in China, geopolitical tensions, trade uncertainties, and the need to mitigate risks associated with being overly dependent on a single country for production and sourcing.

India, being one of the largest economies in the world and home to a vast workforce and diverse manufacturing capabilities, has been actively leveraging the China Plus One strategy to attract investments and businesses looking to diversify their supply chains away from China.

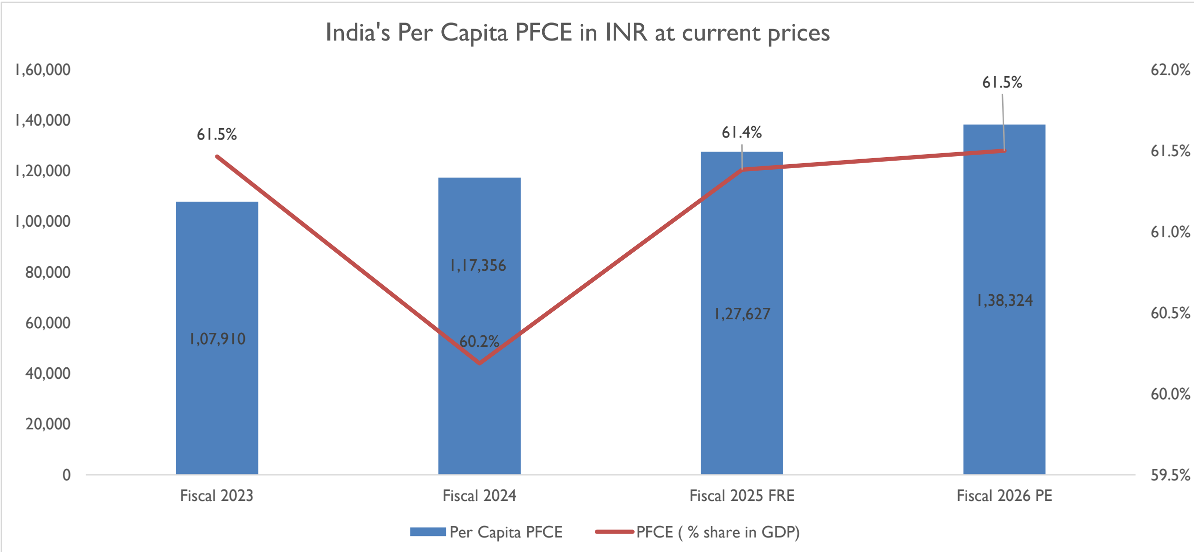
India's vision of becoming 'Atmanirbhar' (self-reliant) and enhancing its manufacturing capabilities and exports has led to significant efforts and investment in the form of Production Linked Incentives (PLI) schemes. The incentives offered by the government, such as tax breaks and regulatory reforms, make India an attractive destination for businesses seeking to move their production from China to India. This proactive approach has further strengthened India's position as a preferred manufacturing base under the China Plus One strategy. Additionally, The Indian government's commitment to creating a business-friendly environment has resulted in increased foreign direct investment (FDI) inflows in the country over the years. Moreover, India has signed multiple Free Trade Agreements (FTAs) and recently signed a major trade deal with European Union and USA in early 2026, which are expected to open up further export opportunity driving the industrial sector expansion in India.

Strong Domestic Demand

Domestic demand has traditionally been one of the key drivers of the Indian economy. After a brief lull caused by the Covid-19, domestic demand is recovering. Consumer Confidence surveys by the Reserve Bank and other institutions point to an improvement in the Consumer Confidence Index, which is a precursor of improving demand. India has a strong middle-class segment, which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is reflecting in the private final consumption expenditure (PFCE) metric.

India’s per capita Private Final Consumption Expenditure (PFCE) at current prices has shown a consistent upward trend, indicating steady improvement in household consumption levels over the years. Per capita PFCE increased from INR 1,07,910 in Fiscal 2023 to INR 1,17,356 in Fiscal 2024 and further rose to INR 1,27,627 in Fiscal 2025 FRE. It is estimated to increase further to INR 1,38,324 in Fiscal 2026 FE, reflecting continued growth in consumer spending and improving consumption capacity.

PFCE as a share of GDP also remained healthy during the period, broadly staying above 60%. The share stood at 61.5% in Fiscal 2023, moderated to 60.2% in Fiscal 2024, before recovering to 61.4% in Fiscal 2025 FRE and further improving to 61.5% in Fiscal 2026 FE. This indicates that private consumption continues to remain a key driver of India’s economic growth. Overall, the steady increase in per capita PFCE, along with a stable PFCE share in GDP, reflects resilient household demand and sustained consumption momentum in the economy.



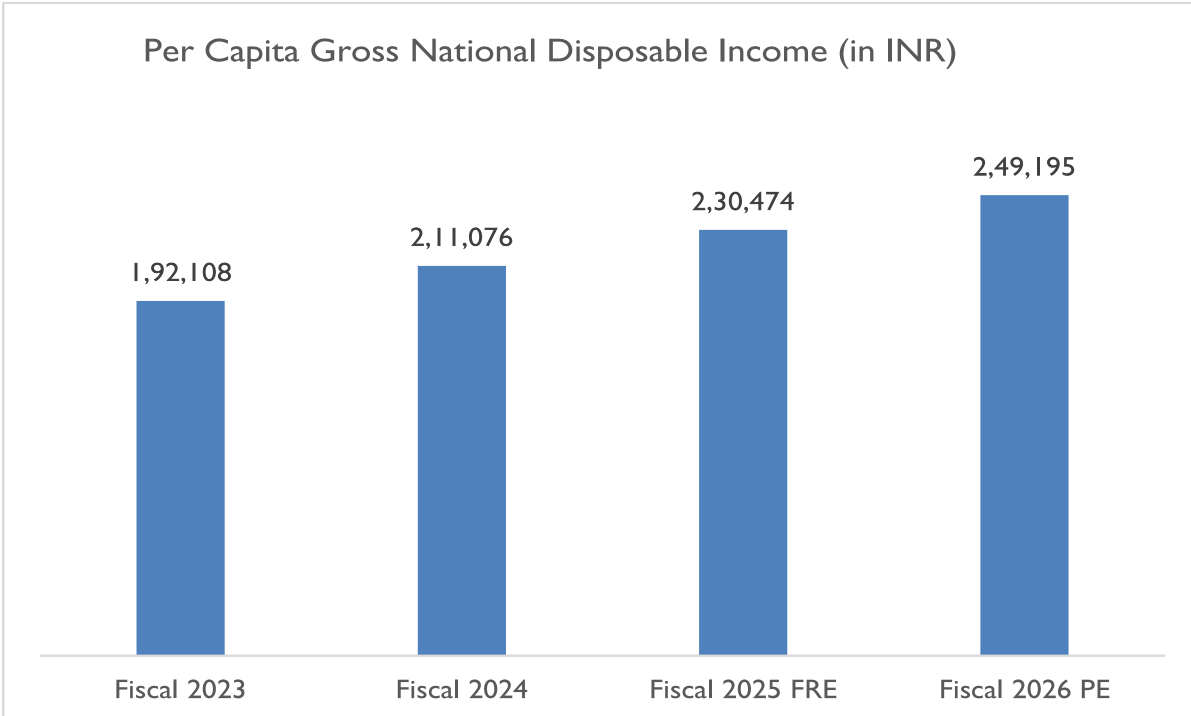
Source: Ministry of Statistics & Programme Implementation (MOSPI)
Note: FRE is First Revised Estimate; PE is Provisional Estimates

There are two factors driving this domestic demand: first, the large pool of consumers; and second, the improvement in purchasing power.

- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 20470F0F0F0F[20]. This expanding middle class household segment is fuelling India's growth story and would continue to play a key role in propelling India's economic growth.

- Consumer-driven domestic demand is majorly fuelled by this growth in per capita income. As per National Statistics Office (NSO), India's per capita Gross National Disposable Income (GNDI) has shown a steady upward trend, reflecting improvement in overall income levels and disposable income capacity. Per capita GNDI increased from INR 1,92,108 in Fiscal 2023 to INR 2,11,076 in Fiscal 2024 and further rose to INR 2,30,474 in Fiscal 2025 FRE. It is estimated to increase further to INR 2,49,195 in Fiscal 2026 PE, indicating continued growth in income levels across the economy. The consistent rise in per capita GNDI highlights strengthening purchasing power and improving household income conditions, which can support consumption demand going forward. Overall, the trend reflects a positive income environment, with rising disposable income expected to contribute to sustained private consumption and broader economic growth.

[20] As per the survey conducted by People Research on India's Consumer Economy. Households with annual income in the range of INR 5 – 30 lakhs are considered as middle-class households.

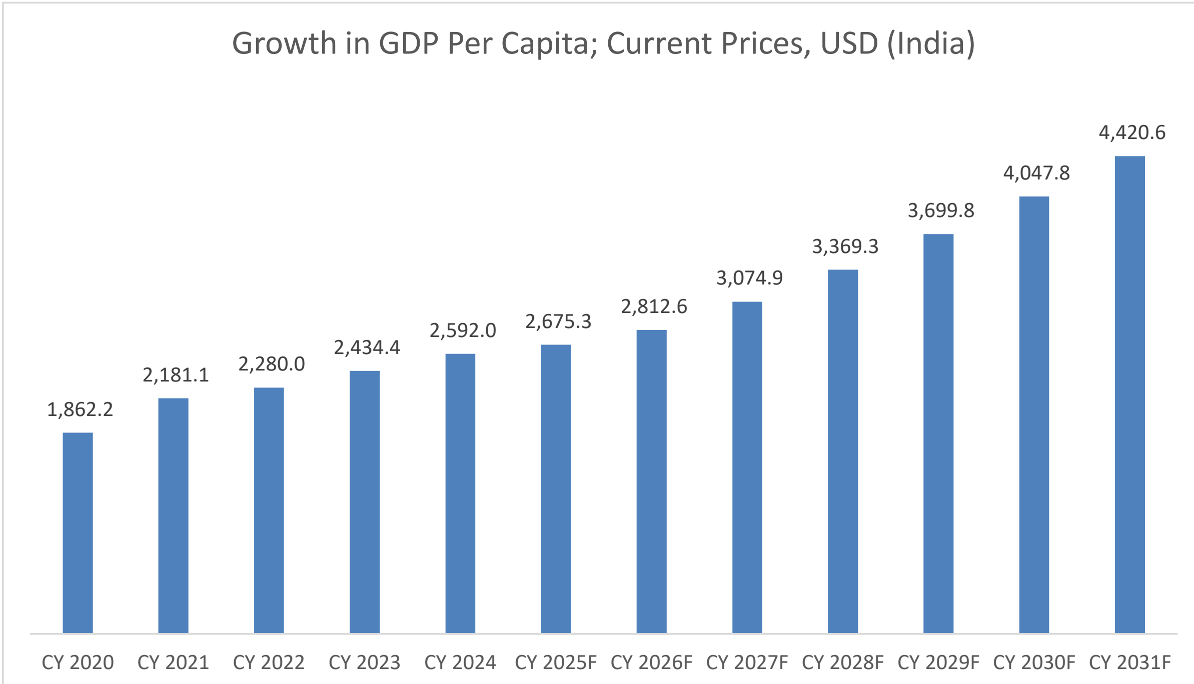


Source: Ministry of Statistics & Programme Implementation (MOSPI)
FRE is First Revised Estimate; PE is Provisional Estimates

India's Per Capita GDP Trends

India is poised to become the world's third-largest economy with a projected GDP of USD 5 trillion within the next three years, driven by ongoing reforms. As one of the fastest-growing major economies, India currently holds the position of the fifth-largest economy globally, following the US, China, Japan, and Germany. By 2027-28, it is anticipated that India will surpass both Germany and Japan, reaching the third-largest spot. This growth is bolstered by a surge in foreign investments and a wave of new trade agreements with India's burgeoning market of 1.4 billion people. The aviation industry is witnessing unprecedented orders, global electronics manufacturers are expanding their production capabilities, and suppliers traditionally concentrated in southern China's manufacturing hubs are now shifting towards India.

To achieve its vision of becoming the world's third-largest economy by 2027-28, India will need to implement transformative industrial and governmental policies. These policies will be crucial for sustaining the consistent growth of the nation's per capita GDP over the long term.

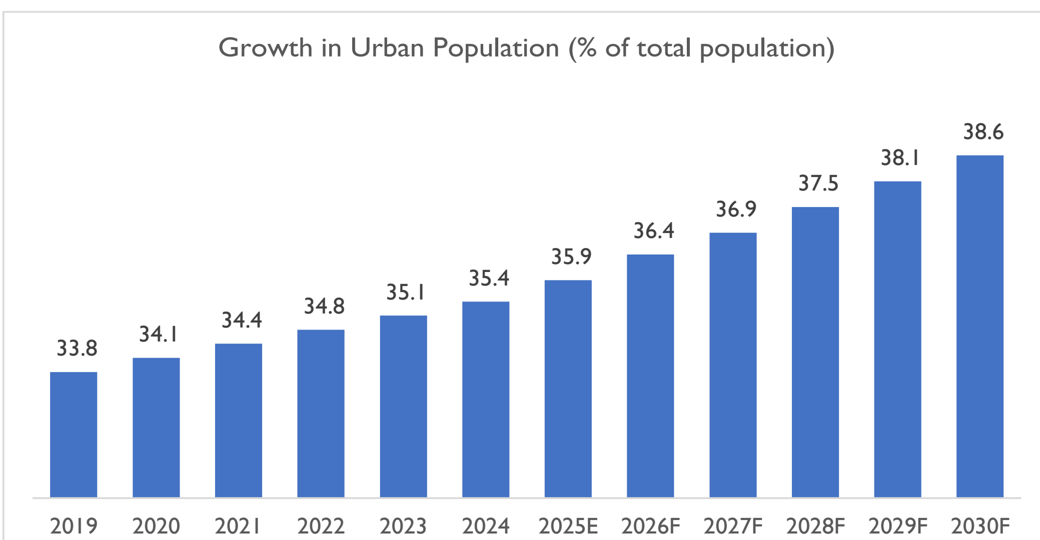


Source: IMF

From CY 2024 to CY 2031, India's per capita GDP is projected to grow at a compound annual growth rate of 7.9%. This growth will be driven by the service sector, which now accounts for over 50% of India's GDP, marking a significant shift from agriculture to services.

Access to Huge Population Base and Urbanisation

India became the world's most populous country, with an estimated population of **1.46 billion in 2025**. Further, India's population is expected to increase to 1.52 billion during between 2025-36 - an increase of 25% in twenty- five years at the rate of 1.0 percent annually. As per the Handbook of Urban Statistics 2022, India's urban population has been on a steady rise. Urban dwellers accounted for over 469 million in 2021 and are projected to rise to over 558 million by 2031 and further exceed 600 million by 2036.



Source: World Bank,1F1F[21] Dun & Bradstreet Research and Estimates

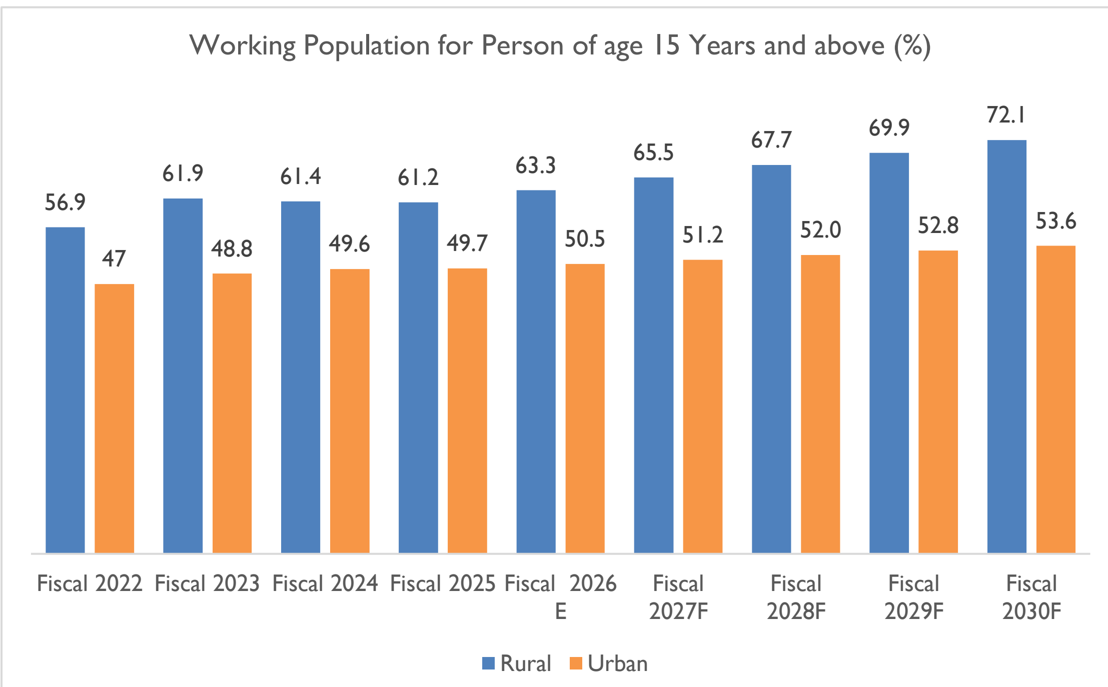
[21] https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?end=2022&locations=IN&skipRedirection=true&start=1960&view=chart

The share of urban population in total population has been rising steadily. In 2019, 33.81% of the total population was urban. By 2025, it had reached 35.9%, showing an increase over a span of five years of about 2.10%. The share of urban population is further forecasted to cross 38.6% by 2030. This increase in urban population is set to demand drastic changes in infrastructure development. Cities are a major driver for the construction industry. With cities expanding rapidly, there will be an increased need for improved housing, water supply, sewage systems, and electricity. Urban planning will need to account for higher population densities, necessitating the development of smart cities with integrated technology for efficient management of resources and services. The Smart Cities Mission targeted at 100 cities is aimed at improving the quality of life through modernised, technology-driven urban planning. This transformation will also require significant investment in public health, education, and recreational facilities to enhance the quality of urban living. The surge in urban population will also propel demand for improvement in multimodal transport infrastructure for freight and passenger travel requirements.

Rural vs. Urban Working Population by Age Group

As India continues to experience economic growth and development, the working population in both rural and urban areas is increasing. In the case of the urban population, this growth is reflected in the increase from a share of 47% in FY22 to 49.7% in FY25, whereas in rural areas, it grew from 56.9% in FY22 to 61.2% in FY25.

This growth is driven by a combination of factors, including demographic changes, economic policies, and the expansion of various industries. The rise in employment opportunities across sectors such as agriculture, manufacturing, services, and information technology has contributed to the overall increase in the working population, thereby fostering economic stability and enhancing the standard of living for many Indians.



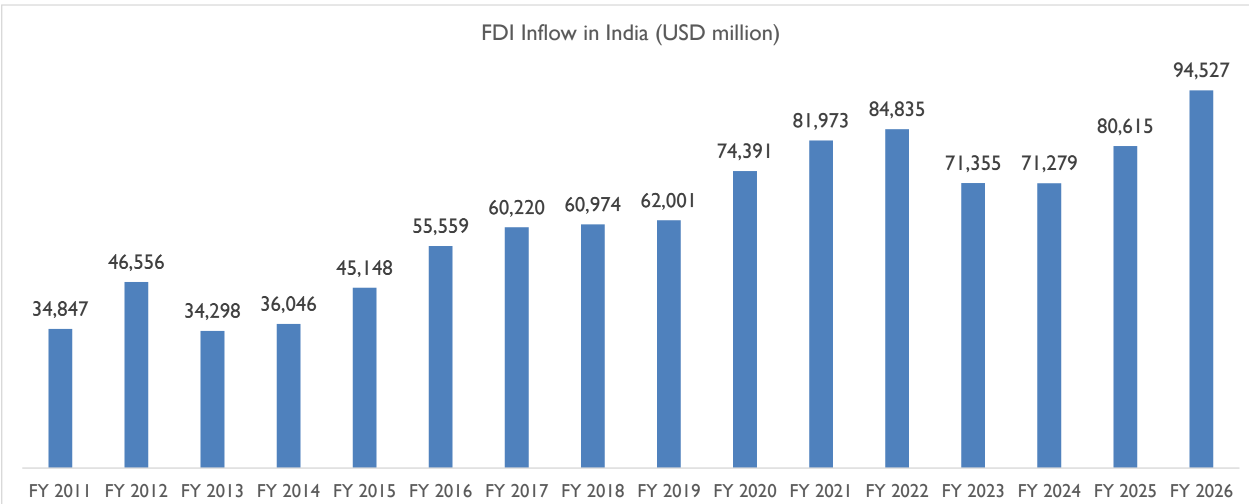
Source: Periodic Labour Force Survey (PLFS) Annual Report, Dun & Bradstreet Research and Estimates
Note: 2025 refers to the period January 2025 – December 2025 and likewise for 2024, 2023 and 2022

In urban areas, the working population is growing rapidly due to the proliferation of jobs in sectors like IT, finance, retail, and healthcare. Additionally, the development of infrastructure, such as improved transportation networks and housing, has made urban centers more accessible and desirable for the working population. In rural areas, the working population remains substantial, primarily due to the dominance of the agricultural sector. Government initiatives aimed at rural development, such as improved access to education and skill development programs, have also played a crucial role in enhancing employment prospects in these regions.

The dominance of the rural working population over its urban counterpart can be attributed to the labour-intensive nature of the agricultural sector, which ensures a consistent demand for human labour despite advancements in mechanization, sustaining employment rates in rural areas.

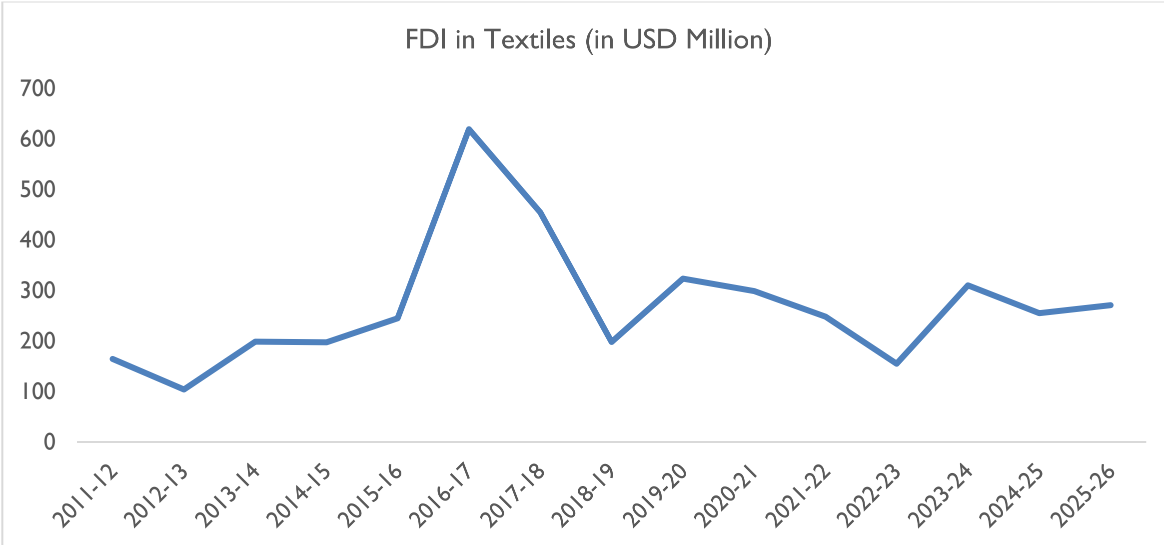
Foreign Direct Investment Trend in India

FDI inflows in India observed a steady increase from FY 2013 to FY 2022 while it witnessed a decline of 15% in FY 2023 and a decline of 0.1% in FY 2024 due to several factors, including the ongoing conflict between Russia and Ukraine, changes in US monetary policy, and other global uncertainties. However, the country has received substantial FDI inflows from April 2000 to March 2026. Total FDI inflows increased from **USD 71.3 billion in FY2023-24 to USD 80.6 billion in FY2024-25**, registering a growth of **13.1%**. The momentum accelerated further in **FY2025-26**, with FDI inflows reaching **USD 94.5 billion**, representing a **17.3% year-on-year increase** over the previous fiscal year. This increasing FDI can be attributed to the new investment facilitation measures like the National Single-Window System (NSWS), which streamlines the approval and clearance process for investors, entrepreneurs, and businesses, along with sectoral measures and PLI schemes, supporting growth prospects in tier-2 and tier-3 cities. Further, tax compliance for startups and foreign investors has been simplified and the Income Tax Act, 1961, was amended in 2024 to abolish angel tax and to reduce income tax rate chargeable on income of a foreign company.



Sources: Department for Promotion of Industry and Internal Trade

FDI inflows into India's textile sector have exhibited a fluctuating trend over the last five fiscal years, reflecting both sector-specific dynamics and broader global economic conditions. FDI inflows declined from USD 298.67 million in FY2020-21 to USD 247.75 million in FY2021-22, and further to USD 154.72 million in FY2022-23, amid global economic uncertainties, elevated inflationary pressures, tightening monetary policies across major economies and moderation in discretionary consumer spending, particularly in key textile export markets. Thereafter, the sector witnessed a strong recovery, with FDI inflows increasing to USD 309.72 million in FY2023-24, supported by improving global demand conditions, policy support for domestic manufacturing and renewed investor interest in India's textile value chain. FDI inflows moderated to USD 254.77 million in FY2024-25, although they remained significantly above the levels recorded in FY2022-23. Data for FY2025-26 is available only up to June 2025, during which the sector attracted USD 75.12 million in FDI inflows and is therefore not directly comparable with full-year figures.



Sources: Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry

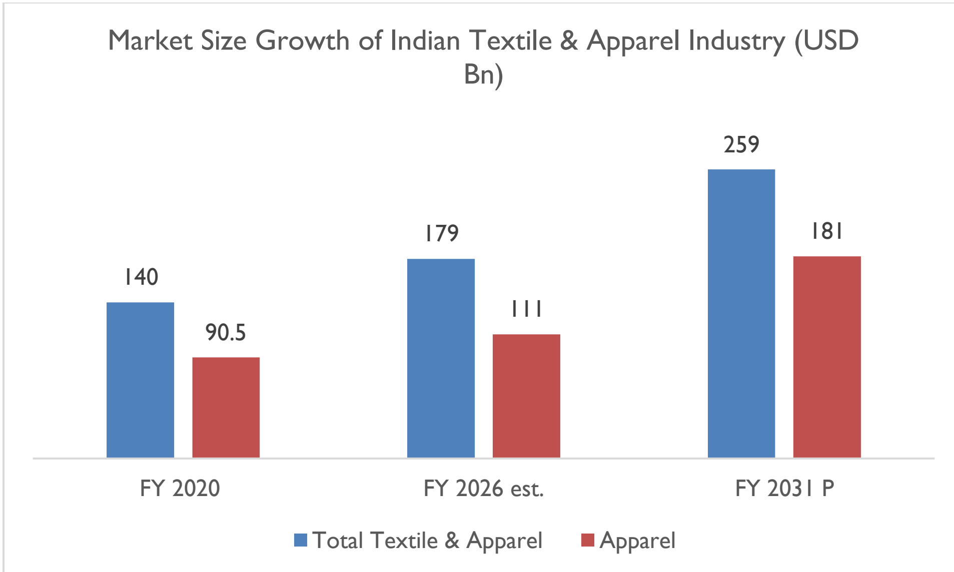
Despite year-on-year fluctuations, the long-term investment outlook for the sector remains supported by 100% FDI under the automatic route. The textiles sector has attracted cumulative FDI inflows of USD 5073.03 million between FY 2000-01 to FY 2025-26 reflecting sustained foreign investor interest in India's textile and garment industry.

Overview of Indian Textile Industry

The Indian textile industry, one of the oldest and most significant sectors of the economy, plays a crucial role in employment generation and export earnings. The Indian textile industry encompasses the production of fibres, yarns, fabrics, and finished textile products such as garments and home furnishings, covering the entire value chain from raw material processing to final consumption. It is one of the most significant sectors of the country's economy, playing a vital role in industrial development, employment generation, and export performance. As per government figures outlined in Union Budget 2026-27[22], the sector contributes nearly 2% to India's Gross Domestic Product (GDP),11% to manufacturing GVA, and 8.63% to exports. With 9% share in employment, it is also second largest employment generators in the country after agriculture, providing livelihoods to nearly 45 million people across its diverse value chain.

Over the past few years, the sector has witnessed both periods of slowdown and recovery, driven by global economic trends, policy support, and evolving consumer preferences. Below graph shows the historic market size for **India Textile and Apparel Industry** growth over FY 2020-26 which is estimated to have grown at CAGR of 4.2% and 3.5% and valuing at USD 179 billion and USD 111.3 billion, respectively.

[22] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222927&reg=48&lang=2



Source: Ministry of Textile and D&B Research Estimates[23]

The sector contributes approximately 2% to national GDP, 11% to manufacturing GVA[24], and contributes around 7.93% to total export as of FY 2025-26[25]. It is also one of the largest employment generators in the country, providing livelihoods to nearly 45 million people across its diverse value chain.

According to the **Economic Survey 2025-26,** India aims to build a USD 350 billion Textile & Apparel industry with USD100 billion exports by 2030, supported by initiatives such as PM MITRA, PLI, technical textiles, and export promotion measures. However, considering the historical growth trends between FY 2020-26, the market size of Indian Textile and Apparel Industry is projected to reach to reach USD 259 billion by FY 2031, reflecting a CAGR of 7.7% while apparel segment is projected to reach USD 181 billion translating in CAGR of 10.2%[26]

The domestic readymade garment market has been expanding steadily, making India one of the most lucrative fashion hubs globally. The industry growth has been supported by favourable demographics, rising disposable incomes, rapid urbanisation and increasing penetration of organised retail and e-commerce channels. The garment market encompasses men's wear, women's wear, children's wear, ethnic wear, athleisure, innerwear and other readymade garment categories across both online and offline distribution channels. India's textile sector has developed strong manufacturing capabilities, enabling it to cater to both growing domestic demand and international markets. The country has established itself as the second-largest producer of textiles and garment globally and the sixth-largest exporter of apparel and clothing. During FY 2025-26, ready-made garment (RMG) remained the largest export category, accounting for 45% of India's total textiles and apparel exports with exports valued at INR 1,393.5 billion, followed by cotton textiles (33%) and man-made textiles (15%)[27].

On raw material side, the industry is characterized by a diversified fibre base, comprising both natural fibres and man-made fibres (MMF). The natural fibre segment includes cotton, jute, silk, wool, coir, and flax, with cotton being the most dominant. On the other hand, man-made fibres are broadly classified into cellulosic and non-cellulosic categories. Cellulosic fibres, derived from natural cellulose sources such as cotton and wood pulp, include rayon (viscose), acetate, and triacetate. Non-cellulosic fibres are produced through petrochemical processes and include polyester, acrylic, olefin, nylon, and spandex.

India occupies a strategically important position in the global cotton yarn industry, supported by its strong raw cotton availability, extensive spinning infrastructure, cost-competitive manufacturing base, and well-established textile ecosystem. India is among

[23] Invest India Textiles Report v7
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222927&reg=48&lang=2

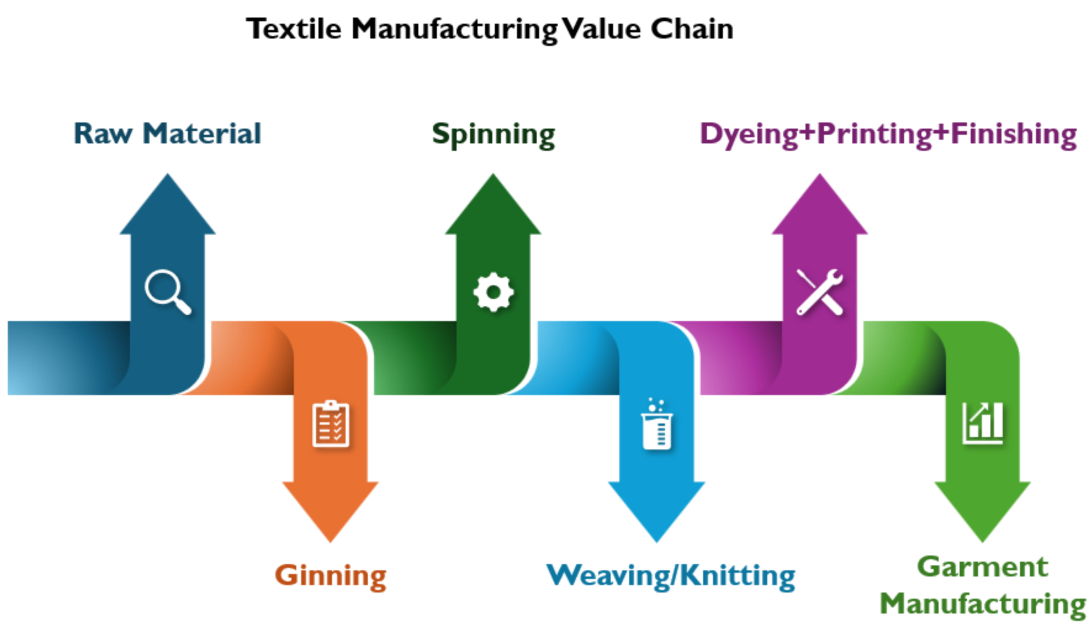
[26] Dun & Bradstreet Research
[27] PIB

the world's largest producers of cotton and cotton yarn and remains one of the leading exporters of spun cotton yarn globally. The country has an estimated spinning capacity of over 52 million spindles, making it one of the largest spinning hubs worldwide.

In addition, India is one of the leading manufacturers of synthetic yarns globally. The segment has witnessed significant investments over the years, resulting in the production of a wide range of yarn products. The growth of this segment has been further supported by the presence of a well-developed petrochemical industry, which ensures the availability of key raw materials, thereby strengthening the overall textile manufacturing ecosystem.

Textile Manufacturing Value Chain

Textile manufacturing involves converting raw fibres into finished materials such as fabrics and clothing. The process begins with fibre sourcing, which includes natural fibres like cotton, wool, and silk, as well as synthetic fibres such as polyester and nylon. While cotton remains the most used natural fibre, synthetic fibres are widely favoured for their durability and cost-effectiveness. However, their extensive use raises environmental concerns, as they are derived from petrochemicals and contribute to micro plastic pollution. As per United Nationals Environment Programme (UNEP), textiles are responsible for approximately 9%[28] of annual microplastic losses to the ocean, with the production and washing of synthetic fabrics releasing plastic particles that persist in ecosystems.



Stages in Textile Manufacturing	
Raw Material	**Natural Fibres**: India is one of the world's largest producers of cotton and jute, which are fundamental to the textile industry. The cultivation practices of these fibres directly impact the quality and sustainability of the raw materials. **Synthetic Fibres**: Man-made fibres, supplied by the petrochemical industry, have gained prominence since the mid-20th century. These fibres are crucial for producing a wide range of textile products, including easy-care clothing and furnishings.
Ginning	Ginning is the process of separating cotton fibre from cotton seed after harvesting. It is a critical stage in the cotton value chain as it determines the cleanliness, contamination level and usability of cotton lint for spinning. Proper ginning practices help improve fibre quality, reduce trash content and support production of better-quality yarn.
Spinning	The spinning stage involves converting raw fibres into yarn. This process is pivotal as it determines the quality and characteristics of the yarn, influencing the final textile product. India boasts a robust spinning sector that integrates both natural and synthetic fibres, catering to a wide array of market

[28] Putting the brakes on fast fashion

	demands.
Weaving & Knitting	**Weaving:** This process involves interlacing yarns to create fabric. India has a significant number of weaving units, although challenges related to quality and cost often result in the importation of woven fabrics. **Knitting:** The knitting sector in India is more integrated, with many facilities capable of producing finished garments directly from yarn. This segment has experienced substantial growth, with local production meeting a significant portion of domestic demand.
Dyeing, Printing and Finishing	At this stage, grey fabric undergoes value-added processing such as bleaching, dyeing, printing, washing, finishing, coating or other treatments to enhance colour, texture, appearance and performance. Finishing improves fabric characteristics such as softness, shrinkage control, wrinkle resistance, durability and aesthetic appeal.
Garment Manufacturing	The final stage of the value chain involves converting fabric into finished garments. India's garment manufacturing sector is diverse, ranging from traditional handloom products to modern, mass-produced clothing. This segment is labour-intensive, employing millions and serving as a vital component of the economy.

Cotton Yarn Manufacturing or Cotton Spinning

The spinning process transforms cotton fibre into yarn, which serves as the primary input for weaving, knitting, home textiles, garment, and technical textile applications. Given its role as the first major value-addition stage after cotton processing, the quality, consistency, and characteristics of yarn produced during spinning have a direct bearing on the quality and performance of the final textile product. It is to be noted that these two phases, **spinning and weaving**, are broad classifications which also includes other activities such as **mixing, carding, combing, drawing, rowing, warping,** and **finishing**. But **spinning and weaving** form the **core** of **cotton fabric production.**

The Indian cotton yarn manufacturing industry primarily utilizes ring spinning and open-end (rotor) spinning technologies to convert cotton fibres into yarn. Over time, **technological advancements have led to the development of compact spinning and EliTwist (compact twin spinning) technologies,** which are designed to improve yarn quality, reduce hairiness and cater to premium textile applications. *These technologies enable manufacturers to produce differentiated, value-added yarns that command higher realizations compared to conventional commodity yarns such as traditional ring-spun and open-ended rotor-spun cotton yarns.*

Open Ended Spinning

Open-ended spinning uses **rotors** to **convert cotton fibre** into **yarn**. Among the two processes, open-ended spinning is **technically superior**, and **open-ended rotors are 4 to 8 times faster** than spindles in producing cotton yarn. The faster production rate and higher yield were the initial attributes that popularized the open-end spinning technique. **Moreover, open end spinning mills are better suited for process automation,** which is expected to become a mainstay in the textile industry. Additionally, **open end spinning process also eliminates the need for rowing and winding process**. These attributes, along with higher yield, have led to the popularity of **open-end spinning mills, leading to the creation of open-end spinning hubs, the largest of which is concentrated in Tamil Nadu**.

Of late, open-end spinning mills have been gaining prominence because of its superiority in manufacturing yarn from cotton waste. With sustainable production practices gaining momentum across the country, the popularity of open-end spinning mills has gone. Initially, these mills used cotton waste which was then converted to yarn. However, the increase in the price of cotton have forced these mills to explore other recyclable materials.

Ring Frame Spinning

Ring spinning is the oldest of spinning processes that uses spindle to convert fibres to make a yarn. **Ring spinning frame, commonly called the ring, is the conventional spinning system and it transforms the roving from the roving frame into spun yarn using the operations of drawing, twisting and winding.** The ring spinning machine is capable of simultaneously twist staple fibres into yarn and then wind it onto bobbins for storage. The technology provides the widest range in terms of the yarn counts it can produce. It is used to product produce high-quality spun yarn ranging from fine (60 Ne, 10 tex) to medium count (30 Ne, 20 tex) range, with a small amount produced in the coarse count (10 Ne, 60 tex) range. End uses include **high-quality underwear, shirting, towels**. However, ring spinning is a **comparatively expensive process because of its slower production speeds and the additional processes (roving and winding) required for producing ring spun yarns**.

Compact Spinning

Compact spinning is an advanced variation of ring spinning that incorporates a fibre-condensing mechanism immediately before twist insertion. By compacting fibres into a narrower strand, the technology reduces fibre protrusion and improves fibre alignment.

Compared with conventional ring-spun yarns, compact yarn offers:

- Lower hairiness
- Higher tensile strength
- Improved yarn uniformity
- Reduced pilling tendency
- Better weaving and knitting efficiency

Compact yarn is increasingly used in premium garments, high-end knitwear, home textiles and export-oriented textile products.

EliTwist (Compact Twin Spinning)

EliTwist *is a proprietary value-added spinning technology that combines compact spinning and twisting in a single operation.* Unlike conventional yarn manufacturing, where doubling and twisting are performed in separate downstream processes such as two-for-one (TFO) twisting, EliTwist technology integrates these functions directly during the spinning stage. As a result, EliTwist technology-based compact yarn offers:

- Superior yarn strength compared to conventional ring and compact yarn
- Extremely low hairiness
- Enhanced abrasion resistance
- Improved fabric appearance and surface smoothness
- Reduced pilling tendency
- Better dimensional stability

EliTwist technology-based compact yarn is primarily **used in premium shirting, luxury knitwear, high-end garments, home textiles** and **specialty textile applications** where product quality, durability and appearance are critical purchasing criteria.

Compared with conventional cotton yarns, **EliTwist technology-based compact yarn** generally commands a higher realization due to their enhanced performance characteristics and suitability for value-added textile products.

TFO (Two-For-One Twisted) yarn

Two-For-One (TFO) yarn is produced by twisting two or more single yarns together using a **Two-For-One Twister machine**. The process significantly enhances yarn properties, including strength, uniformity, abrasion resistance, elongation, and overall fabric performance. Compared to single yarns, TFO yarn offers superior tensile strength, durability, dimensional stability, and appearance, making it an essential input for high-quality textile and apparel applications.

The TFO process is widely preferred across spinning mills and yarn processing units due to its operational advantages over conventional twisting methods. These include higher production efficiency, superior twist uniformity, lower yarn breakage rates, reduced operational costs, and improved yarn quality consistency. As a result, TFO machines are extensively utilized for manufacturing premium cotton, polyester, viscose, and blended yarns catering to diverse end-use industries.

End-use Applications

The **apparel industry represents the largest consumer segment for TFO yarn in India**. Twisted cotton, polyester-cotton, viscose, and other blended yarns are extensively used in the production of Denim fabrics, Shirting material, Trousers and bottom wear, Knitwear and hosiery products, Premium woven fabrics and Sewing threads. The enhanced strength and uniformity of TFO yarn improve fabric appearance, reduce pilling, and provide better resistance to repeated washing and wear, making it particularly suitable for high-quality garments and fashion products. Beyond apparel, TFO yarn also finds significant applications in **home textiles**, including bed linens, towels, upholstery fabrics, and curtains, where durability and dimensional stability are critical. Additionally, industrial textile manufacturers utilize TFO yarn in products requiring higher strength and performance characteristics.

Cotton Yarn Product Segmentation

Yarn Category	Definition	Manufacturing Process	Typical Count Range (Ne)[29]	Major Attributes	Key Applications
Combed Yarn	Yarn manufactured after removal of short fibres through combing.	Blow Room → Carding → Combing → Drawing → Simplex → ***Ring Spinning*** → Winding	Ne 20-120+	Softer, stronger, more uniform, lower hairiness	Premium knitwear, innerwear, fashion apparel, children's wear, premium shirting, high-quality home textiles and fine-count fabrics.
Compact Yarn	Ring-spun yarn produced through fibre compacting technology before twist insertion.	Combed/Carded Preparation → **Compact Ring Spinning** → Winding	Ne 20-120+	Low hairiness, higher strength, improved elongation, reduced pilling	Premium knitwear, branded apparel, shirting, fashion garments, export-quality fabrics, home textiles and fine-count woven fabrics.
Carded Yarn	Carded yarn is manufactured using the carding process as a key preparation step, followed by standard staple spinning methods such as **ring spinning** or **open-end spinning** (omitting the combing step). Its manufacturing uses fine wire teeth to disentangle and individualize fibres, removing remaining trash and short fibres to form a loose, untwisted strand called a **card sliver**.	Blow Room → Carding → Drawing → Simplex → **Ring Spinning/open end spinning** → Winding	Ne 6-40	Economical, relatively higher short fibre content, lower uniformity	Denim fabrics, basic garment fabrics, hosiery, towels, home textiles, industrial fabrics and general-purpose woven and knitted products.
Hosiery Yarn	Yarn specifically engineered for knitting applications.	Generally, Combed/ Compact Spinning with knitting-specific quality parameters	Ne 20-60	Superior evenness, softness, low imperfections, good dye uptake	T-shirts, innerwear, athleisure, socks
TFO Yarn (Two-for-One Twisted Yarn)	Yarn created by twisting two or more single yarns together.	Ring Spun Yarn → TFO Machine → Winding	2/20 Ne to 2/80 Ne and above	Higher strength, better abrasion resistance, dimensional stability	Denim fabrics, Shirting material, Trousers and bottom wear, Knitwear and hosiery products, Premium woven fabrics and Sewing threads and home textiles, including bed linens, towels, upholstery fabrics, and curtains
EliTwist Technology-based Compact Yarn	Value-added yarn produced using EliTwist technology where twisting occurs directly during spinning.	Cotton Fibre → Carding → Drawing → Two Separate Rovings → Compacting (EliTe System) → Twisting of Two Rovings Together (EliTwist) → Twin-Spun Yarn → Winding	Ne 20-100+	Reduced hairiness, enhanced strength, lower pilling, improved durability and appearance	Premium shirting, luxury knitwear, high-end garments, home textiles and specialty textile applications

[29] Ne = English Cotton Count. Higher count indicates finer yarn.

Major End-Use Segments of Cotton Yarn

End-use Segment	Key Applications
Garment & Garments	Shirts, T-shirts, denim, innerwear, ethnic wear, fashion garment
Home Textiles	Bed linen, towels, Curtains, Upholstery fabrics, Furnishings
Weaving & Knitting Industry	Grey fabrics, Knitted fabrics, Processed textiles
Technical Textiles	Medical textiles, Agro-textiles, Industrial fabrics, Protective textiles
Export-oriented Textile Manufacturers	Garment and textile exporters supplying global brands

The garment industry is the largest end-use consumer of cotton yarn, accounting for a substantial proportion of yarn demand through the production of clothing, fashionwear, innerwear, denim and other textile products. Growth in disposable incomes, urbanisation, organised retail and e-commerce penetration continues to drive garment consumption, thereby supporting demand for cotton yarn.

The **home textile industry** represents another major demand centre for cotton yarn, with applications in bed sheets, towels, quilts, curtains, upholstery fabrics and other household furnishing products. Premium yarn varieties such as combed, compact and higher-count cotton yarns are extensively used in this segment due to their superior softness, strength and finish. Cotton yarn is widely used across home textile applications including bed sheets and related furnishing products.

The **weaving, knitting and fabric manufacturing segment constitutes the immediate customer base** for **spinning mills**. Cotton yarn is converted into woven and knitted fabrics that subsequently feed into garment, home textile and industrial textile manufacturing. As such, *production trends in the downstream textile manufacturing ecosystem directly influence demand for cotton yarn*.

The technical textiles sector is emerging as an important growth avenue for cotton yarn demand. Cotton and cotton-blended yarns are increasingly being utilised in medical textiles, protective textiles, agro-textiles, industrial fabrics and other specialised applications. Government initiatives such as the National Technical Textiles Mission are expected to support the development of this segment over the medium to long term.

In addition, export-oriented textile and garment manufacturers represent a key stakeholder group for the cotton yarn manufacturing industry.

India's position as one of the leading global exporters of cotton yarn and textile products creates additional demand from textile manufacturing hubs and international garment supply chains, making global textile and garment consumption an important demand driver for domestic spinning mills.

Sustainable Cotton Yarn Solutions

Sustainability is emerging as a key differentiator in the cotton spinning industry, driven by growing environmental awareness, evolving regulatory requirements, and increasing sustainability commitments from global garment, fashion and home-textile brands. As a result, demand is increasingly shifting towards sustainable and traceable yarn solutions, including organic cotton yarn, Better Cotton (BCI) yarn, recycled cotton yarn, compact yarn, and traceable premium yarns. These yarn categories enable downstream textile manufacturers to improve supply-chain transparency, reduce environmental impact, support circular economy initiatives, and comply with increasingly stringent ESG and responsible sourcing requirements. The adoption of sustainable cotton yarns is further being supported by advances in traceability technologies, certification frameworks and sustainability-focused procurement practices among global brands. Consequently, sustainability-oriented yarn products are expected to become an increasingly important growth segment within the Indian cotton spinning industry, particularly for manufacturers producing value-added and premium yarns.

Overview of Raw Cotton Scenario in India

Cotton is a significant commercial crop in India, contributing approximately 20% of global cotton production in marketing year 2025-26[30].[31] It supports the livelihood of around 6 million cotton farmers and 40-50 million people [32] involved in related activities such as cotton processing and trade. The Indian textile industry utilizes a variety of fibres

[30] According to USDA, 2025-26 cotton marketing year refers to the period from August 2025 to July 2026.
[31] USDA
[32] PIB, July 2026.

and yarns, with a cotton-to-non-cotton fibre usage ratio of about 60:40, compared to 30:70 globally. In addition to providing clothing, cotton plays a key role in India's foreign exchange earnings through exports of raw cotton, intermediate products like yarn and fabrics, and finished goods such as garments, made-ups, and knitwear. Due to its economic significance, cotton is sometimes referred to as "**White Gold**" in India.

Cotton Acreage and Yield

Cotton Year (October- September)	Cotton Acreage (in lakh hectares)	Cotton Yield (in kg lint per hectare)
2020-21	132.86	451
2021-22	123.72	428
2022-23	129.27	443
2023-24	126.88	436
2024-25	114.82	440

Source: Ministry of Agriculture and Farmers Welfare

India has the largest cotton acreage globally, with 114.82lakh hectares under cultivation, covering about 37% of the world's total cotton-growing area of 306.09 lakh hectares. Around 67% of India's cotton is grown in rain-fed regions, while 33% is cultivated on irrigated land. In terms of productivity, India ranks 40th, with a yield of 440 kg/ha. [33]

India is the only country that cultivates all four species of cotton:

- Gossypium arboreum
- Gossypium herbaceum (Asian cotton),
- Gossypium barbadense (Egyptian cotton), and
- Gossypium hirsutum (American Upland cotton).

Gossypium hirsutum accounts for 90% of hybrid cotton production in India. Shankar-6 (high-yielding medium-staple cotton variety) and all current Bt cotton hybrids belong to this species.

Shankar-6 Cotton and Its Relevance to the Cotton Yarn Industry

Shankar-6 is the most widely traded and internationally recognised cotton variety produced in India and is derived from the **Gossypium hirsutum species**, which accounts for the majority of India's hybrid cotton production. **Predominantly cultivated in Gujarat and parts of Maharashtra,** *Shankar-6 is a medium-to-long staple cotton variety with a staple length of approximately 28.5-30.5 mm, micronaire values ranging from 3.8 to 4.9, and fibre strength of around 28-31 g/tex.* Owing to its consistent fibre quality, favourable spinning characteristics, large-scale availability and established acceptance in domestic and international markets, it has become the benchmark cotton grade for India's spinning and cotton export industry. Gujarat's position as India's second largest cotton-producing state has further strengthened the prominence of Shankar-6 within the domestic cotton value chain, making it one of the most widely used raw materials for cotton yarn manufacturing in the country.

Key Advantages of Shankar-6 Cotton

- **Good fibre length and strength**: Typically offers staple lengths in the medium-to-long staple category, making it suitable for a broad range of yarn counts.
- **High spinning efficiency**: Delivers favourable spinning performance with relatively lower end breakage and improved machine productivity.
- **Large-scale availability**: Extensive cultivation enables spinning mills to procure raw material in commercial quantities throughout the season.
- **Export acceptance**: Well-established reputation among overseas buyers makes it a preferred cotton for yarn exports.
- **Versatility**: Suitable for manufacturing woven fabrics, knitted fabrics, home textiles and a wide variety of garment products.
- **Cost competitiveness**: Provides a favourable balance between fibre quality and procurement cost compared with premium imported cotton varieties.

[33] Ministry of Textiles

Key Limitations of Shankar-6 Cotton

- **Not an Extra Long Staple (ELS) cotton**: Fibre length is generally insufficient for the highest-count premium yarns.
- **Quality variability**: Fibre quality can vary across seasons depending on weather conditions, pest incidence and agronomic practices.
- **Traceability concerns**: Traditional supply chains may face contamination and traceability challenges unless supported by initiatives such as Kasturi Cotton Bharat.
- **Competition from imported premium cotton**: Premium applications requiring superior length, strength and uniformity may necessitate imported ELS cotton.
-

Alternative Raw Materials in the Absence of Shankar-6 Cotton

Where Shankar-6 availability becomes constrained due to lower cotton output or quality concerns, spinning mills generally shift towards the following raw materials depending on the intended yarn specification:

Alternative Cotton Type	Key Characteristics	Typical Applications
MCU-5	Long-staple cotton mainly grown in South India	Fine-count and combed yarns
DCH-32	Indian Extra Long Staple (ELS) cotton	Premium yarns, fine-count export yarns
Suvin Cotton	India's premium ELS cotton variety	Luxury garment, superfine counts (80s+)
US Pima Cotton	Imported ELS cotton with superior fibre length	Premium shirting, luxury garments
Egyptian Giza Cotton	Premium imported ELS variety renowned for softness and strength	High-end garment, bed linen, luxury textiles
Australian Cotton	High-quality contamination-free cotton	Fine and value-added yarns
J-34 Cotton	Medium-staple cotton variety, predominantly cultivated in Punjab, Haryana and Rajasthan; known for good fibre strength, uniform quality, suitable for spinning medium yarn counts (20s-34s)	Weaving and knitting yarns, denim fabrics, shirting fabrics, home textiles, towels and general apparel fabrics

Among the available substitutes, US Pima and Egyptian Giza cotton are generally considered the preferred alternatives for manufacturing premium yarns due to their superior fibre length, strength and uniformity. The Government's exemption of customs duty on Extra Long Staple (ELS) cotton exceeding 32 mm staple [34] length has further improved access to these premium imported varieties for Indian spinning mills, supporting production of high-count and value-added yarns.

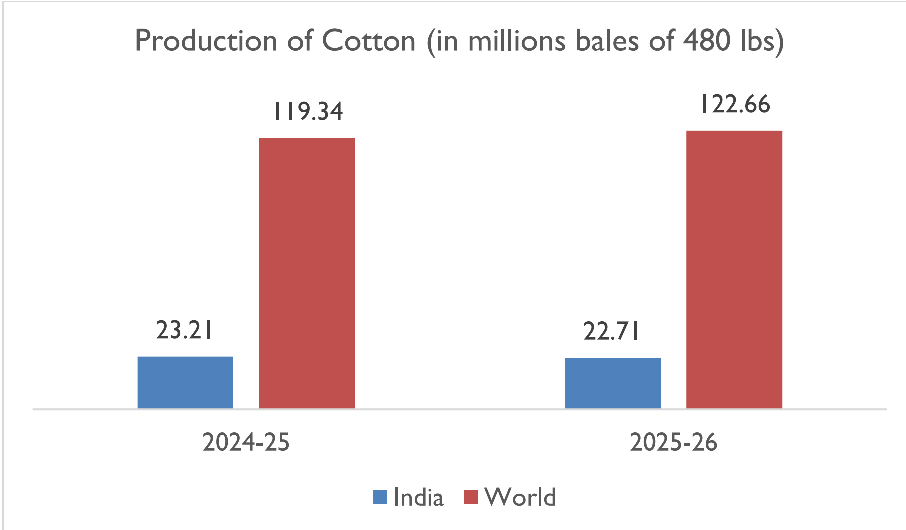
Cotton Production Scenario in India

Cotton production in India is concentrated in ten major states, categorized into three agro-ecological zones:

- **Central Zone**: Gujarat, Maharashtra, and Madhya Pradesh
- **Southern Zone**: Telangana, Andhra Pradesh, Karnataka and Tamil Nadu
- **Northern Zone**: Punjab, Haryana, and Rajasthan

Additionally, cotton is cultivated in Odisha.

[34] USDA



Source: Cotton Association of India, US Department of Agriculture

India ranks second globally in cotton production behind China[35], with an output of 22.71 million (290.91 lakh bales[36]) bales during the 2025-26 cotton season, accounting for 19% of the world's total production of 122.66 million bales. Additionally, India is the world's second-largest consumer of cotton, with an estimated consumption of 32.8 million bales in cotton season 2025-26.

Rank	State	Contribution to Total Cotton Production 2025-26[37]
1	Maharashtra	27%
2	Gujarat	23%
3	Telangana	21%
4	Karnataka	7%
5	Rajasthan	6%
6	Andhra Pradesh	4%
7	Madhya Pradesh	3%
8	Haryana	3%
9	Odisha	3%
10	Punjab	1%

Source: Cotton Association of India

Key Cotton growing Hubs in India

Maharashtra (27%): Maharashtra ranks first in cotton production with a 27% share. Maharashtra follows closely, producing around 8.5 million bales annually, primarily in the Vidarbha region, including districts like Yavatmal, Akola, and Amravati. However, the state's cotton farmers face challenges such as unpredictable rainfall, drought conditions, and soil degradation. Despite these difficulties, Maharashtra remains a significant contributor to India's cotton industry, with extensive use of genetically modified (BT) cotton to boost yields.

- **Gujarat** (23%): **Gujarat** is the second largest cotton-producing state in India, contributing 23% to the total national production. Gujarat, often referred to as the '**Cotton Bowl'** of India, is the leading producer, contributing approximately **9 million bales annually,** with prominent districts like Rajkot, Surendranagar, and Bhavnagar. The state's black soil (Regur soil) and semi-arid climate create ideal conditions for cotton cultivation. Gujarat is known for high-yield varieties, and irrigation facilities in some regions further enhance production. The state is also home to a large number of textile mills and ginning factories, strengthening the cotton value chain.

[35] Cotton | USDA Foreign Agricultural Service,
https://www.texmin.gov.in/static/uploads/2025/07/db767d1d1501e27672906cd8c320c5f4.pdf

[36] In 1Bales is equal to 170 Kg.

[37] Refers to Cotton Season 2025-26

- **Telangana** (21%): **Telangana** is the third-largest cotton-producing state, contributing **21% to** India's total production. **Telangana** has emerged as a significant player in recent years, producing about **5.5 million bales** annually in districts such as Warangal, Adilabad, and Nizamabad. The state has witnessed rapid growth in cotton cultivation due to favourable climatic conditions, government support, and widespread adoption of BT cotton. The availability of irrigation from the Godavari and Krishna rivers has also played a crucial role in increasing cotton output. Telangana's cotton industry is well-connected to textile hubs, ensuring a strong market for farmers.

Historical Cotton Production & Consumption Trend in India

Cotton Year (October -September)	Production (in million bales)	Consumption (including Mill, SSI and Non-textile) (in million bales)
2020-21	35.25	33.49
2021-22	31.12	32.24
2022-23	33.66	31.36
2023-24	32.52	32.58
2024-25	29.72	32.25
2025-26*	33.90	32.80

Source: Ministry of Textiles
*Provisional

India's cotton industry has witnessed a gradual tightening of the supply-demand balance over the past five years. Cotton production declined from **35.25 million bales** in 2020-21 to **31.12 million bales** in 2021-22, while consumption remained relatively robust at **32.24 million bales**, resulting in demand exceeding domestic production. This was primarily driven by lower output amid productivity and acreage-related challenges, while demand from the textile sector remained resilient.

Production recovered to **33.66 million bales** in 2022-23, supported by improved crop performance and favourable growing conditions. During the same period, consumption moderated slightly to **31.36 million bales**, restoring a production surplus and easing supply pressures. However, the recovery proved short-lived, with production declining to **32.52 million bales** in 2023-24, while consumption increased to **32.58 million bales**, resulting in a near-balanced market where domestic demand marginally exceeded production.

The supply-demand gap widened further in 2024-25, as cotton production fell to **29.72 million bales**, the lowest level in the last five years, while consumption remained strong at **32.25 million bales**. The decline in output was largely attributable to reduced acreage under cotton cultivation and lower overall production. Despite the tighter supply environment, demand from India's spinning, weaving, apparel, garment, and home textile industries remained relatively stable, underscoring the importance of cotton to the country's textile value chain.

As per the latest estimates by the Committee on Cotton Production & Consumption (COCPC), cotton consumption in 2025-26 stands at **32.80 million bales** (provisional), indicating continued demand growth from the domestic textile sector. The recent trend of consumption outpacing production highlights the growing importance of improving farm productivity, enhancing cultivation practices, and ensuring adequate raw material availability to support the long-term growth of India's textile and apparel industry.

Consumption Pattern by End Use Segment (mills / non-mills / SSI units / Others)

Consumption of Cotton	2021-22	2022-23	2023-24	2024-25	2025-26
Mill Consumption	28.49	19.78	21.68	21.30	22.20
Small Scale Industries (SSI) Consumption	2.15	9.98	9.29	9.35	9.80
Non-Textile Consumption	1.60	1.60	1.60	1.60	1.60

Source: Cotton Association of India

Cotton consumption in India is primarily driven by **mill consumption**, followed by **Small Scale Industries (SSI)** consumption and non-textile usage. During Cotton Season 2021-22 to 2025-26, total cotton consumption increased from **32.24 million bales** in 2021-22 to **32.80 million bales** in 2025-26, indicating a moderate increase over the period. However, the end-use pattern reflects some shift in consumption distribution, with mill consumption declining sharply in 2022-23 before gradually recovering in subsequent years.

Mill consumption stood at **28.49 million bales** in 2021-22 but declined to **19.78 million bales** in 2022-23. Thereafter, mill consumption improved to **21.68 million bales** in 2023-24 and remained broadly stable at **21.30 million bales** in 2024-25, before increasing to **22.20 million bales** in 2025-26. This indicates that cotton demand from organised spinning mills has recovered from the low level recorded in 2022-23, although it remains below the 2021-22 level. The trend reflects the continued importance of spinning mills as the largest consumers of cotton and a key driver of domestic cotton demand.

Small Scale Industries (SSI) consumption increased significantly from **2.15 million bales** in 2021-22 to **9.98 million bales** in 2022-23 and thereafter remained relatively steady in the range of **9.29-9.80 million bales** between 2023-24 and 2025-26. This indicates that small-scale and decentralised textile units have accounted for a meaningful share of cotton consumption in recent cotton seasons. Non-textile consumption remained constant at **1.60 million bales** throughout the period, suggesting stable demand from non-textile applications.

Overall, the data indicates that while the organised mill segment continues to remain the principal consumer of cotton in India, the role of Small-Scale Industries (SSI) has become more prominent in recent years. The recovery in mill consumption to 22.20 million bales in 2025-26, along with steady SSI demand, supports overall cotton consumption and underlines the importance of both organised and decentralised textile manufacturing activity in driving cotton demand.

Cotton Yarn Industry in India

The Indian cotton yarn industry is a critical component of the country's textile value chain, serving as the intermediary link between cotton fibre production and downstream textile manufacturing. The industry converts raw cotton into a range of yarn products, including carded, combed, compact and other specialty yarns, which are subsequently consumed by weaving, knitting, power loom and composite textile units for the production of garment, home textiles, technical textiles and industrial textile products. The industry comprises both 100% cotton yarn and cotton-based blended yarn produced through various spinning technologies, such as ring spinning, open-end spinning and air-jet spinning. For the purpose of this analysis, the cotton yarn market represents the value of spun yarn at the post-spinning stage, where yarn is sold to downstream textile manufacturers, and excludes the retail value of finished textile products.

India's Position in the Global Cotton Yarn Landscape

India occupies a strategically important position in the global cotton yarn industry, supported by its abundant cotton production, extensive spinning infrastructure and strong export orientation. The country possesses the second-largest spinning capacity globally after China[38], enabling production across a wide range of yarn counts and specifications catering to diverse domestic and international requirements.

India's cotton consumption growth is supported by sustained demand for cotton yarn from major textile manufacturing economies such as China, as well as demand for cotton textile products from developed markets. India's cotton yarn exports to global markets increased by approximately 8% during the marketing year 2025-26[39], driven primarily by a sharp rise in exports to China, which more than offset the decline in shipments to certain other markets, including Bangladesh.[40]

Notably, India's cotton yarn exports to China tripled during the first ten months of the marketing year, resulting in India's market share in China's cotton yarn imports increasing from 7% to 21%.[41] Although China's overall cotton yarn imports also expanded during the same period, India's export growth significantly outpaced that of other major supplying countries, highlighting the country's growing competitiveness and strategic importance within the global cotton yarn supply chain.

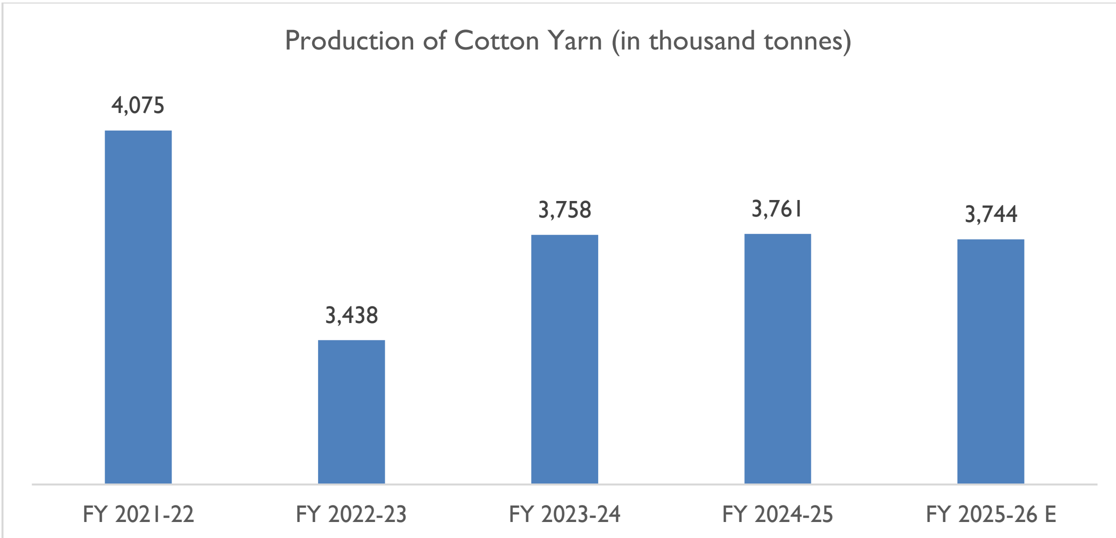
This strengthening position, combined with India's large cotton production base, integrated textile ecosystem, and expanding

[38] TEXPROCIL

[40] USDA
[41] USDA

value-added yarn capabilities, is expected to support the long-term growth prospects of the domestic spinning industry.

Annual Cotton Yarn Production Trend India



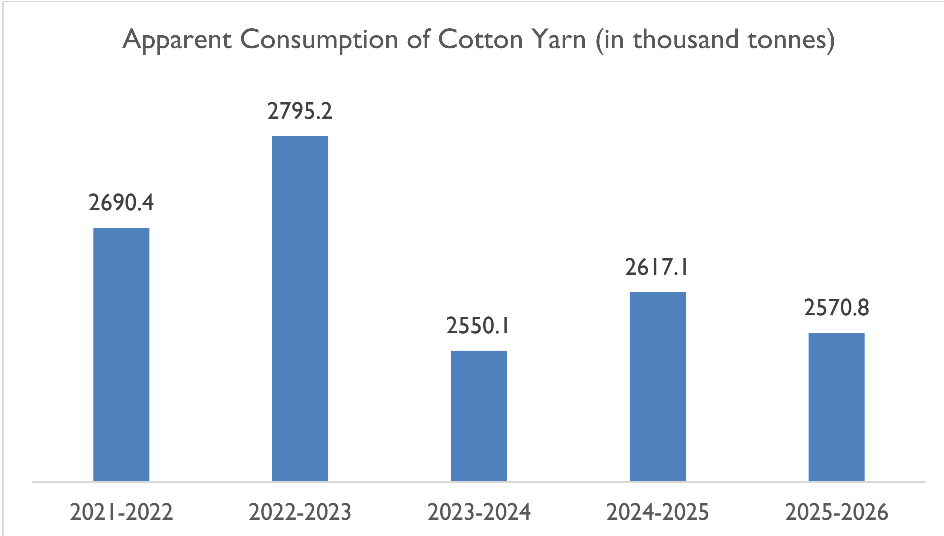
Source: Office of the Textile Commissioner, Ministry of Textiles and CMIE

India's cotton yarn production has witnessed cyclical fluctuations over the last five years, largely influenced by movements in cotton prices, export demand from key overseas markets, and downstream demand from the domestic textile and apparel industry. Production declined from 4,075 thousand tonnes in FY 2021-22 to 3,438 thousand tonnes in FY 2022-23, representing a significant contraction during the period. The decline was primarily driven by a sharp increase in domestic cotton prices, which increased spinning costs and reduced the competitiveness of Indian yarn in export markets. At the same time, weaker export demand, particularly from China, further weighed on production levels.

The industry recovered in FY 2023-24, with production increasing to 3,758 thousand tonnes. The recovery was supported by moderation in cotton prices, improvement in export demand, and normalization of operating conditions across the textile value chain. Lower raw material costs helped improve spinner margins, while stronger demand from overseas textile manufacturing hubs supported higher capacity utilization.

Production remained broadly stable at 3,761 thousand tonnes in FY 2024-25, indicating that the industry had entered a phase of consolidation following the sharp recovery in the previous year. However, growth remained constrained by subdued export demand from China, where higher domestic cotton production reduced the need for imported cotton yarn. As China is one of the key export destinations for Indian cotton yarn, weaker imports from the country limited further production expansion. Output moderated marginally to 3,744 thousand tonnes in FY 2025-26, reflecting continued pressure from both export and domestic demand conditions. Export demand from Bangladesh and China remained weak during the year, while domestic demand from downstream fabric manufacturers was constrained by slower growth in cloth production. In addition, cotton production has declined due to adverse weather conditions, including excessive rainfall during critical crop development stages, resulting in lower raw material availability for the spinning industry.

Cotton Yarn Consumption Scenario in India

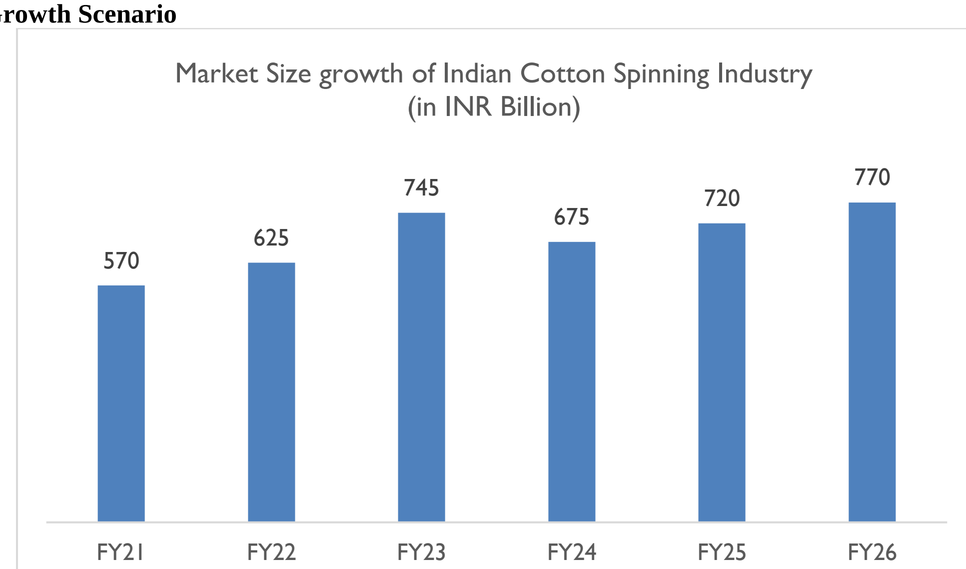


Source: CMIE

On average, approximately 70% of the total yarn produced was consumed domestically by fabric and garment manufacturers between FY 2021-22 and FY 2025-26, while the remaining share is exported to international markets, with imports accounting for only a minimal portion of the overall demand.

Apparent consumption[42] of cotton yarn increased from 2,690.4 thousand tonnes in FY 2021-22 to 2,795.2 thousand tonnes in FY 2022-23, reflecting strong demand from India's textile and garment sector following the post-pandemic recovery. However, consumption declined considerably to 2,550.1 thousand tonnes in FY 2023-24, primarily due to elevated cotton prices, which increased yarn prices and compressed margins for downstream textile manufacturers, leading to lower yarn procurement and production rationalisation. The decline was further exacerbated by weaker export demand for textiles and apparels in key global markets and inventory corrections across the value chain. As cotton prices moderated and demand conditions improved, consumption recovered modestly to 2,617.1 thousand tonnes in FY 2024-25, supported by improved yarn affordability and replenishment of inventories by fabric and garment manufacturers. Despite moderating slightly to 2,570.8 thousand tonnes in FY 2025-26, domestic consumption remained resilient.

Market Size Growth Scenario



Source: Dun & Bradstreet Research

[42] Apparent Consumption = Production of Cotton Yarn+Import of Cotton Yarn-Export of Cotton Yarn

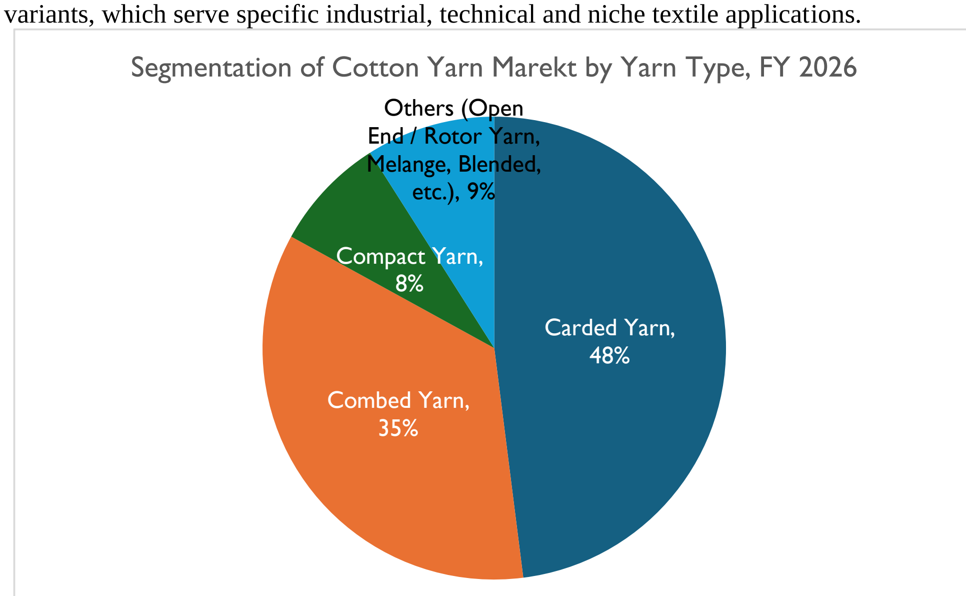
The cotton spinning industry in India is stood at at INR 770 billion in FY26, increasing from INR 570 billion in FY21. The market expanded from INR 570 billion in FY21 to INR 625 billion in FY22 and further to INR 745 billion in FY23, before moderating to INR 675 billion in FY24. It recovered to INR 720 billion in FY25 and reached INR 770 billion in FY26. Over FY21- FY26, the industry recorded a CAGR of around 6.2%, reflecting steady demand from downstream textile segments despite periodic volatility in raw material prices and yarn realisations.

The decline in market value during FY24 was primarily driven by a correction in raw cotton prices, which reduced cotton yarn realisations. Since raw cotton is the largest cost component in yarn manufacturing, changes in cotton prices have a direct bearing on the value of the cotton spinning market, even when domestic consumption remains relatively stable. The subsequent recovery in FY25 and FY26 indicates renewed market momentum, supported by downstream textile demand and stabilisation in raw material prices.

Market Segmentation of Cotton Yarn Industry

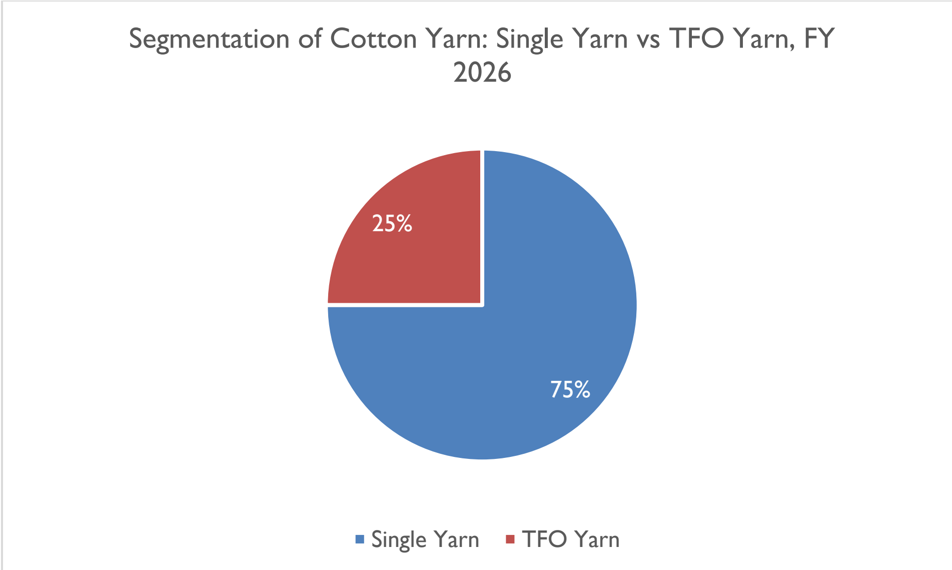
By Yarn Type

The Indian cotton yarn market, valued at INR 770 billion in FY 2025-26, is predominantly composed of carded yarn, which accounts for approximately 48% of total market value. Carded yarn is widely used across mass-market garments, home textiles, denim, workwear and other commodity textile applications due to its cost competitiveness and broad applicability. Combed yarn represents the second-largest segment, contributing approximately 35% of market value. The segment caters to premium knitwear, innerwear, fashion apparel, children's wear, premium shirting, high-quality home textiles and fine-count fabrics. Compact yarn, which includes EliTwist technology-based compact yarn, accounts for around 8% of the market and is primarily utilized in premium knitwear, branded apparel, shirting, fashion garments, export-quality fabrics, home textiles and fine-count woven fabrics, where enhanced yarn strength, lower hairiness and superior fabric performance are required. The remaining 9% comprises other yarn categories, including open-end (rotor) yarn, mélange yarn, blended yarns and specialised variants, which serve specific industrial, technical and niche textile applications.



Source: Dun & Bradstreet Research

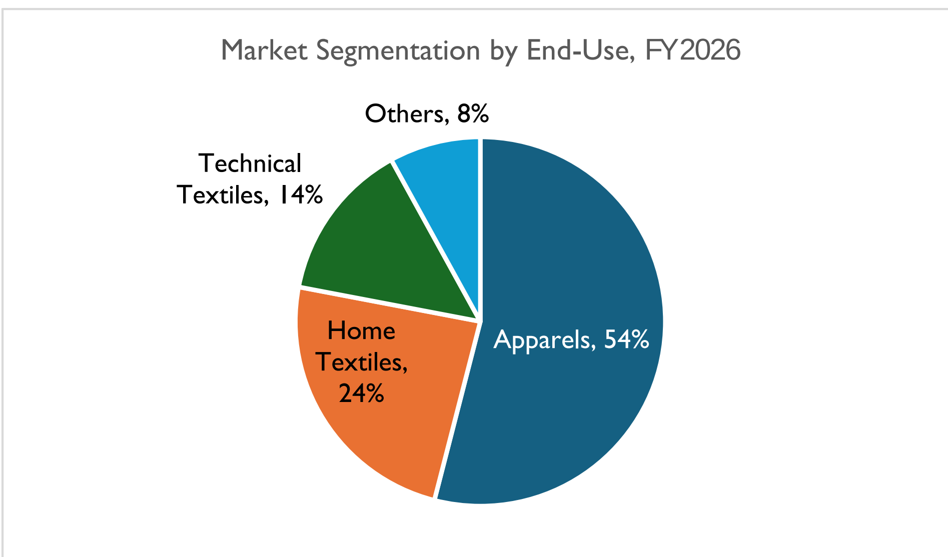
Single Yarn vs TFO Yarn



Source: Dun & Bradstreet Research

Single yarn, which is produced from a single strand of spun fibres without any doubling or twisting with another yarn, accounts for approximately 75% of the cotton yarn market by value in FY2026. The segment is widely used in knitting and hosiery applications, as well as in a significant portion of weaving applications, particularly as weft yarn. TFO (yarn accounts for the remaining 25% of the market by value. Manufactured by twisting two single yarns together, TFO yarn offers enhanced strength, durability, uniformity and dimensional stability. As a result, it is extensively used in denim fabrics, shirting materials, trousers and bottom wear, knitwear and hosiery products, premium woven fabrics, sewing threads and home textiles, including bed linen, towels, upholstery fabrics and curtains.

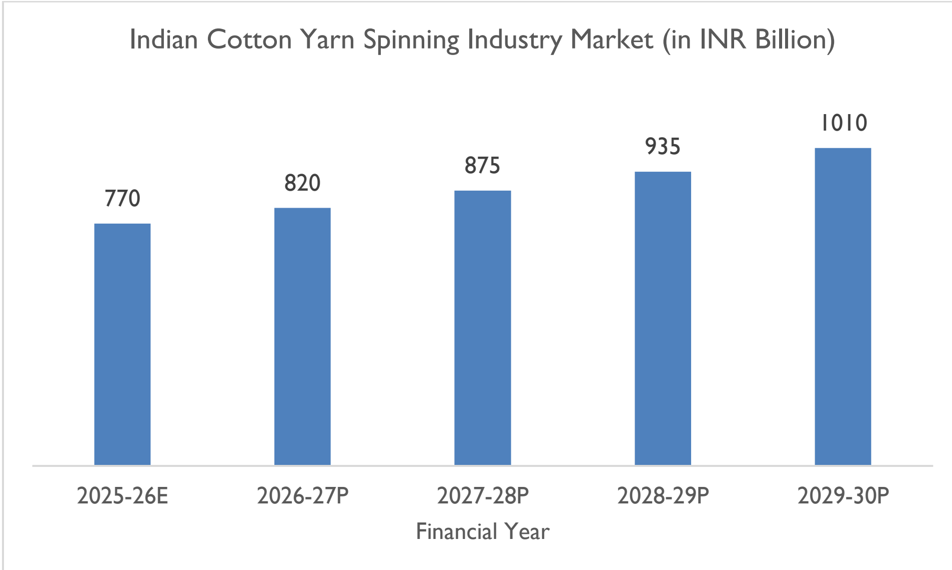
By End-Use



Source: Dun & Bradstreet Research

From an end-use perspective, garment remains the largest consumption segment for cotton yarn in India, accounting for 54% share in FY2025-26. Cotton yarn used in garment supports the manufacturing of clothing, fashion garments, denim and knitwear. Home textiles represent the second-largest end-use segment, contributing 24% of total consumption, with applications including bed linen, terry towels, curtains, and upholstery. Technical textiles account for 14% of cotton yarn consumption, largely driven by applications in medical textiles, protective clothing, and selected industrial uses, while the remaining 8% is attributed to other applications such as industrial fabrics, sewing threads, ropes, canvas, and bespoke manufacturing requirements.

Growth Outlook of the Indian Cotton Yarn Market



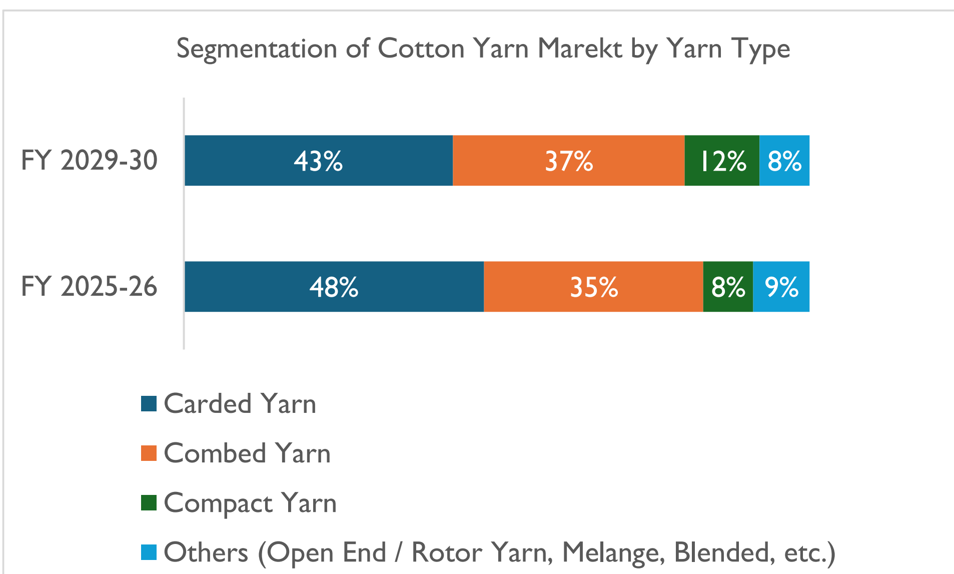
Source: Dun & Bradstreet Research

Going forward, the India cotton Yarn market is projected to reach INR 820 billion in FY2026-27, INR 875 billion in FY2027-28, INR 935 billion in FY2028-29 and INR 1,010 billion in FY2029-30 at a CAGR of 7.20% between FY26-FY30.

Growth is expected to be supported by continued expansion in textile and garment manufacturing, rising consumption of cotton-based garments and home textile products, increasing preference for sustainable natural fibres, and growing demand for value-added yarn categories such as combed and compact yarn. Additionally, ongoing government initiatives aimed at strengthening India's textile value chain, including the Production Linked Incentive (PLI) Scheme and PM MITRA textile parks, are expected to support investments across spinning, weaving, processing and garment manufacturing, thereby contributing to the long-term growth of the cotton yarn industry.

Projected Market Segmentation of Cotton Yarn Industry

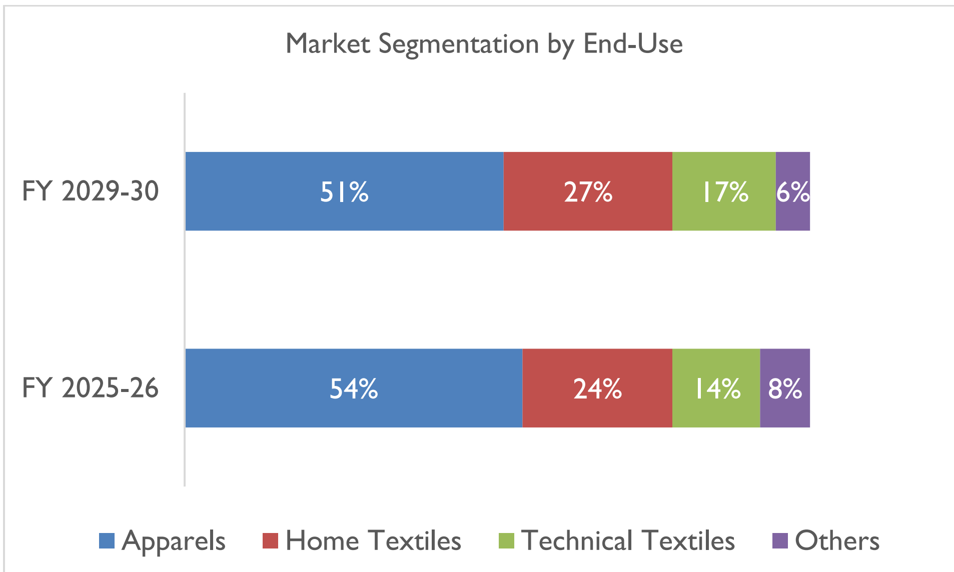
By Yarn Type



Source: Dun & Bradstreet Research

By FY2029-30, the product mix of the cotton yarn market is expected to gradually shift towards higher-value yarn categories. While carded yarn will continue to account for the largest share, its contribution is projected to decline from 48% to 43%, reflecting increasing demand for finer and premium-quality yarns. In contrast, combed yarn is expected to expand its share from 35% to 37%, supported by growing consumption of high-quality garment, knitted garments and export-oriented textile products. Compact yarn is projected to witness the strongest growth among all yarn categories, with its market share increasing from 8% to 12%, driven by rising adoption in premium fashion, performance textiles and high-end fabric manufacturing. Meanwhile, the share of other yarn categories is expected to decline marginally from 9% to 8%, as demand growth remains concentrated in carded, combed and compact yarn segments. Overall, the industry is expected to witness a gradual migration towards value-added yarn products, reflecting the increasing emphasis on quality, performance and premiumisation across the textile value chain.

By End-Use



Source: Dun & Bradstreet Research

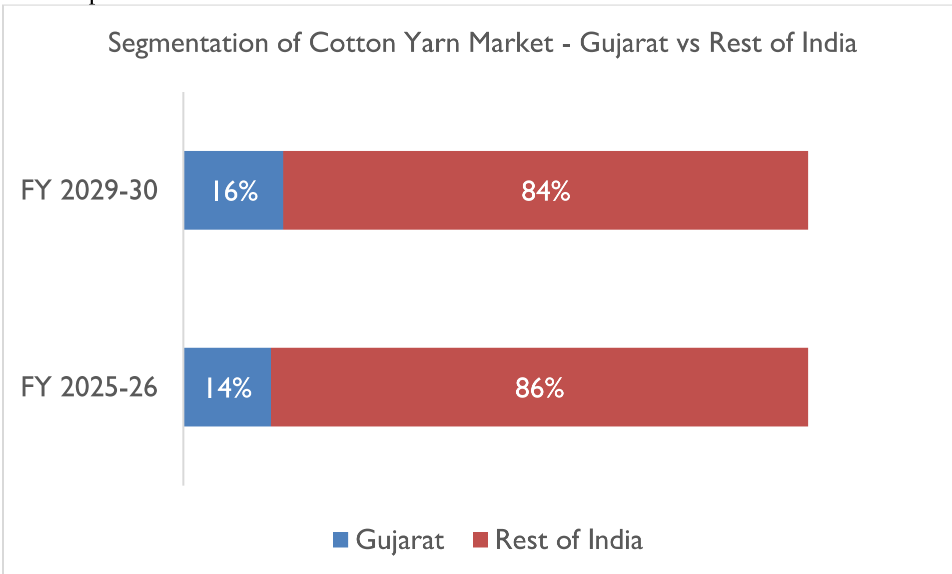
From an end-use perspective, cotton yarn consumption is expected to become more diversified by FY 2030. While garment will continue to dominate the market, its share is projected to moderate slightly from 54% to 51%. In contrast, home textiles are expected to increase their share from 24% to 27%, supported by growth in residential construction, home improvement spending, and hospitality-related demand. Technical textiles are projected to record the strongest growth among all end-use segments, with their share rising from 14% to 16.5%, driven by increasing adoption across healthcare, infrastructure, industrial, and functional textile applications. The share of the “others” category is expected to decline from 8% to 5.5%, reflecting the faster growth of garment, home textiles, and technical textiles relative to smaller industrial applications.

Overall, the Indian cotton spinning industry is expected to remain a key enabler of the country’s textile value chain. While garment continues to dominate cotton yarn consumption, the gradual increase in the share of home textiles and technical textiles points towards a more diversified demand base. The industry’s growth outlook is supported by domestic textile consumption, value-added yarn production, sustainable yarn solutions and policy support, although raw cotton price volatility will remain an important factor influencing yarn realizations and market value.

Gujarat Scenario

Gujarat Production Contribution in India’s Cotton Yarn (By Value)

India's cotton yarn manufacturing landscape is concentrated across a few major textile-producing states, with **Gujarat** emerging as one of the most important and fastest-growing cotton yarn production hubs in the country. **The state is accounts for approximately 14% of the Indian cotton yarn market by value in FY2026 i.e. INR 107.8 billion.** The remaining 86% of the market is accounted for by other textile-producing states, led by Tamil Nadu, which continues to be India's largest spinning hub with nearly half of the country's installed spinning capacity. Major textile clusters across Tiruppur, Coimbatore and Erode support significant yarn production and consumption. Other important production and consumption centres include Maharashtra's power loom belts in Bhiwandi and Ichalkaranji, Punjab's knitwear cluster in Ludhiana and the home textile ecosystem in Panipat.



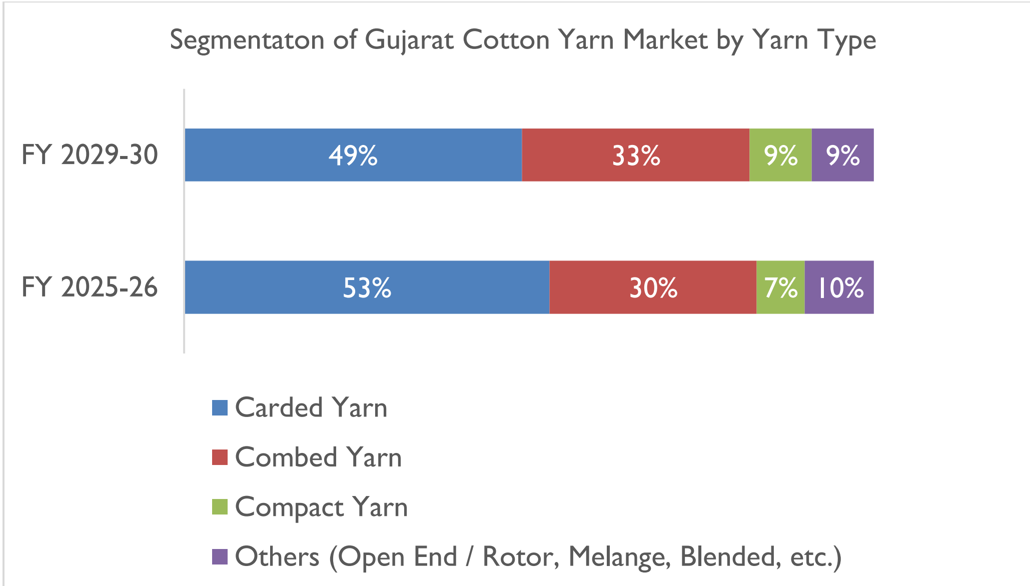
Source: Dun & Bradstreet Research

Gujarat's growing importance is supported by its position as one of India's largest cotton-producing states, providing spinning mills with reliable access to raw cotton and enabling lower procurement and logistics costs. The state has also witnessed substantial investments in spinning capacity in recent years, supported by f**avourable industrial policies, competitive power tariffs, proximity to major export gateways such as Mundra Port, and the government's "5F" (Farm to Fibre to Fabric to Fashion to Foreign)** vision aimed at strengthening the textile value chain.

In addition to its strong manufacturing base, Gujarat is a significant centre for downstream textile production and yarn consumption.

Ahmedabad remains the country's largest denim manufacturing cluster, accounting for an approximately **65-70% of India's denim fabric** production, while **Surat has emerged as a major hub for weaving, processing** and **textile** manufacturing. The presence of these downstream industries supports robust local demand for cotton yarn and facilitates greater value addition within the state. **As a result, Gujarat's contribution to the Indian cotton yarn market is expected to increase from 14% in FY2025-26 to 16% by FY2029-30**, driven by continued capacity additions, increasing downstream integration and the development of textile infrastructure projects such as the PM MITRA park in Navsari.

Gujarat Cotton Yarn Market by Yarn Type



Source: Dun & Bradstreet Research

Of the INR 107.8 billion Gujarat cotton yarn market in FY2025-26, carded yarn constitutes the largest segment, accounting for approximately 53% of market value. The segment benefits from widespread usage across denim manufacturing, woven fabrics, home textiles and other high-volume textile applications. Gujarat's large integrated textile ecosystem, particularly the concentration of denim production in Ahmedabad and weaving operations across the state, continues to support strong demand for carded yarn. Combed yarn represents the second-largest segment, contributing approximately 30% of market value. The segment is primarily consumed in higher-quality knitting and weaving applications where improved yarn uniformity, softness and strength are required. Compact yarn, including premium variants such as EliTwist technology-based compact yarn, accounts for around 7% of the market and caters to value-added textile products, premium garment and export-oriented fabric manufacturing. The remaining 10% comprises other yarn categories, including open-end (rotor) yarn, mélange yarn and blended yarns, with open-end yarn finding significant application in Gujarat's well-established denim value chain. However, by FY2029-30, the product mix of Gujarat's cotton yarn market is expected to gradually shift towards higher-value yarn categories. While carded yarn will continue to remain the largest segment, its share is projected to decline from 53% to 49% as textile manufacturers increasingly focus on producing finer-count and premium-quality products. Combed yarn is expected to strengthen its position, with market share increasing from 30% to 33%, supported by growing demand from knitting, garmenting and export-oriented textile manufacturers. Compact yarn is projected to record the fastest growth among all yarn segments, expanding its share from 7% to 9%, driven by investments in advanced spinning technologies, rising production of premium fabrics and increasing demand from international markets. Meanwhile, the share of other yarn categories is expected to moderate slightly from 10% to 9%, reflecting stronger growth in combed and compact yarn relative to conventional speciality yarn segments.

Overall, Gujarat's cotton yarn industry is expected to witness a gradual transition from conventional yarn grades towards higher-quality and value-added yarn products. While carded yarn will continue to account for a substantial proportion of consumption due to the state's large-scale denim and fabric manufacturing base, the increasing adoption of combed and compact yarns highlights the ongoing shift of Gujarat's textile sector towards premiumisation, improved fabric quality and higher-value textile production.

Key Demand Drivers

The demand for cotton yarn is directly related to the demand scenario prevalent in the domestic textile industry. Being the primary input material used for cotton textiles, factors that have an impact on the overall textile as well as cotton textile industry have a direct impact on cotton yarn demand. Some of the key factors that have an impact on the larger textile and cotton textile industry include:

Access to a large urban population, India’s young demographic profile, availability of raw materials, the existence of an integrated value chain, government support, and technology upgradation are major factors that contribute to the growth of overall textile sector.

Access to large base of urban population

India has been undergoing a significant demographic transformation over the past three decades and, with a population exceeding 1.4 billion, has emerged as the world's most populous country. The country's expanding middle class, rising disposable incomes and increasing consumer spending are supporting growth across multiple consumer sectors, including textiles and garment. Demand for textile products has historically demonstrated a strong correlation with urbanisation, as urban consumers generally exhibit higher purchasing power, greater preference for branded products and stronger participation in organised retail and e-commerce channels.

Urbanisation in India continues to gather momentum, supported by migration from rural areas and the expansion of economic opportunities in cities. As of September 2026, India's urban population share stood at approximately 37.6% of the total population[43], indicating that a substantial rural-to-urban transition potential still exists, particularly across Tier II and Tier III cities. This urbanisation trend is expected to continue over the long term as economic development, infrastructure investment and employment opportunities become increasingly concentrated in urban centres.

India's capital, New Delhi, has been identified among the world's fastest-growing major cities in terms of population and economic activity. Furthermore, India's urban population is projected to exceed 600 million by 2031[44], reflecting the continued expansion of urban centres and the growing concentration of consumers in city-based markets. This expanding urban consumer base is expected to support demand for a broad range of consumer goods, including textile and garment products.

These long-term trends of urbanisation, rising incomes and population growth have created a large and growing market for textile products in India. Cotton-based textile products have traditionally been widely preferred by Indian consumers owing to their comfort, versatility and suitability for climatic conditions. Consequently, increasing urban consumption is expected to support demand for cotton textiles and, in turn, drive sustained demand for cotton yarn across the textile value chain.

Higher demand from rural areas

Traditionally, demand for textile products was lower in rural areas because of lower disposable income of rural consumer compared with that of their urban peers. However, the difference in disposable income has been improving in favor of rural consumers due to higher employment by means of government sponsored job outreach programs like MNREGA. Consequently, rural consumer base has increased, and rural income growth has been supporting the growth of textile products.

Changes in spending pattern

Spending pattern of the new class of consumer segment with higher disposable income has turned out to be entirely different from previous existing consumer segments. Spending on consumer durables and non-durables has seen a particular increase as this new consumer class mirrors the spending pattern observed in advanced economies. Exposure to consumption pattern and lifestyle pattern in western economies has played a role in this change. Consequently, the frequency of spending on clothing products among this new consumer segment has gone up.

Growth in Fashion Industry

The fashion industry in India is evolving rapidly, and demand for fast-fashion products is witnessing a surge. This is driven by changing consumer preferences, increasing disposable incomes, and the influence of social media. This growth trend is reshaping the retail landscape and creating significant opportunities for both established and emerging brands.

The primary drivers of this demand for fast fashion are Millennials and Gen Z consumers, who are increasingly seeking affordable yet trendy clothing options. According to the UN World Population Prospects 2024, India has the world's largest Gen Z population, with around 407 million people aged 14-29 years in 2026, [45]Fast fashion brands cater to this demographic by offering a constant stream of new styles that align with current trends. Reports indicate that these consumers are not only purchasing more frequently but also experimenting with diverse styles, influenced heavily by social media platforms like Instagram. The ability of fast fashion brands to quickly identify and capitalize on viral trends has become a crucial factor in

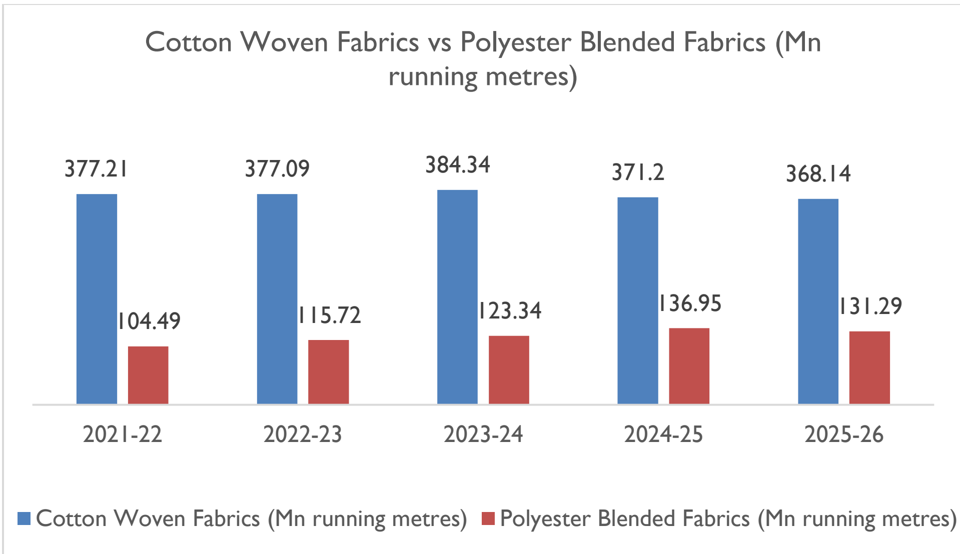
[43] UN World Population Prospects 2024
[44] CII
[45] U.N World Population Prospects 2024

their success.

This has directly resulted in higher demand for all kinds of textile products, and consequently for all type of textile input materials including cotton yarn.

Rise in organized retail sector as well as e-commerce

The rise of organised retail and e-commerce in India has significantly contributed to the increased demand for textile and garment products. These platforms have expanded consumer access to a wider range of garment categories, offering convenience, competitive pricing, discounts and broader product availability across urban as well as tier 2 and tier 3 markets. The enhanced consumer experience through digital platforms, personalised recommendations and hassle-free returns has further supported garment consumption and encouraged more frequent purchases.



Source: CMIE

The impact of this expanding garment consumption base is reflected in the production trend of key fabric categories. Cotton woven fabric production remained at a sizeable level, increasing from 377.21 million running metres in FY 2021-22 to 384.34 million running metres in FY 2023-24, before moderating to 368.14 million running metres in FY 2025-26. During the same period, polyester blended fabric production increased from 104.49 million running metres in FY 2021-22 to 131.29 million running metres in FY 2025-26, indicating growing demand for blended fabrics used across affordable fashion, casualwear and mass-market garment segments.

The growth of organised retail, e-commerce platforms and social media-led fashion discovery has widened the reach of garment products and strengthened demand across multiple fabric categories. This, in turn, supports demand for upstream textile inputs, including cotton yarn, blended yarn and other value-added yarns used in woven and blended fabric manufacturing. As garment brands and retailers increasingly focus on faster product cycles, wider product assortments and affordable fashion offerings, demand for consistent and scalable textile input materials is expected to remain supported.

India's Strong Cotton Production Base

India is one of the world's largest cotton-producing countries and occupies a strategically important position in the global cotton value chain. The country has the largest cotton acreage globally, accounting for approximately 39.67% of the world's cotton cultivation[46] and contributed around 20% of global cotton production in the 2025-26 cotton marketing year[47], ranking as the second-largest cotton producer with 23.8 million bales (480 lb)[48]and consumer globally. India is also unique in being one of the few countries cultivating all four major cotton species, providing availability of a wide range of cotton varieties suitable for diverse textile and spinning applications.

[46] USDA

[48] USDA

The large domestic cotton base provides a significant raw material advantage to the country's spinning industry by ensuring access to locally available cotton, reducing dependence on imported fibre, supporting integrated cotton-to-yarn manufacturing, and strengthening India's competitiveness in global textile markets. The availability of cotton across major producing states such as Gujarat, Maharashtra, Telangana, Madhya Pradesh and Rajasthan has facilitated the development of large spinning clusters across the country. India today possesses the world's second-largest spinning capacity and is one of the leading producers of cotton yarn globally, supported by its extensive domestic cotton ecosystem.

Export Demand & Global Market Linkages

India is one of the world's leading exporters of cotton yarn. As a result, global demand for textiles and garment serves as a key demand driver for the Indian cotton spinning industry. Strong consumption of garment, home textiles and textile products across major importing markets such as Bangladesh, China, Türkiye, Vietnam and other textile manufacturing hubs directly influences yarn demand from Indian spinning mills**.**

The industry's export orientation enables manufacturers to access a broader customer base beyond the domestic market, diversify revenue streams and benefit from growth in global textile value chains. Consequently, trends in international textile production, garment exports, sourcing strategies of global brands, trade policies and competitiveness of Indian yarn in overseas markets have a significant bearing on demand for cotton yarn. A detailed analysis of cotton yarn export and import trends, major destination markets, sourcing patterns and trade dynamics is presented in the Trade Analysis section.

Trade Scenario of the Indian Cotton Industry

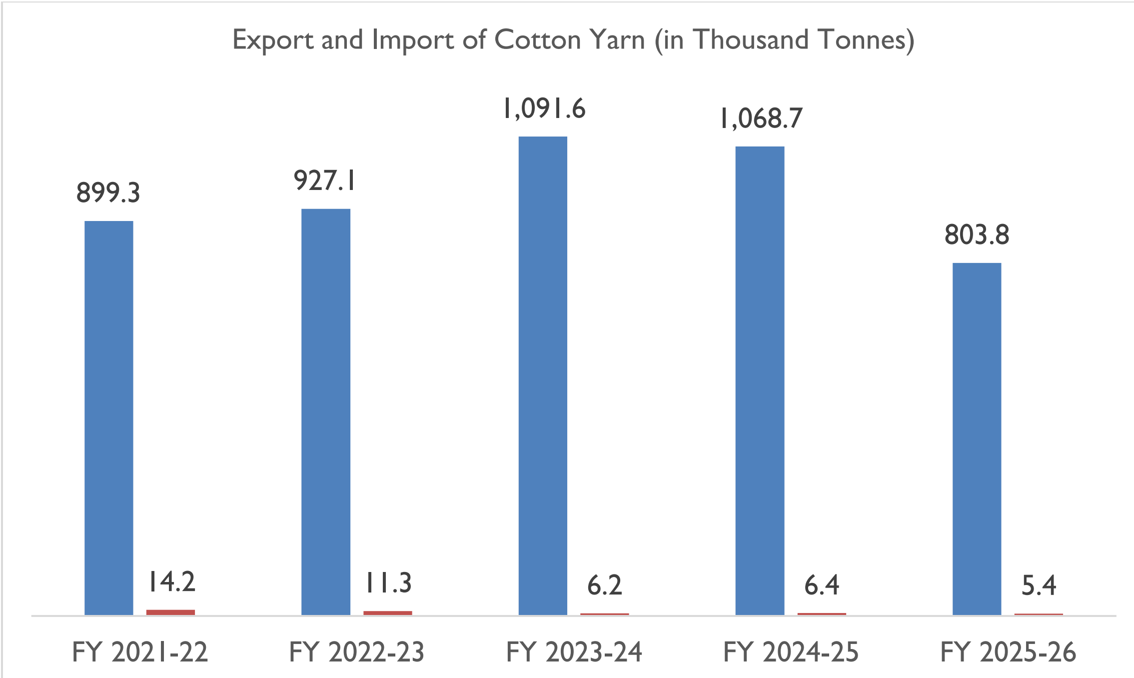
India is an important participant in the global cotton yarn trade, supported by its large cotton production base, extensive spinning infrastructure and strong presence across international textile supply chains. The country exports a wide range of cotton yarn products to major textile manufacturing economies, where Indian yarn serves as a key raw material for weaving, knitting and garment production. As a result, international trade remains an important demand driver for the domestic cotton spinning industry and has a significant influence on yarn production, capacity utilisation and price realisations.

To provide a comprehensive understanding of India's cotton yarn export landscape, the trade scenario has been analysed at both the aggregate and product-specific levels. The analysis begins with **cotton yarn trade under HSN 5205, followed by a detailed review of Combed Cotton TFO Double Yarn (Grey[49]) and Cotton Carded TFO Double Yarn (Grey),** enabling a more granular understanding of market dynamics, export competitiveness and trade opportunities across key product categories.

Cotton Yarn

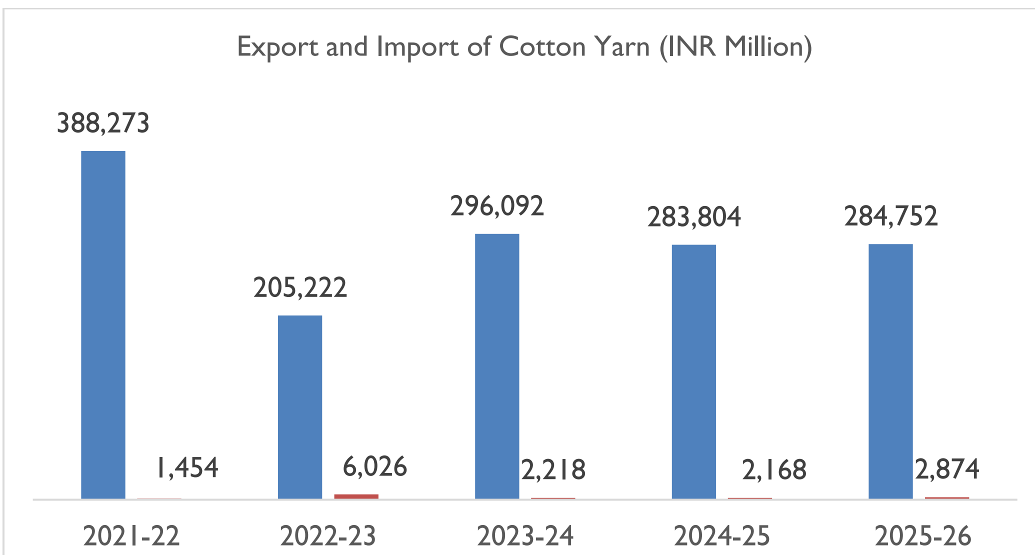
India has consistently remained a net exporter of cotton yarn under HSN 5205, with export values significantly exceeding imports throughout FY2021-22 to FY2025-26. The country's strong export position reflects its large spinning capacity, abundant cotton availability and established presence in global textile supply chains. During the review period, cotton yarn export volumes remained above 899 thousand tonnes, reaching a peak of 1.09 million tonnes in FY2023-24, while imports accounted for only a small fraction of overall trade, underscoring India's competitiveness in the global cotton yarn market.

[49] Grey yarn refers to yarn in its natural, unfinished state that has not undergone any dyeing, bleaching, mercerising, colouring or other wet-processing treatments.



Source: Ministry of Commerce

Export volumes increased from 899.3 thousand tonnes in FY2021-22 to 927.1 thousand tonnes in FY2022-23, before reaching 1,091.6 thousand tonnes in FY2023-24. Although exports moderated marginally to 1,068.7 thousand tonnes in FY2024-25, volumes remained significantly above historical levels, indicating sustained demand from major textile manufacturing centres. In FY2025-26, export volume stood at 803.8 thousand tonnes for the period reported, suggesting continued export momentum supported by demand from key markets such as Bangladesh, China, Vietnam and Egypt.



Source: Cotton Association of India, Ministry of Commerce

In value terms, exports exhibited greater volatility, primarily reflecting fluctuations in cotton prices, yarn realisations and global textile demand. Export value declined sharply from INR 388,273 million in FY2021-22 to INR 205,222 million in FY2022-23, driven by weaker global demand conditions, correction in cotton prices and inventory adjustments across major textile-producing economies. However, export value recovered to INR 296,092 million in FY2023-24, supported by improving demand and stabilisation in raw material markets. Exports subsequently moderated to INR 283,804 million in

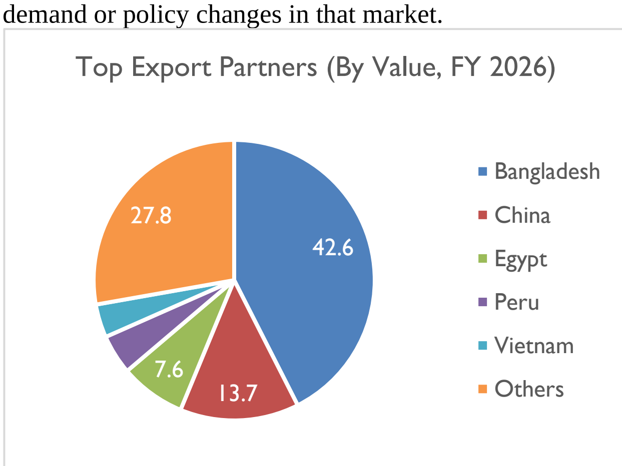
FY2024-25 and remained broadly stable at INR 284,752 million in FY2025-26, indicating resilience in overseas demand despite softer international yarn prices.

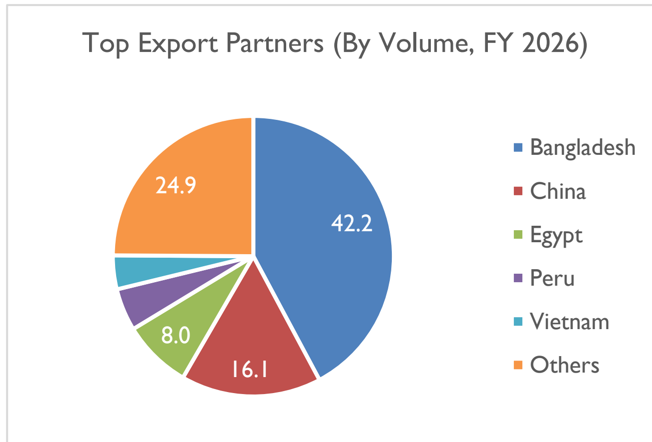
In contrast, imports remained relatively limited throughout the period, highlighting India's strong domestic manufacturing capabilities. Import volumes declined from 14.2 thousand tonnes in FY2021-22 to 5.4 thousand tonnes in FY2025-26, while import value increased from INR 1,454 million to INR 2,874 million during the same period. The divergence between import volume and value suggests increasing imports of specialised or higher-value yarn grades rather than a broad-based rise in import dependence. Imports are primarily driven by requirements for specific yarn counts, fibre characteristics and niche downstream applications that may not be readily available from domestic suppliers.

Major Export and Import Partners

Top Export Destinations for Cotton Yarn

The trade pattern of cotton yarn reflects a high level of concentration on both the export and import sides. On the export front, nearly half of the shipments are directed to Bangladesh (42.6%), making it the dominant market due to its strong textile manufacturing sector. Other countries such as China (13.6%), Egypt (7.6%), Peru (4.65) and Vietnam (3.8%) hold relatively small shares, while other markets 27.8% collectively contribute a significant but fragmented portion. This indicates that although exports are spread across multiple regions, there is a heavy reliance on a single country, increasing exposure to demand or policy changes in that market.





Source: CMIE

Bangladesh (42.2% by volume; 42.6% by value)

Bangladesh is one of the world's largest garments exporting nations and has a significant requirement for imported cotton yarn to support its export-oriented garment sector. Domestic spinning capacity remains insufficient relative to the scale of fabric and garment manufacturing, resulting in sustained reliance on imported yarn. Close geographical proximity to India enables shorter lead times, lower logistics costs and greater supply chain flexibility. Strong sourcing linkages between Indian spinning mills and Bangladeshi garment manufacturers continue to support demand.

China (16.1% by volume; 13.7% by value)

China imports cotton yarn to supplement domestic production and meet requirements of its large textile and fabric manufacturing industry. Fluctuations in domestic cotton availability and relative price competitiveness influence import demand. Imports are also driven by requirements for specific yarn counts and quality grades that can be sourced competitively from India. Recovery in textile production and normalization in domestic cotton output are expected to support demand from Chinese textile manufacturers. Export demand has softened in recent periods, particularly from China and Bangladesh, two of India’s largest cotton yarn markets. Exports to China declined primarily due to higher domestic cotton production, reducing its dependence on imported yarn. Meanwhile, shipments to Bangladesh were adversely impacted by restrictions on yarn imports through land routes, affecting trade flows despite the country’s continued importance as a major textile manufacturing base.

Egypt (8.0% by volume; 7.6% by value)

Egypt possesses an established textile and weaving industry catering to both domestic and export markets. Rising investments in textile manufacturing and government efforts to strengthen textile exports are supporting yarn consumption. Imported cotton yarn helps meet requirements of downstream weaving, knitting and home textile manufacturers. Growth in regional and international textile exports continues to create demand for imported raw materials.

Peru (4.9% by volume; 4.6% by value)
Peru has a well-established cotton garment and knitwear industry that caters to premium export markets. Imports supplement domestic yarn availability and support higher-value garment manufacturing. Demand is driven by producers of knitted garments and premium cotton garment serving international brands. Indian cotton yarn benefits from its broad product range and ability to cater to varying quality requirements.

Vietnam (3.9% by volume; 3.8% by value)
Vietnam remains one of the world's leading textile and garment manufacturing centres and a major exporter of garment to the US and Europe. Limited domestic cotton production necessitates imports of cotton yarn and other textile inputs. Expansion of export-oriented garment manufacturing capacity continues to support demand for imported yarn. Trade agreements with major consumer markets are encouraging investments in textile production and increasing raw material requirements.

Export Promotion Strategy
The Government has also adopted a focused export promotion and market-diversification strategy covering 40 priority countries. As of July 2026, 16 Free Trade Agreements (FTAs) are in force[50], including the recently concluded India–United Kingdom Comprehensive Economic and Trade Agreement (CETA), the India-EU FTA, and the India-Oman Comprehensive Economic Partnership Agreement. These FTAs provide an opportunity for Indian textiles and garment sector to enhance their exports and undertake market diversification.

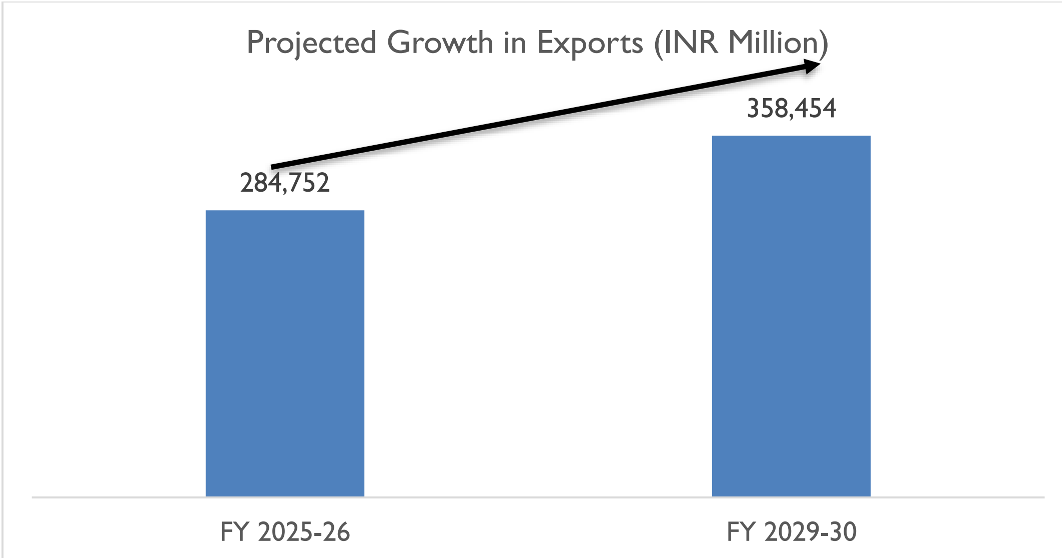
Among these, the India-UK Free Trade Agreement, signed in July 2025 and effective from July 2026[51], is particularly significant for the textile sector as it provides preferential access for Indian textile and garment products to one of the world's largest garment import markets. The agreement is expected to improve the competitiveness of Indian textile exports relative to competing suppliers and support increased participation in the UK's textile and garment supply chain.

The UK represented one of India's key export destinations for textiles and garment, with exports increasing from INR16,6790 million in FY 2023-24 to INR 19,6520 million in FY 2025-26[52], reflecting the importance of the market for Indian manufacturers. The FTA is expected to further support export growth by facilitating greater penetration of Indian textile products into the UK market.

For cotton spinning companies, improved access to overseas markets is expected to strengthen demand for cotton yarn, fabrics, garments, and value-added textile products. The agreement is also likely to benefit manufacturers producing premium and specialty yarns used in export-oriented garment and home textile applications, thereby supporting capacity utilisation and long-term growth across the textile value chain.

Export Outlook of the Indian Cotton Yarn Market

[50] Textile Export, PIB
[51] Government of UK
[52] PIB



Source: Dun & Bradstreet Research

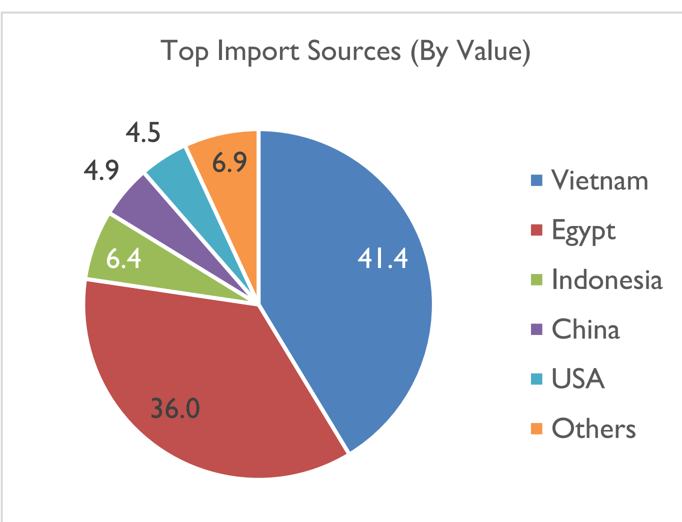
Cotton yarn exports are projected to increase from INR 284,752 million in FY2025-26 to approximately INR 358,454 million by FY2029-30, registering a CAGR of approximately 5.9% during the forecast period.

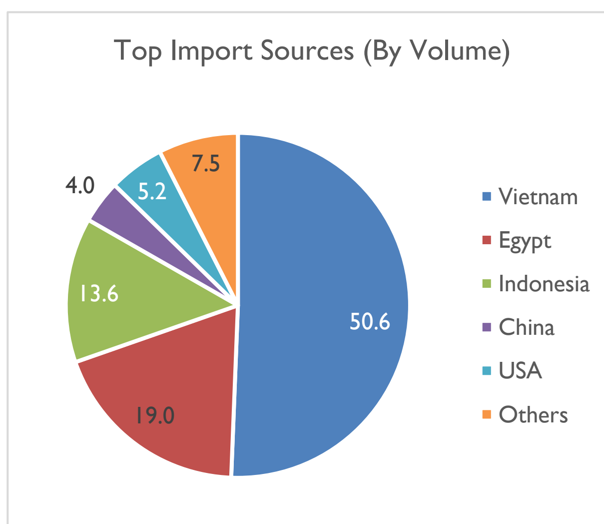
Growth in exports is expected to be supported by India's strong position as a global cotton yarn supplier, extensive spinning capacity, abundant raw cotton availability and established trade relationships with major textile manufacturing hubs such as Bangladesh, China, Vietnam and Egypt. Continued demand from downstream textile, garment and home textile manufacturers, coupled with India's ability to offer a broad range of yarn counts and specifications, is expected to support export volumes over the forecast period.

Additionally, increasing adoption of value-added yarn categories, including combed and compact yarn, growing emphasis on sustainable cotton-based textile products and ongoing investments in spinning efficiency and quality enhancement are expected to strengthen India's competitiveness in international markets. The country's integrated textile ecosystem and favourable policy initiatives aimed at improving textile manufacturing and exports are also expected to support long-term export growth.

Top Import Sources

Source: CMIE





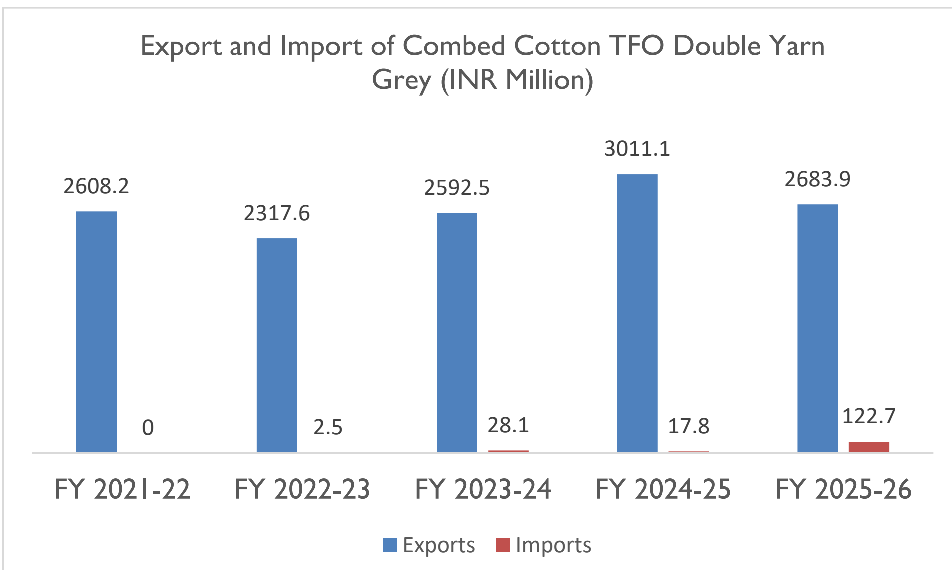
Cotton yarn imports into India are concentrated among a limited number of supplier countries. In FY 2025-26, Vietnam was the largest source of imports, accounting for 50.6% of import volume (4,710.30 tonnes) and 41.4% of import value (INR 1188.40 million). The country's higher share in volume than value indicates a relatively competitive pricing position compared with other supplier nations.

Egypt emerged as the second-largest source, contributing 19.0% of import volume (1,771.20 tonnes) but a substantially higher 36.0% share of import value (INR 1035.20 million). The disparity between volume and value shares reflects the premium pricing of Egyptian cotton yarn, which is manufactured from high-quality extra-long staple cotton (ELS)[53] and is widely preferred for premium textile applications. Notably, India currently enjoys a favourable policy environment for importing ELS cotton, with imports exempted from customs duty.[54] Since domestic production of ELS cotton remains significantly below industry requirements, the duty exemption facilitates access to premium cotton varieties enabling Indian spinners and textile manufacturers to produce high-count yarns, luxury garments, and premium home textiles more competitively. This is expected to support value-added textile manufacturing, improve export competitiveness, and partially reduce dependence on imported premium yarns.

Indonesia accounted for 13.6% of import volume and 6.4% of import value, while China contributed 4.0% of volume and 4.9% of value. The United States supplied 5.2% of import volume and 4.5% of import value. Collectively, these five countries accounted for over 92% of India's cotton yarn import value and approximately 93% of import volume, highlighting the concentrated nature of the country's import sourcing pattern.

Combed Cotton TFO Double Yarn (Grey)

India has consistently remained a net exporter of Combed Cotton TFO Double Yarn (Grey), with export values substantially exceeding imports throughout FY 2021-22 to FY 2025-26. Export realisations ranged from approximately INR 2,318 million to INR 3,011 million, while imports remained negligible in comparison, indicating strong domestic manufacturing capabilities and international competitiveness in this specialised yarn category.



Source: Ministry of Commerce

Export value declined from INR 2,608.2 million in FY 2021-22 to INR 2,317.6 million in FY 2022-23, reflecting the impact of global demand moderation, inventory correction by textile buyers and macroeconomic uncertainties across key export destinations. However, exports subsequently recovered to INR 2,592.5 million in FY 2023-24 and further increased to INR 3,011.1 million in FY 2024-25, driven by improving demand from textile manufacturing hubs, stabilisation in cotton prices and gradual recovery in downstream garment and home textile exports. Although exports moderated slightly to INR 2,683.9 million in FY 2025-26, they remained significantly above pre-recovery levels, highlighting the resilience of India's cotton

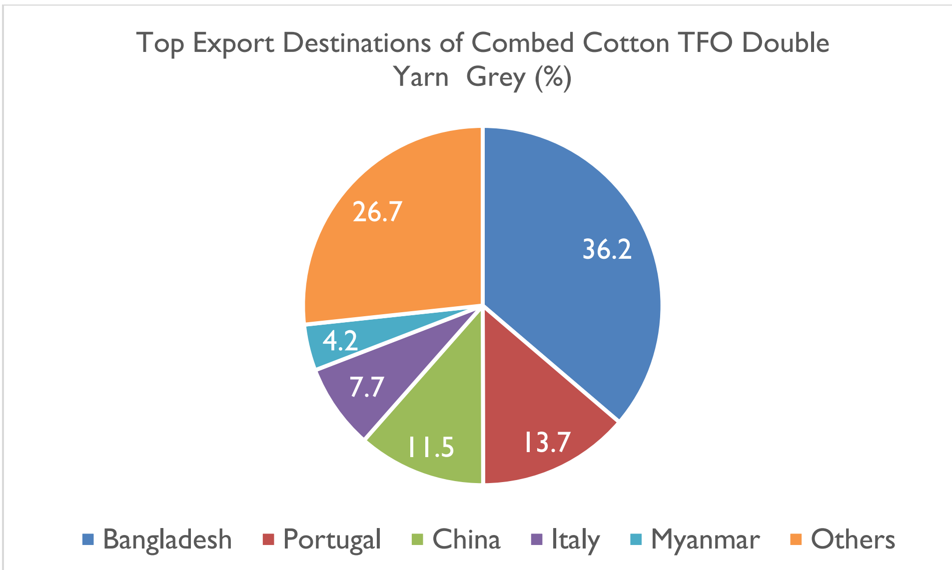
[53] Extra-long staple (ELS) cotton refers to premium-quality cotton having a staple fibre length of more than 32 mm
[54] The Gazette of India, February 2024

yarn export ecosystem.

In contrast, imports were nearly absent during the period, with only from nil in FY 2021-22 to INR 122.7 million in FY 2025-26. The limited import dependence suggests that domestic manufacturers possess adequate spinning, doubling and value-added yarn processing capacity to meet local demand. The increase in imports during FY 2025-26 may be attributable to procurement of specific yarn specifications, quality grades or opportunistic imports from lower-cost producing countries; however, imports continue to represent only a small fraction of export value.

Major Export and Import Partners

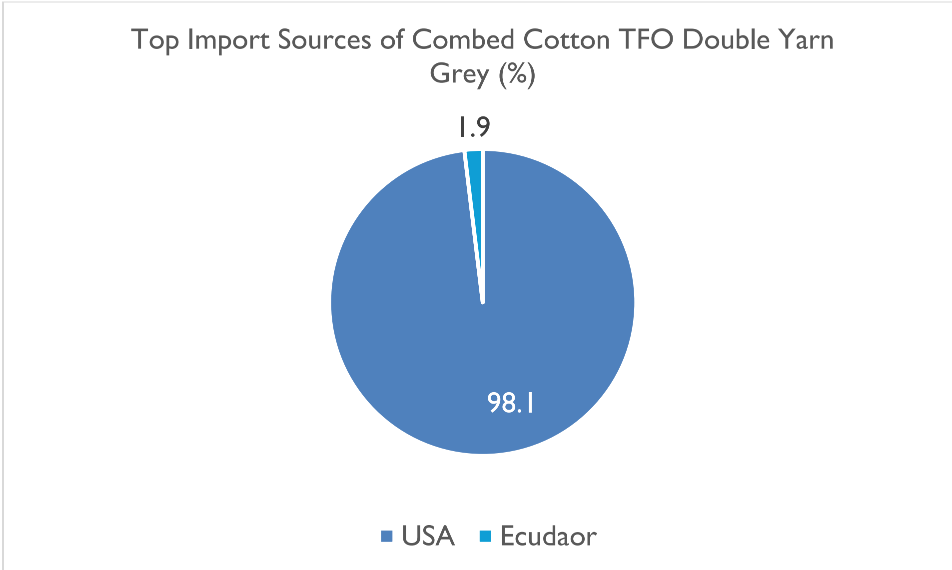
India's export market for Combed Cotton TFO Double Yarn (Grey) is characterized by a diversified customer base across major textile manufacturing economies, highlighting the country's role as a key supplier within the global cotton yarn value chain. In FY 2025-26, Bangladesh emerged as the largest export destination, accounting for approximately 36.2% of total exports. Bangladesh's textile industry relies significantly on imported yarn to support its extensive garment export sector, creating sustained demand for high-quality cotton yarn from neighbouring countries such as India.



Source: Ministry of Commerce

Portugal (13.7%), China (11.5%), Italy (7.7%) and Myanmar (4.2%) collectively accounted for a significant share of exports, while other countries represented approximately 26.7% of total shipments. Exports to Portugal and Italy underscore India's integration into the European textile value chain, where imported yarn is used in value-added fabrics, garment and home textile products. China, despite being a major cotton yarn producer itself, continues to import specialised yarn grades and supplements domestic supply through imports when market conditions warrant.

The concentration of exports in textile manufacturing centres highlights that demand for Combed Cotton TFO Double Yarn (Grey) is closely linked to global garment, home textile and fabric production trends. Growth in garment exports from Bangladesh, China's textile processing sector and European textile manufacturing activity therefore remains an important demand driver for Indian yarn exporters.

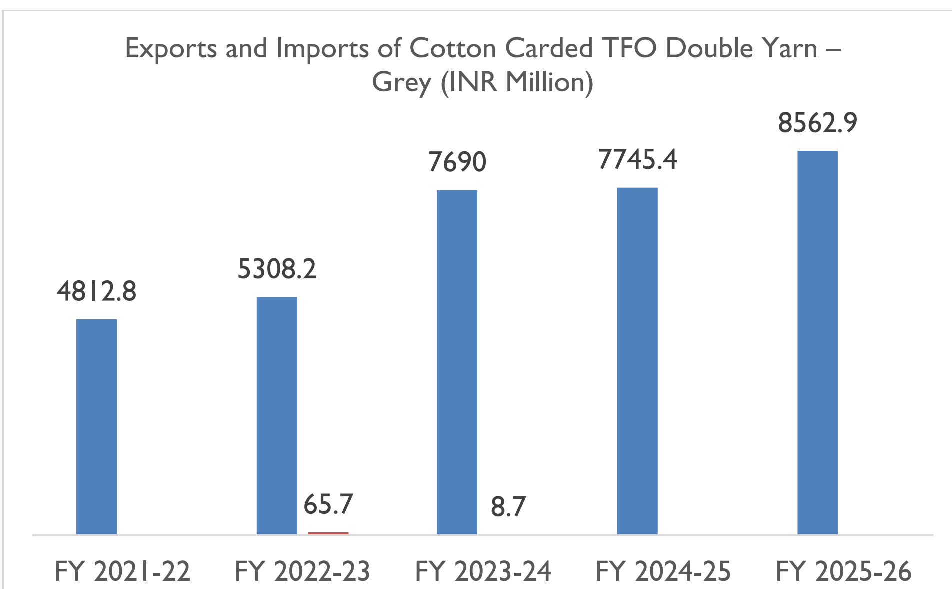


Source: Ministry of Commerce

On the import side, the market exhibits a highly concentrated sourcing pattern. In FY 2025-26, the United States accounted for approximately 98.1% of imports and Ecuador contributing the remaining 1.9%. The overwhelming dominance of the United States as a source market suggests that imports are likely targeted toward specific yarn qualities, cotton varieties or product specifications not readily available in the domestic market. Given the negligible overall import volumes relative to exports, these imports appear to complement domestic supply rather than compete directly with Indian production.

Cotton Carded TFO Double Yarn – Grey

India's trade performance in Cotton Carded TFO Double Yarn (Grey) reflects a strong export-oriented market with limited reliance on imports. Export value increased significantly from approximately INR 4,812.8 million in FY 2021-22 to INR 8,562.9 million in FY 2025-26, representing a CAGR of approximately 15.5% during the period. This growth highlights the increasing acceptance of Indian cotton yarn in international markets, supported by the country's abundant cotton availability, large spinning capacity and competitive manufacturing ecosystem.

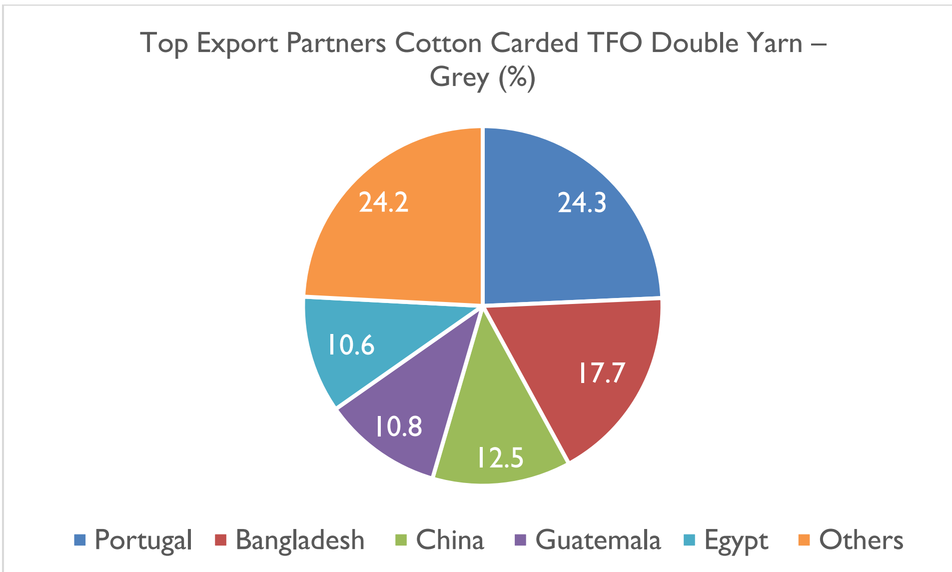


Source: Ministry of Commerce

Exports grew steadily from INR 4,812.8 million in FY 2021-22 to INR 5,308.2 million in FY 2022-23, before witnessing a sharp increase to INR 7,690.0 million in FY 2023-24. Export levels remained elevated at INR 7,745.4 million in FY 2024-25 and further expanded to INR 8,562.9 million in FY 2025-26, indicating sustained demand from overseas textile and garment manufacturing centres. The strong export trajectory suggests that Indian producers have been able to capitalise on global sourcing diversification, competitive pricing and the country's integrated cotton textile value chain.

In contrast, imports remained negligible throughout the period, amounting to only INR 65.7 million in FY 2022-23 and INR 8.7 million in FY 2023-24.

Major Export Partners



Source: Ministry of Commerce

India's exports of Cotton Carded TFO Double Yarn (Grey) are distributed across several key textile and garment manufacturing markets, reflecting the country's strong position in global cotton yarn trade. Portugal emerged as the largest export destination, accounting for 24.3% of exports in FY 2025-26, followed closely by Bangladesh at 17.7%.

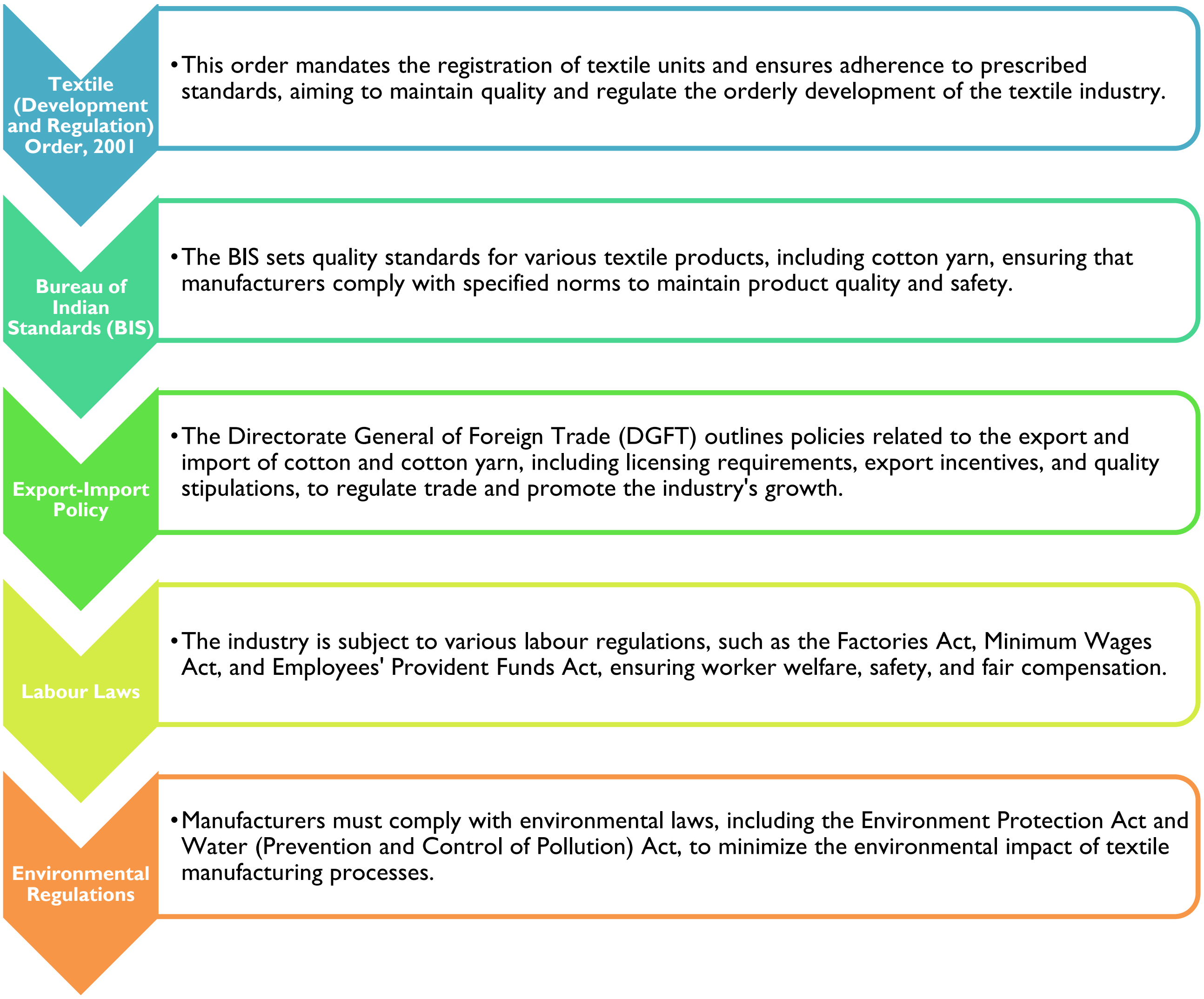
Other major export destinations included China (12.5%), Guatemala (10.8%), and Egypt (10.6%), all of which have established textile and fabric manufacturing sectors. The remaining 24.2% of exports were spread across various international markets.

Regulatory Landscape

The textile industry has consistently received significant government focus due to its positive impact on employment and the substantial foreign exchange it generates through exports. This special attention is evident through the introduction and amendment of various acts, policies, and schemes over time. These measures were implemented to foster the growth of a robust manufacturing infrastructure and encourage the export of textile products.

Regulatory Policies Governing the Cotton Yarn / Spinning Industry in India

The cotton yarn manufacturing sector in India operates under a comprehensive regulatory framework designed to ensure quality, promote sustainable practices, and protect the interests of stakeholders:



2001 – Textile (Development and Regulation) Order, 2001

The Textile (Development and Regulation) Order, 2001 provides the foundational regulatory framework for India's textile industry. It governs the registration and regulation of textile manufacturing units, including spinning mills, and aims to ensure the orderly development of the textile sector while maintaining oversight of manufacturing operations.

Very recently the Ministry of Textiles has amended the Textiles (Development and Regulation) Order, 2001, reducing the mandatory hank yarn packing obligation for producers from 30% to 20% of domestic consumption, effective from July 1, 2026, to June 30, 2029.

The revised norms aim to balance the needs of the handloom sector with operational flexibility for the spinning industry.

Bureau of Indian Standards (BIS) Requirements

Cotton spinning companies are subject to quality standards prescribed by the Bureau of Indian Standards (BIS) for various textile products. Compliance with applicable standards helps ensure product quality, consistency, and market acceptance across domestic and export markets.

Under this, the Ministry of Textiles in February 2023 notified The Cotton Bales (Quality Control) Order, 2023 to make compliance with IS 12171:2019 mandatory for cotton bales sold in the domestic market. The order aimed to standardise quality parameters for cotton bales, including aspects such as moisture content, contamination levels and other prescribed specifications. However, on June 9, 2026, the Ministry withdrew the order providing regulatory relief to MSME ginners and traders from increased compliance costs and the significant investments required to meet prescribed quality parameters.

For the technical textiles sector, regulatory oversight has expanded significantly in recent years. Quality Control Orders (QCOs) have been notified for multiple technical textile products, while BIS has developed and published several hundred standards and testing protocols covering technical textile applications across infrastructure, healthcare, agriculture, defence and industrial segments. These standards are intended to promote product reliability, safety and wider market adoption. The Bureau of Indian Standards (BIS) has developed more than 600 standards specifically for technical textiles and their test methods, out of an overall total of over 1,500 published standards for the wider textile sector.

Export-Import (EXIM) and DGFT Regulations

The Directorate General of Foreign Trade (DGFT) regulates exports and imports of cotton and cotton yarn through India's Foreign Trade Policy framework. These regulations govern export procedures, trade restrictions, incentives, and overseas market access, directly influencing cotton yarn exports and raw material availability.

Core Regulatory Mechanisms

- **Export Contracts:** While cotton yarn exports are generally "Free" without quantitative restrictions, the export of raw cotton and certain cotton waste requires mandatory **Registration Certificates (RC)** prior to shipment.
- **Registration Process:** Exporters must register their export contracts with DGFT Regional Authorities (RAs) and submit essential documents, such as irrevocable Letters of Credit (LC) or verified proof of advance payment.
- **Customs Verification:** The Customs department clears cotton consignments only after verifying that the export contracts have been successfully registered with the DGFT.
- **Monitoring Systems:** The Indian Government, through the Ministry of Textiles and the DGFT, actively monitors cotton exports to ensure domestic raw material availability and remunerative prices for over six million Indian cotton farmers.
- **Compliance Enablement:** Exporters must now use modern online frameworks like TRACE (Trade Regulations, Accreditation & Compliance Enablement) to meet regulatory and quality compliance requirements. Under TRACE, financial support is provided to MSME exporters to meet international testing, inspection, certification and other conformity requirements necessary for accessing global markets.

The Government continuously monitors cotton exports to ensure adequate raw material availability for the domestic textile industry while safeguarding farmers' interests. In addition, exporters can utilise government-backed compliance platforms and certification support programmes to meet international quality and conformity standards required in overseas markets.

Labour Codes, 2020 and Subsequent Rules

India's labour framework underwent a significant transformation through the consolidation of 29 labour laws into four Labour Codes covering wages, industrial relations, social security and occupational safety.

The reforms provide export-oriented industries with simplified regulations, flexible hiring provisions, unified registrations and returns, and expanded social security coverage, while ensuring occupational safety and welfare. At the same time, workers benefit from universal minimum wages, timely and transparent wage payments, mandatory appointment letters, grievance redressal mechanisms, and comprehensive social security protection.

Annual Cotton Procurement Framework

The Government facilitates availability of cotton to domestic textile and spinning industries through the release of stocks procured by the Cotton Corporation of India (CCI) under Minimum Support Price (MSP) operations, which are sold through a transparent online e-auction system enabling competitive price discovery. MSP for cotton is declared annually to safeguard farmers' interests when market prices fall below MSP Based on the procurement trend from Cotton Season 2020–21 onwards, MSP operations have been cyclical and largely dependent on prevailing market prices.

In **Cotton Season 2020–21**, procurement stood at 9.9 million bales, accounting for 28.18% of total production of 35.2 million bales, indicating substantial government intervention during a period when market prices required MSP support. In contrast, no MSP procurement was required in cotton season 2021–22 and 2022–23, as cotton prices were ruling above MSP, reflecting stronger market realisations for farmers and lower need for government-backed procurement support. Procurement resumed in cotton season 2023–24, although at a relatively moderate level of 3.3 million bales, representing 10.10% of production, suggesting partial market correction and selective MSP intervention.

Cotton Season	Procurement under MSP	
	Quantity in million Bales	% of Production
2020-21	9.93	28.18
2021-22	-	-
2022-23	-	-
2023-24	3.28	10.10
2024-25	10.02	34.04
2025-26	10.51	31.00

Source: Ministry of Textile

The scale of procurement increased sharply again in Cotton Season 2024–25, with procurement rising to 10.02 million bales, equivalent to 34.04% of production of 29.7million bales. This was the highest procurement share since 2019–20 and indicates a renewed need for MSP-led market support amid weaker cotton prices relative to MSP levels. The increase is particularly notable as overall cotton production declined from 32.5 million bales in 2023–24 to 29.4 million bales in 2024–25, while procurement volumes increased more than threefold from 3.28 million bales to 10.02 million bales. In 2025-26, MSP procurement increased further to 10.51 million bales; however, its share in production moderated to 31%.

The government also initiated schemes such as Amended Technology Upgradation Fund Scheme (ATUFS), Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme (ISDS), supply of power and energy at subsidized rates, setting up Integrated Textile Parks, sops on export, and benefits under scheme of Fund for Regeneration of Traditional Industries (Khadi, village and coir industries).

Environmental Regulations[55]

Sustainability is no longer optional in the cotton yarn supply chain. It is becoming a regulatory baseline as well as a commercial differentiator. The Ministry of Textiles was the first ministry to establish an ESG (Environment, Social and Governance) Task Force and a dedicated Sustainability Section, embedding environmental and governance standards into a supply chain that employs tens of millions. Under the Indian Carbon Market framework, obligated textile entities are now required to disclose Scope-1 and Scope-2 emissions, introducing measurable carbon accountability for spinning and processing operations. The handling of 70 azo dyes has been prohibited, raising chemical compliance standards that affect the dyeing stages downstream of cotton yarn production. A pilot project covering 400 factories across eight clusters is designed to mitigate 1,47,000 tCO2 equivalent emissions and reduce harmful chemical use by 10,530 tonnes, demonstrating that government-backed sustainability programmes are now being operationalised at scale.

On the certification side, **the Eco-Mark Scheme, 2024** has identified textiles as a product category eligible for Eco Mark certification under Indian Standards, with 13 Indian Standard titles notified for the sector. This certification pathway creates a formal route for sustainable yarn producers to document and signal their environmental performance to compliance-conscious buyers. The Solid Waste Management Rules, 2026, which came into full effect on 1 April 2026, require industrial units using solid fuel to gradually increase the use of Refuse Derived Fuel (RDF) from 5% to 15% over six years, adding energy-mix compliance requirements to the operational agenda of larger spinning mills.

India's circular textile ecosystem is already substantially developed relative to global peers. Of the approximately 7.8 million tonnes of textile waste managed annually, over 90% is sourced from domestic pre- and post-consumer waste, more than 70% of total textile waste is recovered through recycling, upcycling, downcycling, or reuse, and nearly 95% of pre-consumer waste is collected through established value-chain networks. About 55% of post-consumer textile waste is diverted from landfills. The textile recycling sector is projected to reach USD 3.5 billion by 2030, signalling a growing commercial opportunity for cotton spinning units that can integrate waste and yarn recycling capabilities into their operations, and for which certified recycled-content yarn is increasingly a buyer expectation.

Supportive Policy Measures for the Cotton Spinning

Apart from the regulatory framework governing the cotton sector, the Government of India has introduced various schemes and initiatives over time to promote investment, modernisation, infrastructure development, skill enhancement, and overall

[55] PIB

competitiveness across the cotton spinning and broader textile value chain.

Mission for Cotton Productivity

Addressing the chronic productivity gap directly, the Union Cabinet in May 2026 sanctioned the Mission for Cotton Productivity with a total outlay of INR 56,592.2 million for the period 2026-27 to 2030-31, implemented jointly by the Ministry of Agriculture and Farmers Welfare and the Ministry of Textiles involving 10 institutes of Indian Council of Agricultural Research (ICAR), one institute of Council for Scientific and Industrial Research (CSIR), and 10 centres of All India Coordinated Research Project (AICRPs). The mission targets a productivity increase from approximately 440 kg per hectare to 755 kg per hectare by 2031, with total production targeted to rise to 49.8 million bales over the same horizon. In the initial phase, the mission is will cover 140 districts in 14 cotton-producing states for upscaling the technologies and 2000 ginning/ processing factories, benefiting approximately 3.2 million farmers. The mission additionally promotes the Kasturi Cotton Bharat initiative, targeting trash content below 2%, which is an emerging quality-qualification threshold for premium-segment cotton yarn producers seeking differentiated export positioning.

PM Mega Integrated Textile Region and Garment (PM MITRA) Parks scheme

The PM Mega Integrated Textile Region and Garment (PM MITRA) Parks scheme, sanctioned with an outlay of INR 44,450 million for 2021-22 to 2027-28, has finalised 7 sites in Tamil Nadu (Virudhunagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalaburagi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow), and Maharashtra (Amravati). Investment MoUs with an expected potential of over INR 274,340 million have been signed, with 100% land acquired and transferred to the respective Special Purpose Vehicles, while infrastructure works worth INR 25,909.9 million have been initiated by all seven state governments. Detailed Project Reports worth INR 70,240 million have been approved for Madhya Pradesh, Tamil Nadu, Telangana, and Maharashtra parks. For cotton yarn producers, PM MITRA parks offer plug-and-play infrastructure that can reduce initial capital outlay and enable ecosystem-scale co-location with upstream and downstream textile players.

Amended Technology Upgradation Fund Scheme (ATUFS)[56]

ATUFS is aimed at technologically upgrading the machinery used in textile industry. This scheme provides credit-linked Capital Investment Subsidies (CIS) to textile units for purchasing benchmarked machinery, helping mills modernize and reduce their environmental footprint. Upgrading machinery in textile industry improves quality of products and reduces the manufacturing cost, which will make Indian textile industry more competitive in the global arena. With the aim of 'Make in India' and 'Zero Defect and Zero Effect' in manufacturing, the government provides credit linked capital investment subsidy. This scheme would facilitate augmenting of investment, productivity, quality, employment, exports and import substitution in textile industry. It will also indirectly promote investment in textile machinery manufacturing.

Key Features:

- Objective: Encourage textile units to adopt modern machinery, improve productivity, enhance quality, create employment, increase exports, and reduce dependence on imports.
- Coverage Period: 13 January 2016 – 31 March 2022 (currently applicable only for committed liability cases).
- Eligibility: Textile units that meet the lending norms of financial institutions and the scheme's benchmark criteria.
- Subsidy Structure:
    - Garments & Technical Textiles: 15% capital investment subsidy (CIS) up to ₹300 million.
    - Weaving, Processing, Jute, Silk, Handloom: 10% CIS up to ₹200 million.
    - Composite Units/Multiple Segments: 10–15% CIS depending on investment.
- Disbursement: Subsidy is credit-linked, released after verification of eligible machinery investment supported by sanctioned term loans.
- Impact: Encouraged modernization across the sector, especially among MSMEs, strengthening India's textile manufacturing ecosystem.
- Budget Allocation – INR 178.22 billion for FY2023.
- As per last update in March 2025, INR 6.35 billion has been allocated for the fiscal year 2025-26 for modernization of textile machinery.

Production Linked Incentive (PLI) Scheme for Textiles

The Government of India approved the Production Linked Incentive (PLI) Scheme for Textiles in September 2021 to promote manufacturing of Man-Made Fibre (MMF) garment, MMF fabrics, and products of technical textiles. The scheme aims to boost domestic production capacity, attract investment, support exports, and enhance the global competitiveness of the textile sector.

- Budget Outlay: INR 106.83 billion
- Duration: FY2025-26 to FY2029-30 (5 years), with early eligibility from FY2024-25 possible
- Coverage: MMF garment, MMF fabrics, and 10 technical textile segments

The scheme incentivizes eligible manufacturers with cash payouts of 4–11% (depending on the product category) on incremental annual turnover over a five-year period, covering fiscal years 2024–25 to 2028–29 subject to investment and performance thresholds. The Production Linked Incentive (PLI) Scheme for Textiles is demonstrating tangible implementation progress. As of March 31, 2026, approved participants had invested approximately INR 81.18 billion and generated 33,427 jobs, while the government had expanded the scheme to cover 170 approved companies across MMF apparel, MMF fabrics, and technical textiles. With additional approvals under Round III expected to bring over INR 128 billion of fresh investments, the scheme is strengthening India's manufacturing ecosystem in high-value textile segments.

Samarth – Scheme for Capacity Building in Textile Sector

The Samarth Scheme is a government initiative under the Ministry of Textiles aimed at skill development and capacity building in the textile sector. It focuses on demand-driven and placement-oriented training to enhance employability and meet industry requirements. The scheme covers the entire textile value chain (excluding spinning and weaving), including segments like **garment, garmenting, handloom, handicrafts, silk, and jute.**

It provides training and upskilling for both new entrants and existing workers in the sector. The scheme is implemented through industry associations, central and state agencies, and sectoral organisations such as the Development Commissioner (Handloom), Development Commissioner (Handicrafts), Central Wool Development Board, and Central Silk Board.

As of the latest data, the Samarth Scheme has trained over 3.27 lakh candidates, with approximately 2.6 lakh placed in jobs, and has focused significantly on women's employment, training around 2.89 lakh women.

Duration & Budget: Extended till March 2026, with a total budget allocation of INR 4,950 million for FY2025 and FY 2026.

Sustainability and Circular Economy Initiatives

In recent years, the Government of India has increasingly focused on promoting sustainability and circularity across the textile value chain. Policy measures have encouraged the adoption of organic fibres, responsible sourcing practices, recycled materials, traceability systems, waste recovery, eco-labelling, and resource-efficient manufacturing processes. For example, under the PM MITRA Scheme modern textile infrastructure is being developed with end-to-end manufacturing facilities including Common Effluent Treatment Plants (CETPs), wastewater recycling, scientific waste management, and shared utilities.

These initiatives are intended to support the industry's alignment with evolving global sustainability requirements and enhance the competitiveness of Indian textile products in international markets. The government has also highlighted the growing role of circular production models involving textile waste recovery, recycling, reuse, and environmentally responsible manufacturing practices across the sector.

Gujarat Textile Policy 2024

The Government of Gujarat launched the **Gujarat Textile Policy 2024 in October 2024** with the objective of strengthening the entire textile value chain, promoting value-added manufacturing, attracting fresh investments, generating employment, and enhancing Gujarat's position as a leading textile hub. The policy is effective from 1st October 2024 to 30th September 2029. Unlike earlier schemes that focused on select segments, the new policy adopts an integrated approach covering garments, garment, technical textiles, weaving, knitting, processing, MMF-based spinning, and other downstream textile activities.

Key incentives under the policy include:

- Capital subsidy ranging from 10% to 35% of Eligible Fixed Capital Investment (eFCI), subject to prescribed ceilings.
- Interest subsidy of 5% to 7% on term loans for eligible projects.

- Power tariff subsidy of ₹1 per unit for up to five years, including electricity sourced through renewable energy/open-access arrangements.
- Payroll assistance to promote employment generation, with higher support for women workers.

Additional incentives for units established in the PM MITRA Textile Park and for investments in technical textiles and value-added manufacturing. For cotton spinning and textile companies, the policy is expected to improve project viability, reduce operating costs, and encourage capacity expansion across the textile ecosystem.

Viksit Gujarat Industrial Policy 2026

The Government of Gujarat launched the Viksit Gujarat Industrial Policy 2026, effective from 1 June 2026 to 31 May 2031, with the objective of promoting manufacturing-led growth, investment, employment generation, and industrial competitiveness across the state. The policy introduces a flexible "Choose Your Incentive" framework and provides investment-linked incentives, power-related support, and assistance for capacity expansion and modernization projects.

For the cotton spinning industry, the policy is expected to support modernization, technology adoption, capacity expansion, and operational efficiency through broader manufacturing incentives and industrial infrastructure development, thereby strengthening Gujarat's position as a leading cotton and textile manufacturing hub.

Regulatory policies governing cotton spinning in Gujarat

In addition to incentive schemes under the Gujarat Textile Policy and Viksit Gujarat Industrial Policy, cotton spinning units are subject to a range of state-level environmental, utility and labour regulations. Environmental compliance is overseen by the Gujarat Pollution Control Board ("**GPCB**"), which requires textile manufacturers to obtain Consent to Establish ("**CTE**") prior to setting up industrial facilities and Consent to Operate ("**CTO**") before commencing commercial operations. Depending on the nature of operations, units may also be required to comply with prescribed standards relating to air emissions, wastewater discharge, hazardous waste management and environmental monitoring.

From a utility's perspective, spinning mills must comply with electricity regulations administered by the Gujarat Electricity Regulatory Commission ("**GERC**"), including provisions governing power procurement, captive power generation, open-access arrangements and electricity tariff payments. Units using groundwater or industrial water connections are also required to adhere to applicable permissions relating to water abstraction, consumption and wastewater disposal.

Cotton spinning facilities in Gujarat are subject to a range of labour, employment and factory regulations. Worker health, safety, welfare amenities, working hours and overtime are primarily governed under the Occupational Safety, Health and Working Conditions Code, 2020. These regulations mandate factory licensing, machine guarding, fire safety measures, ventilation, lighting, drinking water, sanitary facilities, first-aid arrangements and welfare facilities such as canteens and restrooms for eligible establishments.

Employment-related obligations, including payment of wages, minimum wages, bonus payments, gratuity benefits and maternity benefits, are governed by the Code on Wages, 2019, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972 and the Maternity Benefit Act, 1961.

Social security compliance is governed by the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, requiring eligible establishments to make provident fund and employee state insurance contributions for covered employees.

GST-Linked Revisions to the Gujarat Textile Policy, 2012

The Government of Gujarat Textile Policy, 2012 was introduced to promote investments, capacity expansion, value addition, and employment generation across the textile value chain in the state. The policy provides a range of fiscal incentives to eligible textile units, including support linked to investments and reimbursement of certain state taxes. Following the implementation of the Goods and Services Tax ("**GST**") regime, the Government of Gujarat revised the policy framework to address the transition from the earlier VAT-based tax structure to GST. The revised provisions enabled eligible textile units to continue receiving tax-related incentives through reimbursement of the State Goods and Services Tax ("**SGST**") component, thereby preserving the benefits available under the policy. These amendments were aimed at maintaining investor confidence, supporting ongoing and new textile projects, and enhancing the competitiveness of Gujarat's textile manufacturing ecosystem in the post-GST environment.

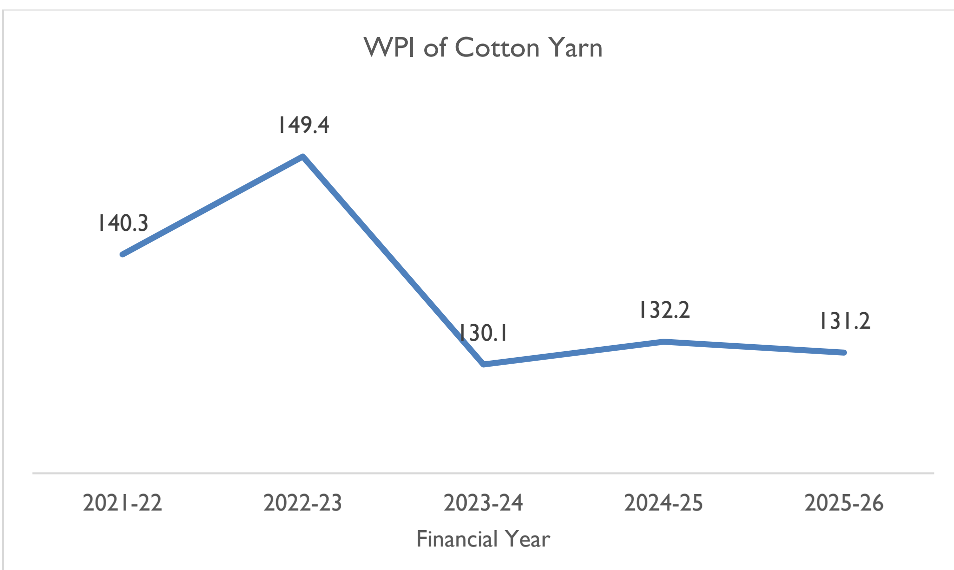
Threats & Challenges to Cotton Yarn Industry

Indian cotton yarn spinning mills operate in an increasingly challenging environment shaped by tightening domestic cotton availability, rising input costs, high energy tariffs and evolving global trade dynamics. Cotton production is estimated at 33.9 million bales in cotton season 2025-26, lower than the peak of 38.6 million bales in cotton season 2014-15, while domestic consumption continues to exceed production, resulting in a projected supply deficit of 0.9 million bales.[57] This imbalance has increased reliance on imports and heightened exposure to raw material availability and pricing risks. To address periodic supply shortages and support the competitiveness of the domestic textile value chain, the Government of India has, from time to time, introduced temporary exemptions on customs duties applicable to raw cotton imports, rather than providing a permanent duty waiver. In line with this approach, the Central Government exempted all **customs duties on cotton imports from 1 June 2026 to 31 October 2026 to augment the** availability of raw cotton for the Indian textile sector and ease supply-side constraints.[58] The temporary duty relief is expected to facilitate access to imported cotton at competitive prices, helping moderate raw material costs across the textile and garment value chain while ensuring adequate cotton availability for domestic manufacturers. The measure is also intended to support the global competitiveness of India's textile industry, particularly export-oriented and small and medium-scale enterprises, by reducing input cost pressures and improving supply stability, while continuing to safeguard the interests of domestic cotton farmers through existing support mechanisms.

The industry also faces pressure from increasing MSP-led cotton procurement costs and elevated power tariffs, particularly in major spinning hubs, which raise operating expenses and affect cost competitiveness. In addition, cotton yarn manufacturers continue to contend with volatile cotton prices, competition from synthetic and man-made fibre products, and a challenging export environment characterised by softer demand in key markets and emerging trade-related uncertainties. While growing sustainability and compliance requirements may require incremental investments in environmental and social governance practices, these are largely transitional challenges. Collectively, these factors are increasing cost pressures across the value chain and reinforcing the importance of scale, operational efficiency and prudent raw material management for long-term competitiveness.

Volatility in Raw Material Prices

Raw material (cotton) cost is the single biggest cost component in yarn manufacturing and is estimated to account for more than half of the total yarn production cost. Consequently, any deviation in cotton price will have a significant impact on the operations of yarn manufacturers. Although domestic production of cotton is one of the largest in the world, several domestic and international factors have an impact on the product pricing. For example, the recent political unrest in Bangladesh has impacted the textile industry as a whole, and it is believed to have also impacted cotton as well as yarn pricing. Similarly, factors like uneven climatic conditions that impact the cotton yield, any supply chain disruptions, and import/export variations all have an impact on cotton supply and in turn its pricing.

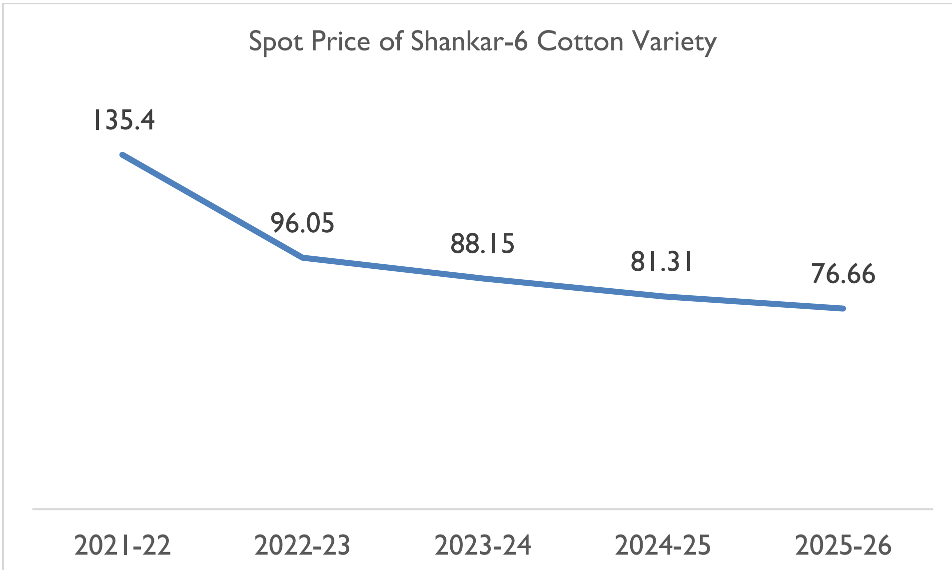


[57] Cotton Association of India – Monthly Report July 2026

[58] PIB

Source: CMIE

Over the last few years, the Wholesale Price Index (WPI) of Cotton Yarn exhibited significant fluctuations during the period under review. The index increased from 140.3 in FY2021-22 to 149.4 in FY2022-23, reflecting a period of elevated prices across the cotton yarn value chain. However, the index declined sharply to 130.1 in FY2023-24, representing a correction of approximately 12.9%, before stabilising at 132.2 in FY2024-25 and 131.2 in FY2025-26.



Source: Confederation of Indian Textile Industry (CITI)

Shankar-6, the benchmark cotton variety used by the Indian spinning industry, witnessed a significant correction in spot prices during the period under review. Spot prices declined from 135.4 in FY2021-22 to 96.05 in FY2022-23 and further moderated to 76.66 in FY2025-26. The sharp correction following FY2021-22 indicates easing raw material price pressure after a period of elevated cotton prices, although the trend also highlights the inherent volatility of cotton markets and their susceptibility to changes in global and domestic supply-demand conditions.

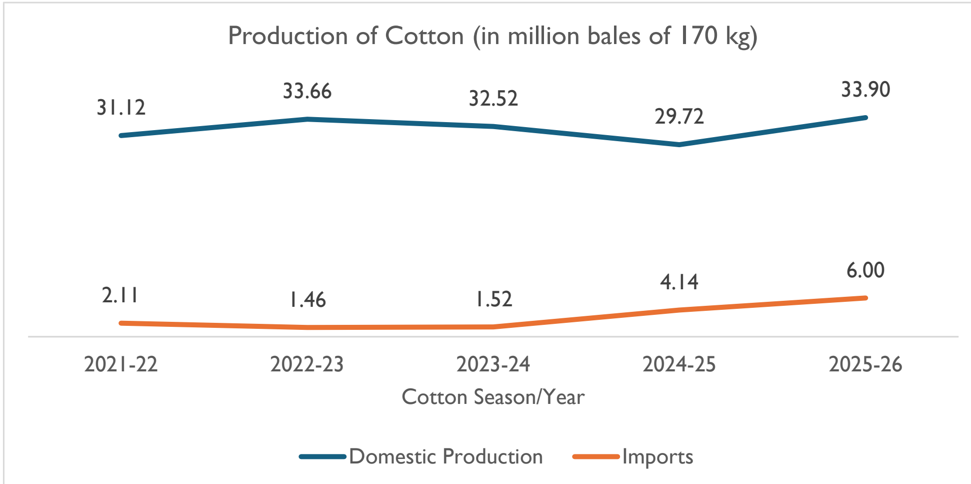
The combined trend in Shankar-6 cotton prices and cotton yarn WPI indicates that the cotton yarn industry remains highly sensitive to fluctuations in raw material prices. While the moderation in cotton prices during recent years has provided some relief to spinning mills, the historical volatility in both cotton and yarn prices underscores the importance of prudent procurement practices, inventory management and working capital planning. As a result, spinning manufacturers are required to actively monitor cotton market dynamics and optimise sourcing strategies to mitigate the impact of raw material price fluctuations and maintain operational stability.

Declining Domestic Cotton Availability and Rising Import Dependence

Domestic cotton availability has emerged as a key structural constraint for the Indian spinning industry, as domestic production has moderated while import dependence has increased sharply. As reflected in the graph, cotton production decreased from 33.66 million bales in cotton season 2022-23 to 32.52 million bales in 2023-24 and further to 29.72 million bales in 2024-25. Production is, however, estimated to increase to 33.9 million bales in cotton season 2025-26[59], indicating a recovery in domestic cotton output following two consecutive years of decline. Variations in cotton production influence the availability of raw material for spinning mills and may impact procurement strategies, inventory levels and input costs across the cotton yarn industry.

The shortfall in domestic availability has led to a material increase in cotton imports. Imports, which stood at 1.52 million bales in cotton season 2023-24, increased sharply to 4.14 million bales in cotton season 2024-25, representing an increase of approximately 172%, and to 6 million bales in cotton season 2025-26. This shift reflects the growing need of spinning mills to supplement domestic cotton with imported fibre to maintain production continuity.

[59] Cotton Association of India



Source: Cotton Advisory Board

This widening dependence on imported cotton exposes spinning mills to additional procurement risks, including global price volatility, currency movement, freight cost fluctuations and shipment lead-time uncertainty. Since raw cotton forms the principal input cost for cotton yarn manufacturers, any increase in fibre cost may directly affect operating margins, particularly when yarn realisations do not increase proportionately. Consequently, declining domestic production, higher import reliance and large-scale MSP procurement together create raw material availability and cost pressures for spinning mills, reducing procurement flexibility and increasing the risk of margin compression.

Furthermore, on the import side, the sourcing of cotton yarn is similarly concentrated, with Vietnam (41.4% by value) and Egypt (19.0% by value) together accounting for a substantial majority of imports. Additional suppliers such as Indonesia (6.4%), China (4.9%), and USA (4.5%) contribute marginal shares, while other countries (6.9%) provide some diversification. This pattern highlights dependence on a limited number of supplier nations, which could pose risks in case of supply disruptions. Overall, the cotton yarn trade structure underscores the need for broader market diversification and supplier expansion to enhance stability and reduce concentration risks.

Increasing MSPs

Rising MSPs have established an escalating cost floor that mills cannot circumvent through procurement timing or volume flexibility. The MSP for medium staple cotton[60] was raised by 8.27% for cotton year 2025-26 to INR 7,710 per quintal, following a 7.14% increase in the prior year for long staple cotton to INR 7,521 per quintal. These successive above-inflation increases are designed to support farmer income but directly translate into higher input cost benchmarks for spinning mills, narrowing the yarn-to-cotton price spread and limiting the margin headroom available to millers when downstream yarn prices remain subdued.

Crop Year	Medium Staple MSP rate (INR / Quintal)	Medium Staple Increase in MSP %	Long Staple (MSP rate (INR / Quintal)	Long Staple Increase in MSP %
2021-22	5726	3.83%	6025	3.43%
2022-23	6080	6.18%	6380	5.89%
2023-24	6620	8.88%	7020	10.03%
2024-25	7121	7.14%	7521	7.57%
2025-26	7710	8.27%	8110	7.83%

Source: Ministry of Textiles

Competition from Synthetic Textiles

Cotton textile products face competition from synthetic textiles owing to the lower cost and some superior attributes of the latter. Synthetic textile is growing at a faster rate than cotton textiles because of attributes ranging from lower price to specific functionalities (like design & better fitment for the fast fashion industry, durability, quicker drying time, superior wrinkle resistance). In India, cotton yarn, fabrics, made-ups and handloom products recorded exports of INR 1,024 billion in FY 2025–26 as against INR 1,020.01 billion in FY 2024–25, reflecting stable growth of 0.4%. Man-made yarn, fabrics and

[60] Medium staple cotton is a category of cotton fibre with a staple (length) typically ranging from 20.5 mm to 28.6 mm.

made-ups posted a stronger growth of 3.6%, with exports increasing from INR 411.96 billion to INR 426.88 billion.[61] Although cotton textile continues to be a preferred choice in India, their dominance is eroding as more and more customers are opting for the functionality offered by synthetic textiles.

Sustainability and Regulatory Pressures
The textile industry is increasingly facing environmental and sustainability-related challenges, including stricter regulations on water usage, chemical processing, and carbon emissions. Global buyers are emphasizing sustainable sourcing, traceability, and eco-friendly production practices, which require additional investments in technology and compliance. While these measures improve long-term competitiveness, they increase short-term costs for manufacturers.

External Trade Headwinds
External trade headwinds have further increased uncertainty for Indian cotton yarn manufacturers. For instance, cotton yarn exports declined by approximately 5% in FY 2024-25, primarily due to weaker demand from China, one of India's key export markets. Export volumes to China reportedly fell by 66% year-on-year, highlighting the industry's exposure to demand fluctuations in major destination countries. While higher shipments to Bangladesh partially offset this decline, Bangladesh, China and Vietnam together continue to account for a significant share of India's cotton yarn exports, creating concentration risk.

Moreover, geopolitical disruptions affecting Bangladesh and changes in logistics routes have increased transportation costs and supply chain uncertainty.

The industry is also exposed to policy and tariff-related developments in key export markets. Although India temporarily removed customs duties on cotton imports to improve the availability of contamination-free cotton for exporters, imported cotton remains susceptible to currency-related cost pressures. Further, ongoing uncertainty surrounding tariff measures may affect the competitiveness of downstream textile exports and, consequently, demand for domestically produced cotton yarn and capacity utilization levels across the spinning value chain.

High and Uneven Power Costs Across States
Energy is a significant operating cost for spinning mills, which are highly power-intensive and typically operate continuous production schedules. Electricity tariffs continue to vary considerably across states, resulting in differences in manufacturing costs among textile-producing regions. Based on DISCOM tariff data for 2026[62], electricity tariffs for commercial and industrial consumers in major textile states ranged from approximately INR 8.20 per kWh in Gujarat to between INR 11.20 per kWh to INR 12.50 per kWh in Mumbai. Other key spinning hubs such as Tamil Nadu, Telangana, Punjab, Karnataka and Rajasthan reported tariffs in the range of INR 8.40 - INR 9.50 per kWh. These differences in power costs can influence the competitiveness of spinning mills, particularly in a sector where electricity constitutes a significant component of conversion costs. Mills operating in higher-tariff states may face greater margin pressure and reduced-price competitiveness in both domestic and export markets compared with manufacturers located in lower-cost power jurisdictions.

Emerging Opportunities
Premiumization and Branding of Indian Cotton
The Indian cotton industry is increasingly transitioning from a volume-driven growth model towards a value-driven strategy centred on quality enhancement, branding, traceability and sustainability. Despite being one of the world's largest producers of cotton, India has historically competed largely on the basis of production volumes and cost competitiveness. In recent years, however, industry stakeholders and the Government of India have undertaken initiatives aimed at enhancing the global positioning of Indian cotton through quality assurance, standardization and branding efforts. A significant development in this regard has been the launch of Kasturi Cotton Bharat, a national branding initiative designed to establish a distinct identity for premium Indian cotton in domestic and international markets. The initiative seeks to create a standardized framework for cotton quality, traceability and certification, thereby enabling Indian cotton to compete with globally recognized premium cotton brands. The programme focuses on fibre quality assurance and end-to-end traceability mechanisms across the supply chain, responding to the growing requirements of global textile manufacturers, garment brands and retailers for transparent and traceable sourcing. As of **30 June 2026, 0.33** million bales have been certified under the Kasturi Cotton Bharat brand.[63] The increasing emphasis on branded and traceable cotton creates opportunities for domestic spinning companies, particularly

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[61] PIB
[62] https://solarcalculators.in/discom-tariff/
[63] PIB

those engaged in manufacturing premium, contamination-controlled, compact, combed, organic, Better Cotton (BCI), sustainable and high-count yarns. Global textile and garment brands are increasingly seeking suppliers capable of demonstrating fibre provenance, sustainability credentials and product traceability.

The Cotton Corporation of India (CCI) has deployed the Blockchain-based Bale Identification and Traceability System (BITS), operational since October 2023, assigning QR codes to each bale and providing complete information on fibre properties alongside chain-of-custody records from procurement through processing. As a result, yarn manufacturers with established capabilities in sourcing certified cotton and producing value-added yarns may be better positioned to participate in premium textile supply chains and strengthen customer relationships with export-oriented textile manufacturers.

This premiumisation trend is also evident at the yarn level. Premium compact yarns such as EliTwist technology-based compact yarn typically command a premium over conventional carded yarn due to the additional combing process and advanced compact spinning technology employed during production. **Based on stakeholder interactions, premium compact yarns generally realize prices that are approximately 25%-35% higher than conventional** conventional yarns, such as traditional ring-spun and rotor-spun cotton yarns although the exact premium varies depending on yarn count, quality specifications and end-use applications.

The premium pricing is supported by superior product characteristics, including lower hairiness, higher yarn strength, improved uniformity and enhanced fabric appearance, making such yarns particularly suitable for premium garment, high-quality knitwear, export-oriented textile products and other applications requiring superior fabric performance. The increasing adoption of premium compact yarns reflects the broader transition of the cotton textile industry towards higher-value, quality-focused and branded products.

Growing Demand for Value-Added and Specialty Cotton Yarns

The Indian cotton yarn industry is gradually transitioning from conventional commodity yarns towards **value-added and performance-oriented yarn categories,** driven by evolving requirements of textile manufacturers, garment exporters, home textile producers and premium garment brands. Increasing demand for superior fabric quality, improved processing efficiency, enhanced durability and differentiated textile products has supported the adoption of compact yarns, doubled yarns, specialty yarns and other advanced spinning products across domestic and export markets.

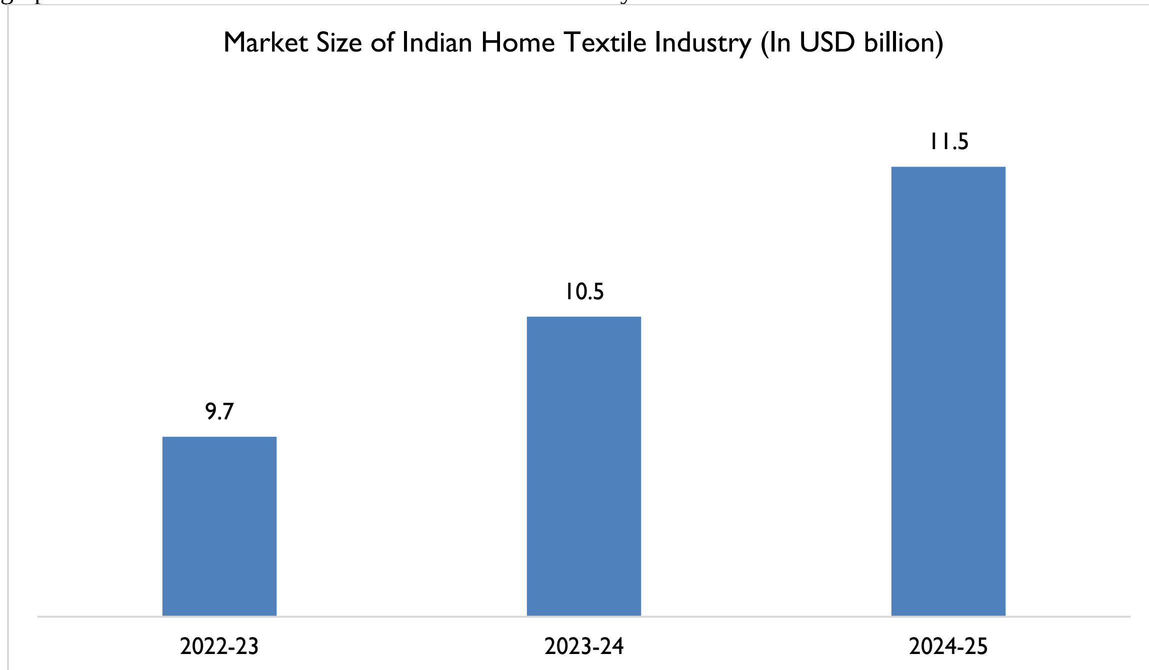
Among the emerging product categories, **compact yarns and technology-enabled value-added yarns have gained increasing acceptance due to their improved strength, lower hairiness, better yarn uniformity and enhanced fabric appearance compared with conventional ring-spun yarn**s. These performance characteristics are particularly valued in premium applications such as fine-count shirting fabrics, knitwear, home textiles, high-thread-count fabrics, fashion garment and export-oriented textile products. As downstream textile manufacturers increasingly focus on quality enhancement and production efficiency, demand for value-added cotton yarns is expected to witness sustained growth.

In addition, a**dvanced yarn constructions such as compact twin-spun yarns manufactured using technologies such as EliTwist Technology-based compact yarn and doubled yarns produced through Two-for-One (TFO) systems** are gaining traction across premium textile applications. Such yarns generally provide improved tensile strength, lower hairiness, enhanced durability, superior abrasion resistance and better weaving performance compared with conventional single yarns. These characteristics enable higher weaving efficiencies, lower yarn breakages and improved fabric appearance, making them suitable for high-quality woven fabrics, premium shirting materials, fine-count suiting fabrics, denim, bed linen, terry towels and other home textile products. Studies comparing **EliTwist Technology-based compact yarn and conventional TFO yarns** have reported **improvements in yarn strength and extension characteristic**s, supporting their use in applications that require enhanced durability and fabric performance.

The increasing premiumisation of garment and home textile markets is further supporting demand for such yarns. **Manufacturers of branded garments, high-thread-count bedding, premium home furnishings and export-oriented textile products are increasingly seeking yarns that offer improved consistency, reduced fabric defects and superior finished-product aesthetics.** As a result, value-added yarn categories such as compact yarns, doubled yarns and compact twin-spun yarns are increasingly being adopted across downstream textile manufacturing segments.

The Indian home textile industry has witnessed steady growth over the years, driven by rising domestic demand, expanding exports, and technological advancements. From a market size of USD 9.7 billion in 2022-23, the industry has grown at a CAGR of approximately 8.6%, reaching USD 11.5 billion in 2024-25.

Below graph indicates the market value for Home Textile Industry:



Source: D&B Research Estimates

The emergence and rapid expansion of organized retail stores such as Fab India, Home Stop, and Home Centre have significantly improved domestic manufacturers' ability to reach a wider consumer base. These retailers provide a well-organized supply chain with minimal risks compared to exports, allowing local manufacturers to thrive. Additionally, e-commerce platforms like Amazon, Flipkart, and Snapdeal have grown exponentially over the past five years. These platforms offer direct-to-consumer sales channels, enabling manufacturers to enhance brand visibility and reach niche markets. Additionally, investment from Global Home Furnishing Giants such as **IKEA, H&M Home,** and **Home Depot** have been at the forefront of this expansion. These companies establish sourcing and design offices in Asian countries, including India, to expedite product development and enhance supply chain efficiency. Such investments indicate strong future growth prospects for India’s home textile sector. Several international brands recognize India’s potential as a **home textile manufacturing hub** and are making significant investments in the sector. Retail giants such as IKEA, H&M Home, and Home Depot have been at the forefront of this expansion. These companies establish sourcing and design offices in Asian countries, including India, to expedite product development and enhance supply chain efficiency. Such investments indicate strong future growth prospects for India’s home textile sector.

Furthermore, **the expansion of technical textiles, industrial fabrics and specialised textile** applications is supporting demand for engineered yarn products with superior strength, consistency and performance attributes. **Cotton-based value-added yarns are finding increasing usage** across segments such as medical textiles, industrial textiles, protective textiles, filtration products and specialised fabric applications where enhanced product performance is required. The *continued diversification of textile end-use sectors is expected to create additional opportunities for manufacturers capable of offering a broad portfolio of value-added yarn products.*

Adoption of Sustainable Practices and ESG Compliance

Sustainability is increasingly becoming a key differentiator within the global textile and garment industry. According to the Ministry of Textiles, global markets are witnessing a growing shift towards environmentally responsible production, with increasing emphasis on circularity, responsible sourcing, waste reduction, eco-labelling, traceability and the adoption of sustainable raw materials across the textile value chain. These evolving requirements are influencing procurement decisions of international brands and retailers, resulting in greater demand for certified and sustainably produced textile inputs.

In response to these trends, adoption of sustainable practices such as the use of Better Cotton (BCI), organic cotton, recycled cotton and other certified raw materials, along with compliance with internationally recognized sustainability standards, presents a significant opportunity for domestic spinning mills. Global garment and home textile brands are increasingly seeking suppliers capable of demonstrating traceability, responsible sourcing and compliance with environmental and social standards across their supply chains. Consequently, the ability to offer certified sustainable yarns has become an important factor in supplier selection and long-term customer relationships.

India's textile industry has already demonstrated significant progress towards circularity. More than 70% of textile waste is currently channeled into recycling, upcycling, downcycling or reuse activities, while the spinning segment has established a highly efficient waste utilization model, with almost all soft spinning waste being reintroduced into production processes. In parallel, leading textile manufacturers have begun investing in recycled cotton programmes, fibre recovery technologies and resource-efficient manufacturing systems, reflecting a growing industry-wide focus on sustainability.

Programmes such as ATUFS, Integrated Processing Development Scheme (IPDS) and the InTex India Project support investments in water-saving technologies, energy-efficient machinery, cleaner production processes, textile recycling and circular business models. These initiatives help improve environmental performance across the textile value chain and support compliance with evolving sustainability requirements.

At the regulatory level, ESG-related compliance obligations are also becoming more prominent. Measures such as the Carbon Credit Trading Scheme, Eco-Mark certification framework, environmental standards for textile manufacturing and stricter waste-management regulations are raising environmental compliance expectations across the industry.

Increasing Adoption of Renewable Energy in Spinning Operations

The increasing adoption of captive solar and wind power is emerging as an important opportunity for spinning mills to manage energy costs and improve long-term operational efficiency. India has witnessed substantial growth in renewable energy infrastructure. According to the Ministry of New and Renewable Energy (MNRE), the country had installed 150.26 GW of solar power capacity and 56.09 GW of wind power capacity as of 31 March 2026, as part of a total 274.68 GW renewable energy capacity base. [64]The Government of India further reported that total non-fossil fuel capacity reached 283.46 GW as of 31 March 2026, reflecting the rapid expansion of renewable energy generation across the country.

The growing availability of renewable power offers spinning mills an opportunity to reduce dependence on conventional grid electricity and mitigate exposure to rising electricity tariffs. Renewable energy adoption can provide greater cost visibility over the long term, improve energy security and enhance competitiveness in both domestic and export markets. Captive and group-captive renewable energy projects have become increasingly prevalent among textile manufacturers seeking to manage operating costs while improving sustainability performance. The continued development of solar and wind infrastructure in leading textile states such as Gujarat, Maharashtra, Rajasthan, Tamil Nadu and Karnataka is expected to improve access to renewable power for industrial consumers.

Renewable energy adoption also supports the textile industry's transition towards more sustainable manufacturing practices. Global garment brands, retailers and sourcing companies are increasingly incorporating carbon footprint reduction, renewable energy usage and ESG performance into supplier evaluation frameworks. Consequently, spinning mills that incorporate renewable energy within their operations may be better positioned to meet evolving sustainability requirements across global textile supply chains. In addition, various government initiatives promoting clean energy deployment and industrial decarbonisation are expected to support the increased adoption of renewable energy solutions by textile manufacturers over the medium term.

Contamination Control and Fibre Authentication

Contamination has been a long-standing drag on Indian cotton’s acceptance in premium export markets. Coloured fertilizer bags, introduced in coordination with the Ministry of Fertilizers, are designed to reduce white-polypropylene contamination in cotton fibre at the source. The Mission for Cotton Productivity simultaneously targets trash reduction to below 2%, reflecting the recognition that fibre cleanliness directly affects yarn breakage rates, count achievability, and export realisations. For fibre authentication and adulteration detection, the Ministry of Textiles, in collaboration with CSIR-NBRI, developed the 'Karpasa Vastra Sattva' protocol. The protocol uses next-generation sequencing (NGS) to distinguish cotton species and identify specific cotton varieties. It has been validated against 317 Indian and 164 international cotton genotypes, strengthening traceability and helping detect fibre adulteration[65]. This capability is expected to strengthen quality certification

[64] PIB

[65] Ministry of Textiles Annual Report 2025-26

credibility, particularly for premium-count and ELS-origin yarn supplied to international buyers with stringent specifications.

Mandatory Use of Technical Textiles in Government Projects
The expansion of India's technical textile industry presents a new avenue of demand for cotton yarn manufacturers. Technical textiles are increasingly being used across sectors such as healthcare, agriculture, construction, infrastructure, automotive, industrial safety, packaging and environmental protection. While synthetic fibres continue to dominate several technical textile applications, cotton yarn remains an important raw material in segments where properties such as absorbency, comfort, biodegradability, skin compatibility and breathability are critical.

Cotton-based yarns are used in a range of technical textile applications including medical textiles (gauze, bandages, surgical dressings), agro-textiles, geotextiles, industrial wipes, filtration products and specialised protective textiles. Government initiatives promoting technical textile adoption, increasing infrastructure investments, growth in healthcare spending and rising demand for sustainable textile materials are expected to support the expansion of technical textile manufacturing in India. As technical textile manufacturers increasingly diversify product portfolios and scale production capacities, demand for specialised cotton yarns suitable for technical applications is expected to increase over the medium term.

The Ministry of Textiles, under a Public Procurement (Preference to Make in India) Order dated October 23, 2019, has mandated the use of technical textiles across 92 application areas in government-funded infrastructure projects managed by 10 central ministries including agriculture, horticulture, highways, railways, water resources, and healthcare. As of the latest update, notifications for 68 specific applications have been issued, ensuring that geotextiles, agro-textiles, and other high-performance textile products are systematically integrated into official schemes. This policy guarantees steady demand for specialized yarns, supporting domestic manufacturers and advancing the government's goals of sustainable infrastructure development and self-reliance. The Government is also promoting the use of indigenous geosynthetics such as geocells, geogrids and geocomposites in highway, water management and other infrastructure projects through guidelines issued by ministries including the Ministry of Road Transport & Highways and the Ministry of Jal Shakti, thereby supporting domestic manufacturing and accelerating adoption of technical textiles.

Competitive Landscape
The cotton yarn industry in India is a dynamic sector characterized by the presence of established manufacturers, mid-sized enterprises, and smaller spinning units. Competition is shaped by factors such as operational efficiency, production capacity, and compliance with evolving market trends. The industry benefits from the availability of domestic cotton, but challenges related to cost fluctuations, regulatory requirements, and evolving consumer preferences influence market positioning.

Companies in this sector focus on optimizing production efficiency, adopting technological advancements, and meeting quality standards to strengthen their market presence. Export markets play a crucial role, with international demand influencing pricing and production strategies. The ability to maintain cost-effectiveness while ensuring product quality.

Key Factors Shaping Competition in the Indian Cotton Spinning Industry
Competition within the Indian cotton spinning industry is influenced by a combination of raw material access, operational efficiency, product mix, scale, technology adoption and market access. As the industry operates in a relatively fragmented environment with the presence of both large integrated textile groups and standalone spinning mills, competitive intensity remains high across both domestic and export markets.

- **Access to Raw Cotton and Procurement Efficiency**

Raw cotton is the single largest cost component in cotton yarn production, typically accounting for a substantial proportion of manufacturing costs. Consequently, spinning mills located in major cotton-producing regions such as Gujarat, Maharashtra and Telangana often benefit from lower logistics costs and more reliable access to raw material. Companies with strong procurement networks, warehousing infrastructure and inventory management capabilities are generally better positioned to manage fluctuations in cotton prices and maintain profitability.

- **Scale of Operations and Capacity Utilisation**

Larger spinning companies benefit from economies of scale in procurement, production and marketing. Higher spindle capacity enables manufacturers to spread fixed costs over larger production volumes, improving cost competitiveness. In addition, mills capable of maintaining high-capacity utilisation levels are often better positioned to withstand pricing pressures and fluctuations in demand compared to smaller operators.

- **Shift Towards Value-Added Yarn Products**

The industry is witnessing increasing competition in higher-margin yarn categories such as combed yarn, compact yarn and specialty yarns. Demand from premium garment, home textiles and export-oriented textile manufacturers is encouraging spinning companies to move beyond conventional carded yarn and diversify into value-added products. Manufacturers with the capability to produce finer counts and specialised yarns often command superior realisations and face relatively lower competitive pressure compared to commodity yarn producers.

- **Technology Adoption and Manufacturing Efficiency**

Investments in modern spinning technologies, automation and energy-efficient machinery are becoming increasingly important competitive differentiators. Advanced spinning systems improve yarn quality, reduce wastage, enhance productivity and lower operating costs. Companies adopting modern technologies such as compact spinning, automatic winding systems and digitally integrated manufacturing processes are generally better positioned to compete in quality-sensitive domestic and international markets.

- **Export Market Access and Customer Relationships**

India's cotton spinning industry is strongly export-oriented, making access to international markets an important competitive factor. Companies with established relationships with textile manufacturers in key export destinations such as Bangladesh, China, Vietnam, Turkey and Egypt benefit from a diversified customer base and greater resilience against demand fluctuations in individual markets. The ability to consistently meet quality standards, delivery schedules and customer specifications also plays a critical role in determining competitiveness.

- **Energy Costs and Operational Efficiency**

Power and fuel costs represent a significant component of spinning mill operating expenses. Consequently, mills located in states with competitive industrial power tariffs and reliable electricity supply often enjoy a cost advantage. Rising energy prices are increasing the importance of energy-efficient manufacturing processes, captive power generation and renewable energy adoption as factors influencing competitiveness.

- **Integration Across the Textile Value Chain**

Integrated textile companies with operations spanning spinning, weaving, processing and garmenting may benefit from greater control over demand, improved margins and reduced dependence on external buyers. Such integration can provide better visibility over market requirements and facilitate product development aligned with downstream consumption trends.

- **Compliance, Sustainability and Traceability Requirements**

Increasing emphasis on sustainable sourcing and traceable textile supply chains, particularly in export markets, is shaping competitive dynamics within the industry. Buyers are increasingly seeking suppliers capable of demonstrating compliance with environmental, social and quality standards. As a result, investments in certified cotton sourcing, sustainable manufacturing practices and supply-chain transparency are becoming important factors influencing supplier selection and long-term competitiveness.

Profiling of Key Players

Name of the company	Business Overview
Ambika Cotton Mills Limited	Incorporated in 1988, headquartered in Coimbatore, Southern India, the company is a manufacturer of premium-quality compact yarn catering to both the hosiery and knitting sectors. It has the capability to manufacture yarn for counts varying from 20's to 120's combed which goes for the manufacture of premium branded shirts and t-shirts globally. Moreover, it has manufacturing units in Dindigul, Tamil Nadu The Company has obtained the following certificates such as OEKO-TEX, Global – Organic Textile Standard (GOTS), SUPIMA, Cotton USA, Better Cotton Initiative, Organic Content Standard (OCS), Global Recycled Standard (GRS), FSC Chain of Custody (COC), Cotton made in Africa (CMIA), US Cotton Trust Protocol Member, SEDEX, and Recycled Claim Standards (RCS).
Aastha Spintex Limited	Incorporated in 2013 and headquartered in Halvad, Gujarat, Aastha Spintex Limited is a cotton yarn manufacturer engaged in the production of high-quality cotton spinning products for both domestic and export markets. The company operates a vertically integrated manufacturing facility in the cotton-rich Saurashtra region of Gujarat and

	focuses on producing premium cotton yarns for the knitting and weaving sectors. With in-house ginning capabilities and a fully integrated spinning setup, the company emphasizes quality control, operational efficiency, and sustainable manufacturing practices powered by renewable energy sources such as solar and wind power. The company manufactures and supplies yarns conforming to internationally recognized sustainability standards and offers products certified under Better Cotton (BCI) and Organic Cotton standards. Its manufacturing facilities and yarn products have also received approvals from leading global garment retailers, reflecting its focus on quality assurance, traceability, and responsible sourcing.
Shiva Texyarn Ltd	Incorporated in 1980 and headquartered in Coimbatore, Tamil Nadu, Shiva Texyarn Ltd is a diversified textile manufacturer with a strong focus on technical textiles and value-added textile products. The company operates across the textile value chain, manufacturing cotton yarns, specialty fabrics, coated and laminated technical textiles, home textiles, knitwear, outerwear garments, military and tactical gear, backpacks, rucksacks, and other engineered textile solutions. Its operations are supported by vertically integrated manufacturing facilities encompassing spinning, processing, coating, lamination, garmenting, and technical textile production, enabling the company to serve domestic and international markets across garment, industrial, defense, healthcare, and infrastructure segments.
Shree Ram Twistex Limited	Originally incorporated in 2013 and headquartered in Gondal, Gujarat, Shree Ram Twistex Limited is engaged in the manufacturing of cotton yarns for the domestic and export markets. The company manufactures compact ring-spun and carded yarns, both combed and carded, as well as specialty products such as compact slub yarn, modal cotton yarn, and dyed yarn. Its products cater to a wide range of applications including knitting, weaving, denim, terry towels, shirting, sheeting, sweaters, socks, home textiles, bottom wear, and industrial fabrics. The company operates a manufacturing facility in Gondal, Rajkot district, Gujarat, with a spindle capacity of approximately 27,744 spindles. The company primarily serves institutional customers in the textile value chain and exports yarn to international markets. It has undertaken renewable energy initiatives to support its manufacturing operations, including a rooftop solar power facility and captive renewable energy projects aimed at reducing power costs and enhancing sustainability. Shree Ram Twistex focuses on quality assurance through advanced spinning technology and the use of high-grade cotton fibre, producing premium cotton ring-spun yarns for global textile manufacturers. The company emphasizes sustainable manufacturing practices, operational efficiency, and long-term customer relationships.

Financial Performance Analysis

Source: Audited financial statements taken on standalone basis, annual reports and regulatory filings of the respective companies; D&B analysis

Indicators	Unit	Rudra Cottex			Aastha Spintex Limited			Ambika Cotton Mills Limited			Shiva Texyarn Ltd			Shree Ram Twistex Limited		
		FY'26	FY'25	FY'24	FY'26	FY'25	FY'24	FY'26	FY'25	FY'24	FY'26	FY'25	FY'24	FY'26	FY'25	FY'24
Total Income	INR Mn	3457.7	2765.8	2227.0	4434.0	3521.7	3051.1	7961.9	7285.8	8462.1	305.1	796.2	728.6	2740.7	2540.2	2329.9
Revenue from Operations	INR Mn	3453.3	2761.8	2223.5	4426.4	3511.6	3048.6	7809.6	7020.7	8234.6	304.9	781.0	702.1	2728.9	2527.5	2329.0
Key Operating Cost	INR Mn	2805.2	2222.4	1903.4	3894.7	3013.0	2669.5	6667.6	5987.5	7141.9	267.0	666.8	598.8	2400.1	2341.3	2124.8
EBITDA	INR Mn	1231.6	1211.8	1238.7	531.7	498.6	278.3	1142.0	1043.2	1092.7	27.8	114.2	104.3	328.9	209.2	204.2
EBITDA Margin	%	35.7	43.9	55.7	12.0	14.2	9.1	14.6	14.9	13.3	9.1	14.6	14.9	12.1	8.3	8.8
PAT	INR Mn	237.4	235.0	100.0	237.4	235.0	177.5	715.6	657.4	629.7	17.7	71.6	65.7	141.7	80.0	69.7
PAT Margin	%	6.9	8.5	4.5	5.4	6.7	5.8	9.2	9.4	7.6	5.8	9.2	9.4	5.2	3.2	3.0
Operating Cash Flow	INR Mn	83.4	287.9	180.9	53.6	(178.2)	104.5	2282.5	1290.5	(1377.5)	10.4	228.3	129.1	(226.6)	241.5	(48.8)
Net Worth	INR Mn	1287.7	956.8	718.4	1603.9	1220.2	780.6	9543.1	9040.6	8588.9	78.1	954.3	904.1	1984.8	740.3	0.0
Long Term Borrowing	INR Mn	229.0	207.6	349.1	118.4	263.4	480.5	0.0	0.0	0.0	48.1	0.0	0.0	106.3	380.1	381.4
Debt Equity Ratio	In Times	0.9	0.9	1.4	0.6	0.2	1.1	0.0	0.1	0.1	1.1	0.0	0.1	0.2	0.5	1.4
Interest Coverage Ratio	In Times	9.2	9.7	10.1	3.8	4.2	2.4	8.6	6.6	5.5	2.4	8.6	6.6	2.9	2.4	3.1
Return on Capital Employed	%	47.8	62.7	68.7	17.7	19.7	13.4	11.4	11.2	11.1	13.4	11.4	11.2	11.1	11.9	12.2
Return on Equity	%	21.2	28.1	14.9	16.8	23.5	25.5	7.7	7.5	7.5	3.4	7.7	5.9	10.4	12.9	15.1
Return On Asset	%	9.2	11.1	5.0	7.7	9.1	8.6	6.3	5.9	6.1	2.6	6.3	3.1	5.6	4.8	5.5

Revenue Scale and Growth Trajectory
Rudra Cottex Limited ("**Rudra Cottex**") is the third-largest company within the peer set by total income, reporting revenue of INR 3,457.7 million in FY2025-26. The Company ranks behind only Ambika Cotton Mills Limited ("**Ambika Cotton Mills**"), which reported total income of INR 7,961.9 million, and Aastha Spintex Limited ("**Aastha Spintex**"), with total income of INR 4,434.0 million during the same period. Rudra Cottex outperformed Shree Ram Twistex Limited ("**Shree Ram Twistex**"), which reported total income of INR 2,740.7 million, and Shiva Texyarn Limited ("**Shiva Texyarn**"), which reported total income of INR 305.1 million. Between FY2023-24 and FY2025-26, Rudra's total income increased from INR 2,227.0 million to INR 3,457.7 million, representing a CAGR of approximately 24.6%, outperforming the growth recorded by most peers. The company's ability to combine scale with strong growth highlights its expanding market presence within the cotton yarn industry.

Operating Cost Structure and Efficiency
Rudra Cottex reported key operating costs of INR 2,805.2 million in FY2025-26. As a proportion of total income, operating costs accounted for approximately 81.1%, the lowest among the selected peers. In comparison, operating costs represented approximately 87.8% of total income for Aastha Spintex, 83.7% for Ambika Cotton Mills, 87.5% for Shiva Texyarn and 87.6% for Shree Ram Twistex. The relatively lower cost intensity indicates superior operating efficiency and provides Rudra with a meaningful competitive advantage in profitability generation.

Operating Profitability and Margin Performance
Rudra Cottex generated EBITDA of INR 1,231.6 million in FY2025-26, significantly higher than all peers, including Aastha Spintex (INR 531.7 million) and Shree Ram Twistex (INR 328.9 million). The company reported an EBITDA margin of 35.7%, substantially above the peer range of 9.1% to 14.6%. Although Rudra's EBITDA margin has moderated from 55.7% in FY2023-24, it continues to remain materially ahead of competitors. The significantly higher EBITDA margin reflects stronger operational efficiency, better cost absorption and superior earnings generation from its revenue base.

Net Profitability
Rudra Cottex reported PAT of INR 237.4 million in FY2025-26, more than double its FY2023-24 PAT of INR 100.0 million. The corresponding PAT margin stood at 6.9%, higher than Aastha Spintex (5.4%), Shiva Texyarn (5.8%) and Shree Ram Twistex (5.2%), although lower than Ambika Cotton Mills (9.2%). Notably, Rudra generated a similar level of PAT as Aastha Spintex despite operating at a smaller revenue base, demonstrating stronger earnings conversion and operating efficiency.

Capital Structure and Leverage Position
Rudra Cottex reported a debt-equity ratio of 0.9x in FY2025-26, unchanged from FY2024-25 and lower than FY2023-24 levels of 1.4x. The ratio is higher than those reported by Ambika Cotton Mills (nil), Shree Ram Twistex (0.2x) and Aastha Spintex (0.6x), but remains below Shiva Texyarn (1.1x). While Rudra maintains a relatively more leveraged capital structure than most peers, the gradual reduction in leverage over the review period indicates strengthening balance sheet fundamentals.

Debt Servicing Capability and Financial Resilience
Despite its comparatively higher leverage, Rudra reported the strongest debt-servicing capacity among peers, with an interest coverage ratio of 9.2x in FY2025-26. This was higher than Ambika Cotton Mills (8.6x), Aastha Spintex (3.8x), Shree Ram Twistex (2.9x) and Shiva Texyarn (2.4x). The high coverage ratio demonstrates that Rudra's operating earnings remain more than sufficient to meet finance costs and reduce financial risk.

Capital Efficiency
Rudra Cottex delivered a ROCE of 47.8% in FY2025-26, the highest among the selected peers. This compares favourably with Aastha Spintex (17.7%), Shiva Texyarn (13.4%), Ambika Cotton Mills (11.4%) and Shree Ram Twistex (11.1%). Although ROCE has moderated from 68.7% in FY2023-24, Rudra Cottex continues to significantly outperform peers, indicating superior utilisation of capital employed and stronger value creation for stakeholders.

Asset Utilisation
Rudra Cottex also reported the highest return on assets of 9.2% in FY2025-26, compared with 7.7% for Aastha Spintex, 6.3% for Ambika Cotton Mills, 5.6% for Shree Ram Twistex and 2.6% for Shiva Texyarn. The company's ROA improved from 5.0% in FY2023-24, reflecting enhanced asset productivity and stronger earnings generation from its asset base.

Competitive Positioning
Rudra Cottex is positioned as one of the strongest performers among the selected peers, combining a relatively large operating scale with industry-leading profitability and return metrics. The company reported the third-highest total income in FY2025-26, behind only Ambika Cotton Mills Limited and Aastha Spintex Limited, while generating the highest EBITDA and EBITDA margin among the peer group. Its EBITDA margin of 35.7% significantly exceeded the peer range of 9.1% to 14.6%, reflecting superior cost efficiency and earnings generation.

The company also demonstrated stronger capital productivity than its peers. Rudra reported the highest return on capital employed (47.8%) and return on assets (9.2%) in FY2025-26, indicating efficient utilisation of both capital and operational assets. In addition, despite maintaining a relatively higher debt-equity ratio than most peers, the company recorded the strongest interest coverage ratio of 9.2x, highlighting its ability to comfortably service debt obligations through operating earnings.

While Ambika Cotton Mills reported higher net profit margins and reported the largest revenue among all the peers considered, Rudra distinguished itself through a balanced combination of growth, profitability, cost efficiency and return generation. Overall, the comparative analysis suggests that Rudra Cottex occupies a favourable competitive position within the peer group, supported by strong operating performance, efficient capital deployment and robust earnings quality.

Company Profile

Rudra Cottex Limited is an integrated participant in the cotton textile value chain, with operations spanning the manufacturing and sale of cotton yarn and value-added cotton yarn products along with trading of cotton bale and cotton yarn. Incorporated on 23 March 2016, the Company manufactures a broad range of cotton yarn products, including **carded, combed, compact and EliTwist technology-based compact yarns** across various count ranges and end-use applications. Its products cater to weaving and knitting segments and are used in the manufacture of garment, knitwear, denim, home textiles, premium fabrics and other textile products in domestic and export markets.

In addition to serving the domestic market, the Company supplies products to international markets through merchant export channels. Its strategic location in Gujarat provides proximity to cotton-growing regions, textile clusters, logistics infrastructure, and export-oriented textile manufacturers, supporting procurement and market access.

Product Portfolio

Product	Product Description	Key Applications / End-use
EliTwist Technology-based Compact Yarn (Ne 2/20, 2/30-2/40)	Premium compact twin-spun yarn manufactured by feeding two compacted rovings simultaneously and twisting them together to produce a yarn with enhanced strength, lower hairiness, superior uniformity and improved fabric performance.	Premium shirting, luxury knitwear, high-end garments, home textiles and specialty textile applications
Compact Yarn (Ne 20-40)	Value-added cotton yarn manufactured using compact spinning technology, which reduces hairiness and improves yarn strength, evenness and fabric appearance compared to conventional ring-spun yarns.	Premium knitwear, branded apparel, shirting, fashion garments, export-quality fabrics, home textiles and fine-count woven fabrics.
Carded Yarn (Ne 16-34)	Cotton yarn manufactured from carded cotton fibres through the conventional spinning process. Offers cost efficiency and is suitable for a wide range of general textile applications.	Denim fabrics, basic garment fabrics, hosiery, towels, home textiles, industrial fabrics and general-purpose woven and knitted products.
Combed Yarn (Ne 16-32)	Cotton yarn produced using an additional combing process that removes short fibres and impurities, resulting in improved strength, softness, smoothness and yarn uniformity.	Premium knitwear, innerwear, fashion apparel, children's wear, premium shirting, high-quality home textiles and fine-count fabrics.

Manufacturing Capability

The Company operates a cotton ring frame spinning manufacturing facility located at **Kadjodra, Dehgam, Gujarat**, spread across approximately **13,137square metres**. The facility is equipped with modern spinning infrastructure sourced from leading technology providers and incorporates contamination detection systems, compact spinning technology, automated winding systems and advanced quality testing equipment.

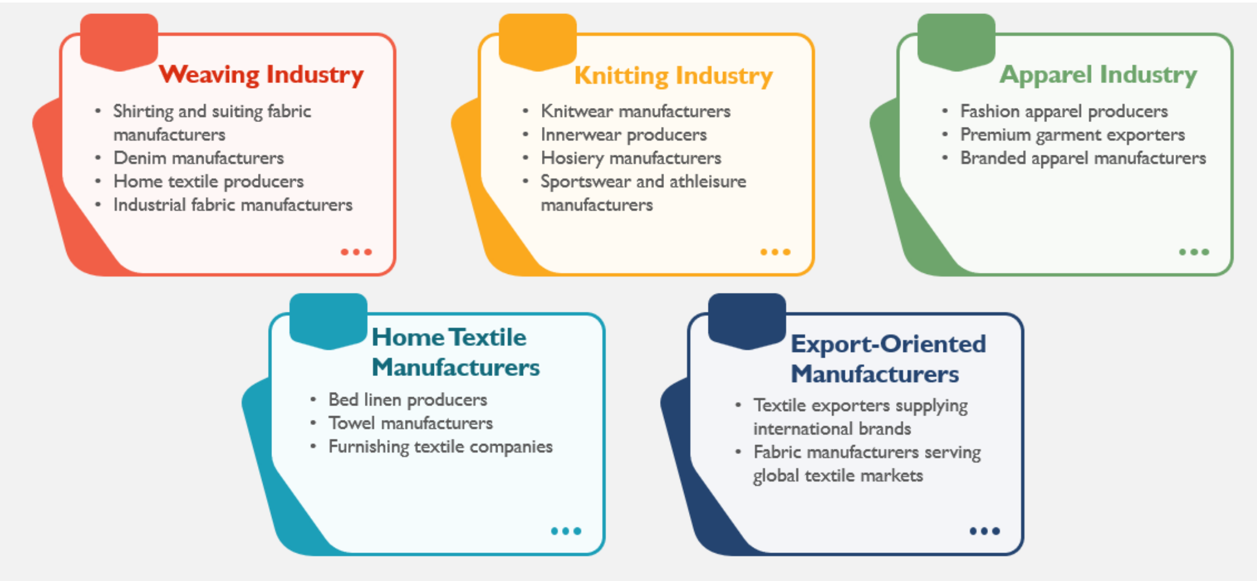
Particulars	Details
Plant Location	**Kadjodra, Dehgam, Gujarat**
Land Area	Approximately 13,137 sq. metres
Installed Capacity	27,360 Ring Spindles
Production Capacity	9,307.50 metric tonnes per annum
Technology Providers	Trützschler, Lakshmi Machine Works, Rieter, Schlafhorst, Uster Technologies
Quality Systems	In-house fibre and yarn testing laboratory

The manufacturing operations are supported by modern spinning machinery sourced from leading technology providers such as Trützschler, Lakshmi Machine Works, Rieter, Schlafhorst and Uster Technologies. The production process incorporates automated and technology-driven systems including contamination detection, compact spinning systems, autoconers equipped with electronic yarn clearing technology and advanced quality testing equipment. While certain material handling and process control functions are automated, the manufacturing process also involves operator intervention across production stages, indicating a semi-automated ring frame spinning operation supported by modern textile manufacturing technologies. The company has also established in-house testing and quality assurance infrastructure equipped with advanced fibre and yarn testing systems.

The Company's manufacturing setup supports the production of a broad range of value-added yarn products and facilitates quality control throughout the production process.

Key Customer Segments Served

Rudra Cottex's products cater to a diverse range of downstream textile manufacturers operating across both domestic and export markets. The Company's customer base spans various segments of the textile value chain.

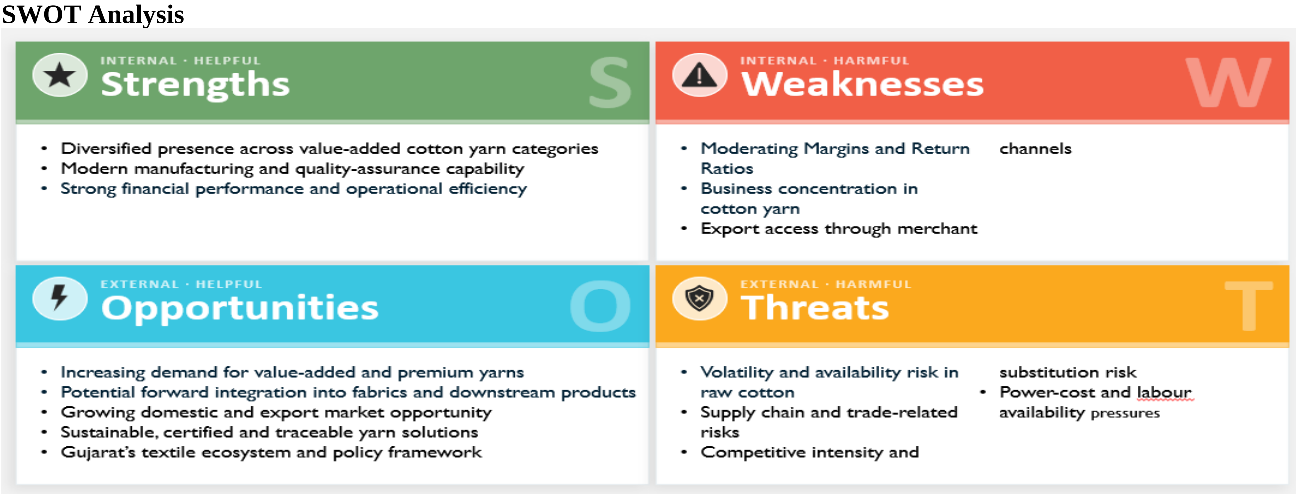


Market Positioning

Particulars	FY 2025-26
Gujarat Cotton Yarn Market	INR 107,800 million
Gujarat Compact Cotton Yarn Market size (7% of Gujarat Cotton Yarn Market)	INR 7,546 million
Rudra Cottex Compact Cotton Yarn Revenue	INR 1438 million
Rudra Cottex's Share of Gujarat Compact Cotton Yarn Market	19.0%

The Gujarat cotton yarn market stood at INR 107.8 billion in FY2025-26, of which the compact cotton yarn segment accounts for approximately INR 7,546.0 million, representing around 7% of the overall market. Within this value-added segment, Rudra Cottex's compact cotton yarn revenue is INR 1,438.5 million, translating into market share of 19.0%, positioning the Company as a significant participant in a niche market that is expected to increase its share of the state's cotton yarn market over the coming years.

SWOT Analysis



Strengths

- **Diversified presence across value-added cotton yarn categories -** Rudra Cottex Limited manufactures EliTwist Technology-based compact yarn, available in carded and combed varieties, along with conventional compact yarn, carded yarn and combed yarn. across multiple count ranges. These products cater to garment, knitwear, denim, shirting, home textiles, premium fabrics and other weaving and knitting applications. The broad portfolio enables the Company to serve both conventional and value-added segments and reduces dependence on a single yarn category or end-use market.

- **Modern manufacturing and quality-assurance capabilities -** The Company operates a semi-automated manufacturing facility equipped with 27,360 ring spindles and production capability of 9,307.50 metric tonnes per annum (MTPA). Its manufacturing platform includes modern machinery from established technology providers and incorporates contamination detection, compact spinning, automated winding, electronic yarn clearing and advanced fibre and yarn testing systems. These capabilities support production consistency, lower hairiness, improved yarn strength, contamination control and quality-sensitive product manufacturing.

- **Strong financial performance and operational efficiency** - Rudra Cottex Limited has established a strong competitive position within the cotton yarn industry through its combination of scale, profitability, operating efficiency and capital productivity. The Company reported the second-highest total income among the selected peers in FY2025-26 and achieved industry-leading profitability metrics, supported by the lowest operating cost intensity within the peer group. In addition, the company reported the highest ROCE, ROA and interest coverage ratio among peers, reflecting efficient utilisation of capital and assets, strong earnings generation and a robust ability to service debt obligations. Collectively, these factors position the Company as one of the most operationally efficient and financially productive players within its peer set.

Weaknesses

- **Moderating margins and return ratios -** While Rudra Cottex continues to outperform its peers on profitability and return metrics, its EBITDA margin declined from 55.7% in FY2023-24 to 35.7% in FY2025-26, while ROCE moderated from 68.7% to 47.8% over the same period. The trend highlights the need to sustain cost efficiencies and continue increasing the share of value-added yarn products to support long-term profitability and returns.

- **Business concentration in cotton yarn** - The Company's manufacturing operations are concentrated in cotton yarn and related value-added yarn products. Consequently, financial performance remains closely linked to cotton availability, cotton-to-yarn price spreads, downstream textile demand and capacity utilisation within the spinning business. Unlike vertically integrated textile companies with fabric, processing or garmenting operations, Rudra Cottex primarily operates in the yarn manufacturing segment and does not have material manufacturing integration beyond yarn production.

- **Export access through merchant channels** - The Company supplies international markets through merchant export channels. While this provides access to overseas demand, reliance on intermediaries may offer less direct control over customer relationships, market intelligence and export-market diversification than a direct export model.

Opportunities

- **Increasing demand for value-added and premium yarns** - The cotton yarn industry is gradually moving towards combed, compact, doubled and technology-enabled yarns as downstream manufacturers seek higher strength, lower hairiness, improved consistency and superior fabric performance. The Gujarat compact cotton yarn market, valued at INR 7546 million, currently accounts for around 7% of the state's cotton yarn market by value and is expected to increase its share to approximately 9% by FY2029-30. This evolving product mix presents a significant opportunity for manufacturers with capabilities in specialised and premium yarn categories to improve realisations and strengthen their market position.

- **Potential forward integration into fabrics and downstream products** - The Company's existing yarn manufacturing base provides a potential platform for future expansion into weaving, knitting or fabric manufacturing. Such forward integration could provide greater control over downstream demand, facilitate value addition and reduce reliance on external yarn buyers. This constitutes a strategic growth option rather than a currently stated manufacturing capability.

- **Growing Domestic and Export Market Opportunity -** The Indian cotton yarn market is projected to grow from INR 770 billion in FY2025-26 to INR 1,010 billion by FY2029-30, while cotton yarn exports are projected to increase from INR 284,752 million to approximately INR 358,454 million over the same period. Supported by growth in textile and garment manufacturing, rising demand for value-added yarns and established export linkages, Rudra Cottex is well positioned to benefit from both domestic market expansion and increasing export opportunities.

- **Sustainable, certified and traceable yarn solutions** - Global buyers are increasingly incorporating responsible sourcing, traceability, renewable energy and environmental performance into supplier selection. Growing demand for organic cotton, Better Cotton, recycled cotton and traceable premium yarns presents an opportunity for the Company to complement its value-added product portfolio with relevant sustainability certifications and traceability systems.

- **Gujarat's textile ecosystem and policy framework** - Gujarat's textile and industrial policies provide a range of incentives for eligible textile units, including support related to capital investment, interest subsidies on term loans, electricity tariff concessions, modernisation and capacity expansion. Under the Gujarat Textile Policy, 2012, the State Government also introduced provisions for continuation of tax-related incentives through SGST reimbursement mechanisms following the implementation of GST, helping sustain the attractiveness of textile investments in the state. In addition, the state's PM MITRA park, established textile clusters and export-oriented infrastructure are expected to support ecosystem-level growth, strengthen the textile value chain and drive downstream demand for yarn manufacturers operating in Gujarat.

Threats

- **Volatility and availability risk in raw cotton** - Raw cotton accounts for more than half of yarn production costs, making operating margins highly sensitive to variations in cotton prices. Shankar-6, a key benchmark cotton variety, is also exposed to seasonal quality variation, weather conditions, pest incidence and traceability concerns. Any inability to pass higher fibre costs through to yarn customers could compress margins and increase working-capital requirements.

- **Supply chain and trade-related risks** - The cotton yarn industry remains exposed to both upstream raw material challenges and downstream export market uncertainties. Declining domestic cotton availability has increased reliance on imported fibre, exposing manufacturers to global cotton prices, currency fluctuations, freight cost movements and supply chain disruptions. At the same time, demand concentration in key export markets such as Bangladesh and China, coupled with evolving trade policies, tariff changes, geopolitical developments and logistics constraints, can affect export realisations, order volumes and capacity utilisation. Together, these factors may create volatility in procurement costs, operational planning and overall business performance.

- **Competitive intensity and substitution risk** - The Indian cotton yarn industry operates in a highly competitive and fragmented environment, with competition from both organised spinning mills and alternative fibre segments. In addition to intense rivalry among yarn manufacturers on factors such as scale, product quality, technology, cost efficiency and customer relationships, cotton yarn also faces growing competition from synthetic and blended fibre products, which offer advantages such as lower cost, durability, wrinkle resistance and suitability for fast-fashion applications. As textile manufacturers increasingly seek cost-effective and performance-oriented materials, continued adoption of synthetic and blended textiles, coupled with intense competition within the spinning industry, could exert pressure on demand growth, pricing power and profitability for cotton yarn manufacturers.

- **Power-cost and labour availability pressures** - Spinning is a power-intensive and continuous manufacturing activity, and electricity costs remain an important component of conversion costs. Although Gujarat's indicative industrial tariff is lower than tariffs cited for some competing locations, future tariff increases could affect margins. The Company's continuing requirement for operator intervention also exposes operations to potential skilled labour availability and wage pressures.

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company, on a standalone basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 24, 170, 307 and 365, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, refer to "Definitions and Abbreviations" on page 3 for definitions of certain terms used in this section.

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus, including in "Industry Overview" and "Our Business" on pages 170 and 242, respectively, has been obtained or derived from the report titled " Industry Report on Cotton Yarn Industry in India" of September 2026, prepared by Dun & Bradstreet Information Services India Private Limited ("**D&B Report**"). Our Company commissioned Dun & Bradstreet Information Services India Private Limited to prepare this report specifically for the purpose of the Issue pursuant to an engagement letter dated June 25, 2026. The data included herein includes excerpts from such report and may have been re-ordered by us for the purposes of presentation. A copy of the report is available on our Company's website at https://rudracottex.com/ from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 20.*

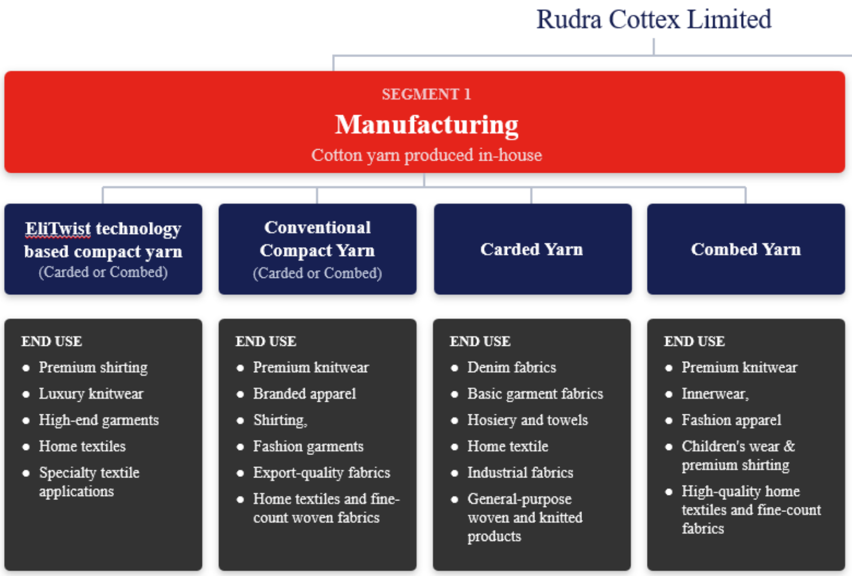
We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus. Such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. Such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Some of the information set out in this section, especially information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 23 and "Risk Factors" on page 24. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

OVERVIEW

We are engaged in the manufacturing of cotton yarn and the trading of cotton bales and cotton yarn. Our cotton yarn product portfolio comprises of (i) EliTwist technology based compact yarn, (ii) conventional compact yarn, (iii) carded yarn and (iv) combed yarn. Our EliTwist technology based compact yarn and conventional compact yarn are offered in both carded and combed form, and we accordingly manufacture a variety of yarn variants in aggregate. We regard our EliTwist technology based compact yarn as a value-added product by reason of its technical characteristics, being superior yarn strength as compared to conventional compact yarn, lower hairiness, enhanced abrasion resistance, improved fabric appearance and surface smoothness, reduced pilling technology and better dimensional stability. Further, as per *D&B report* the EliTwist technology based compact yarn commands a price premium over conventional carded yarn. Our yarn is supplied as an intermediate input across a variety of downstream textile segments, including garment, knitwear, denim, home textiles, premium fabrics and other textile products. In addition to manufacturing, we also undertake the trading of cotton bales and cotton yarn on an opportunity basis which draws upon the same procurement network, quality assessment infrastructure and storage capacity that support our spinning operations. The trading activities in cotton bales and cotton yarn are undertaken by us when prevailing market conditions present a favourable differential between procurement and sale prices, and not as a regular or committed line of business.

As per *D&B Report*, The Gujarat cotton yarn market stood at INR 107.8 billion in FY2025-26, of which the compact cotton yarn segment accounts for approximately INR 7,546.0 million, representing around 7% of the overall market. Within this value-added segment, Rudra Cottex's compact cotton yarn revenue is INR 1,438.5 million, translating into market share of 19.0%, positioning the Company as a significant participant in a niche market that is expected to increase its share of the state's cotton yarn market over the coming years.

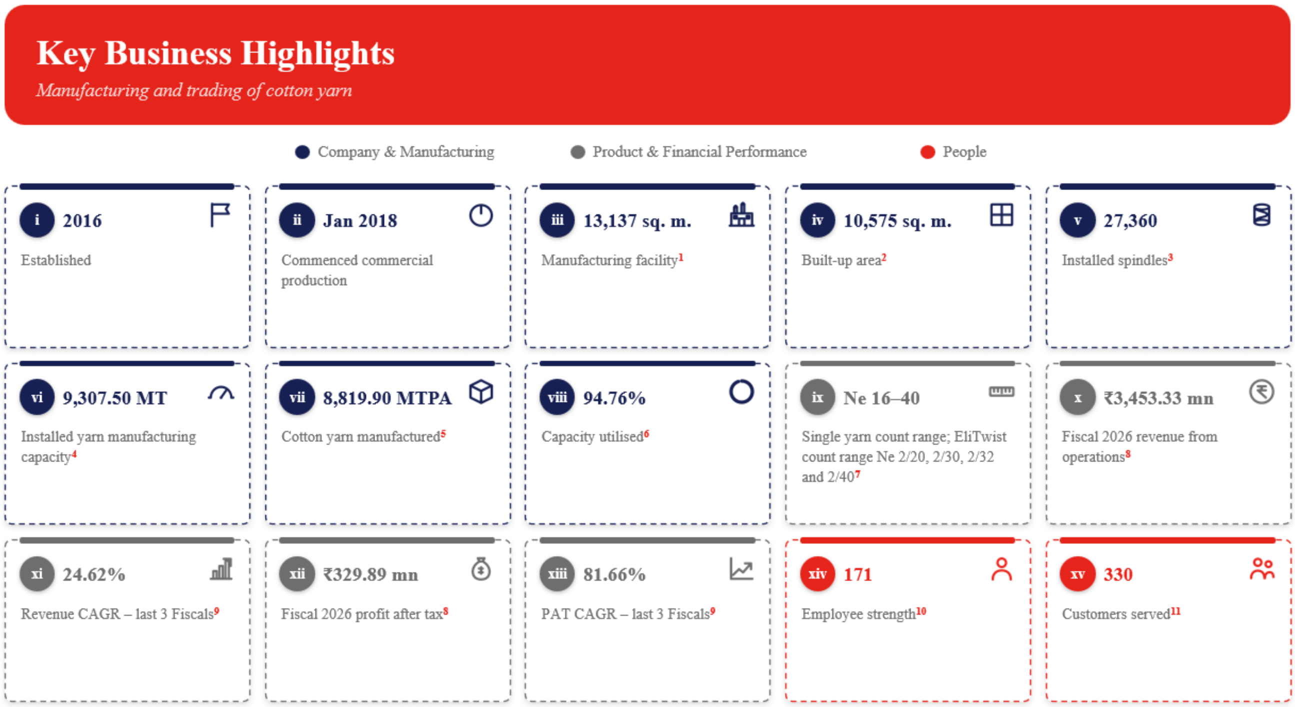
Over the years, we have diversified our product offerings and their applications. As on the date of this Draft Red Herring Prospectus, we operate through two principal business activities, being the manufacture of cotton yarn and the trading of cotton bales and cotton yarn. Set out below is the graphical representation of our product categories and their end use:



Within the textile value chain, which extends through multiple stages, including cotton cultivation, ginning, spinning, weaving, processing, garment manufacturing and distribution to the end consumer, our Company operates at the spinning stage. We procure cotton bales from, ginners, traders, agents and a government corporation, based in Gujarat and other suppliers and process them into finished yarn, which is subsequently supplied to our customers.

We operate a semi-automated manufacturing facility situated at Survey No. 837, Village – Kadjodara, Taluka - Dehgam, District - Gandhinagar, Gujarat, India (our "**Manufacturing Facility**").Our total installed capacity, as of March 31, 2026, was 27,360 spindles, translating to an installed cotton yarn production capacity of approximately 9307.50 MT per annum. Our installed machinery is capable of producing cotton yarn in single counts ranging from Ne 16 to Ne 40, (*"Ne" refers to the English Cotton Count System, a standard way to measure the fineness or thickness of yarn. The higher the Ne, the finer the yarn*). Our EliTwist technology based compact yarn is presently offered in 2/20, 2/30, 2/32 and 2/40 counts.

Our key business highlights are set out below:



Notes:

1. *Represents the total land area of the Company's manufacturing facility as of the date of this DRHP.*
2. *Represents the aggregate built-up area of the Company's manufacturing as of the date of this DRHP.*
3. *Represents the total installed spindle capacity of the Company as on March 31, 2026.*
4. *Represents the Company's installed annual yarn manufacturing capacity, expressed in approx. metric tonnes (MT), as on March 31, 2026.*
5. *Represents the Company's utilized annual yarn manufacturing capacity, expressed in approx. metric tonnes (MT), as on March*

31, 2026.

6. *Represents the Company's utilized annual yarn manufacturing capacity, expressed in percentage, as on March 31, 2026.*
7. *Represents the range of cotton yarn counts manufactured by the Company.*
8. *Revenue and Profit After Tax (PAT) are based on the Restated Financial Information of the Company for Fiscal 2026.*
9. *Revenue CAGR and PAT CAGR have been computed for the period from Fiscal 2024 to Fiscal 2026.*
10. *Represents the total number of permanent employees on the Company's payroll as on July 31, 2026.*
11. *Represents the number of unique customers served by the Company since Inception.*

The product-wise bifurcation of our revenue from operations for the last three Fiscals is set out below:

(*in ₹ million*)

Company's operation	Fiscal 2026	% of Total Revenue	Fiscal 2025	% of Total Revenue	Fiscal 2024	% of Total Revenue
Revenue generated from Manufacturing:						
Elli-Twist technology based Compact Yarn	1,062.73	30.77%	1,017.75	36.85%	347.73	15.64%
Carded yarn	623.53	18.06%	251.69	9.11%	304.70	13.70%
Compact yarn	376.24	10.89%	677.47	24.53%	472.34	21.24%
Total of Manufacturing Revenue [A]	**2,062.50**	**59.72%**	**1,946.91**	**70.49%**	**1,124.77**	**50.58%**
Cotton waste, comber noil and other by-products [B]*	52.51	1.52%	101.50	3.68%	106.63	4.80%
Revenue generated from Trading:						
Trading of cotton bales	1,003.04	29.05%	437.32	15.83%	937.38	42.16%
Trading of cotton yarn	283.85	8.22%	226.28	8.19%	-	0.00%
Total of Trading Revenue [C]	**1,286.89**	**37.27%**	**663.60**	**24.03%**	**937.38**	**42.16%**
Other Operating Revenue** [D]	51.43	1.49%	49.82	1.80%	54.76	2.46%
Total [A+B+C+D]	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2,223.54**	**100.00%**

As certified by our Statutory Auditor vide certificate dated September 17, 2026.

**Our operations also generate income from by-products such as cotton waste, lickerin waste, cotton seeds waste, flat waste, noil, micro dust, sweeping waste, hard waste, waste cotton cloth and cotton roving waste which is sold to process houses and industries manufacturing [open-end yarns/other uses], providing an additional revenue stream for our Company.*

***Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

We operate primarily in the business-to-business (B2B) segment, supplying our products to traders, agents, manufacturers and merchant exporters. We cater to the requirements of B2B customers by integrating our production and supply chain processes with their procurement needs, enabling quality, timely order fulfilment and deliveries, while providing customized yarn solutions based on technical parameters such as count, twist and strength.

Our products are sold in both domestic and international markets (through merchant exporter). Our domestic sales are undertaken on a B2B basis through a network of traders and agents. All of our export sales are routed through merchant exporters, who possess experience in global trade practices, export documentation and destination compliance requirements, and consequently, all turnover reflected in our books of account is recorded as domestic sales, with no separate export revenue recognised. This dual-channel strategy enables broad market coverage, including access to international markets, while allowing us to remain focused on our core strength of manufacturing quality cotton yarns with minimal logistical complexity.

The breakdown of our revenue from domestic sales and exports (through merchant exporter) for the last three Fiscals is set out below:

Particulars	Fiscal 2026 (₹ million)	% of revenue from operations	Fiscal 2025 (₹ million)	% of revenue from operations	Fiscal 2024 (₹ million)	% of revenue from operations
Domestic	3,132.05	90.76%	2,229.24	80.72%	2,067.33	92.48%
Exports (through merchant exporter)*	321.28	9.30%	532.59	19.28%	156.21	7.05%
Total	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2223.24**	**100.00%**

** All turnover reflected in our books of account is recorded as domestic sales, with no separate export revenue recognized on a standalone basis*

As of March 31, 2026, our customers are located in Gujarat and Haryana while we also export our goods through merchant exporters. We generate a significant proportion of our revenue from the State of Gujarat, which contributed ₹3,073.31 million, ₹2,173.38 million and ₹1,972.35 million, constituting 89.00%, 78.69% and 88.38% of our revenue from sale of products for Fiscals 2026, 2025 and 2024, respectively. The state-wise breakup of our revenue from sale of products for the last three Fiscals is set out below:

State	Fiscal 2026 (₹ million)	% of revenue from operations	Fiscal 2025 (₹ million)	% of revenue from operations	Fiscal 2024 (₹ million)	% of revenue from operations
Gujarat	3,073.31	89.00%	2,173.38	78.69%	1,981.17	88.78%
Haryana	7.31	0.21%	0.68	0.02%	1.59	0.07%
Rajasthan	-	-	-	-	4.51	0.20%
Other States	-	-	5.36	0.19%	33.38	1.50%
Exports (through merchant exporter)	321.28	9.30%	532.59	19.28%	156.21	7.05%
Other Operating Revenue*	51.43	1.49%	49.82	1.80%	54.76	2.45%
Total	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2,231.62**	**100.00%**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

We commenced commercial production on January 1, 2018 and operate through our Manufacturing Facility, strategically located in Gujarat, India on land admeasuring approximately 13,137 sq. m held by our Company on a freehold basis, spanning a built-up area of approximately 10,575 sq. m with an installed spindle count capacity of 27,360 spindles. The location of our Manufacturing Facility garners us certain operational advantages. It is situated within the Gujarat cotton belt, being among the principal cotton-growing regions in India, which has proximity to the source of our principal raw material and reduces inbound freight cost and transit time. It is located alongside the NH-48 Delhi-Mumbai highway corridor, which is in turn connected by major road to the other states and to the ports of Mundra, Kandla and Pipavav and thereby facilitates dispatch to merchant exporters and to customers located outside Gujarat. It is further proximate to the Ahmedabad textile cluster, which affords access to a pool of labour trained in textile operations and to vendors for the servicing of machinery and the supply of spares.

As on March 31, 2026, we have an installed spindle count capacity of 27,360 spindles, which are deployed on a flexible basis across our compact spinning and EliTwist processes depending on product mix and market demand, with an installed cotton yarn production capacity of approximately 25,500 kg per day (9,307.50 MT per annum). Our Manufacturing Facility operates on a continuous, round-the-clock basis throughout the year, except for certain number of days of factory closure during festivals, with individual machines taken off-line for maintenance on a rotational basis so as to avoid a full shutdown of operations.

To ensure our quality standards, we have set-up an in-house testing laboratory and quality control team at our Manufacturing Facility which undertakes testing of cotton bales, in-process yarn and finished yarns before dispatch. Our in-house laboratory is equipped with a fibre testing system, an evenness tester and yarn clearers, which enable us to test against the quality parameters agreed with our customers at the time of acceptance of the sales order, production being planned to those parameters. For details, see "*Our Business - Quality Control*" on page 262.

As per *D&B Report,* India occupies a strategically important position in the global cotton yarn industry, supported by its cotton production, its spinning infrastructure and its export orientation. India ranked second globally in cotton production in cotton season 2025-26 with an output of 22.71 million bales, representing 19% of world production of 122.66 million bales, was the second largest consumer of cotton globally with estimated consumption of 32.8 million bales in that season, and possesses the second largest spinning capacity globally after China. The Indian textile and apparel sector contributes approximately 2% of India's gross domestic product and 11% of manufacturing gross value added, and is the second largest employment generator in the country with a 9% share of employment.

Further according to *D&B Report*, the Indian cotton yarn industry is gradually transitioning from conventional commodity yarns towards value-added and performance-oriented yarn categories, driven by evolving requirements of textile manufacturers, garment exporters, home textile producers and premium garment brands. Increasing demand for superior fabric quality, improved processing efficiency, enhanced durability and differentiated textile products has supported the adoption of compact yarns, doubled yarns, specialty yarns and other advanced spinning products across domestic and export markets.

For further details, see "*Industry Overview*" on page 170 and "*Risk Factor 42 – Certain sections of this Draft Red Herring Prospectus disclose information from the D&B Report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 51.

We procure our principal raw material, cotton bales, predominantly of the Shankar-6 variety, from ginners, traders, agents and a government corporation, based in Gujarat. A portion of our cotton bale procurement is arranged through agents to whom we pay commission at rates ranging from approximately 0.25% to 0.5% of the value of the cotton bales procured through them. The aggregate commission paid by us on the procurement of cotton bales was ₹0.25 million, ₹0.72 million and ₹2.86 million for Fiscals 2026, 2025 and 2024, respectively, constituting 0.01%, 0.04% and 0.15% of our total purchases for such Fiscals respectively. We additionally procure cotton bales through the auctions conducted by a government corporation, based in Gujarat. Our procurement is sourced predominantly within the State of Gujarat, which accounted for approximately 99.58% of our total procurement by volume for Fiscal 2026, in addition to sourcing from other cotton-growing states, including Madhya Pradesh and Rajasthan.

Further, we do not import cotton or any cotton-based raw material, since our requirement is being met from domestic sources. During the last three Fiscals, we procured cotton bales from more than 344 suppliers, of which our top ten suppliers contributed ₹1,590.71 million, ₹914.32 million and ₹1,067.46 million, constituting 60.40%, 45.46% and 57.68% of our total purchases, respectively. For details, see "*Our Business - Raw Material and Our Suppliers*" on page 254.

To ensure uninterrupted production, we maintain a cotton bales stock-holding period of approximately three to four months, representing our normal forward cover, which may be extended based on our products demand or market pricing of cotton bales. Majority of our procurement is undertaken in the peak season, which coincides with the cotton harvest period in India, typically October to March, when availability is comparatively high and prices are relatively low. This level of inventory also supports our cotton bales trading activity, which requires us to carry stock beyond our own manufacturing requirements. For Fiscals 2026, 2025 and 2024, cotton bales constituted 97.88%, 97.86% and 96.54% respectively, of our total cost of production. To facilitate seasonal procurement and maintain adequate inventory levels, we have warehouse facilities situated inside our Manufacturing Facility premises aggregating approximately 3,500 sq. m., enabling us to store sufficient raw material for our manufacturing operations.

We are led by our Promoters, Mr. Radheshyam Parshottambhai Pokar, Mr. Rahulkumar Abji Dholu and Mr. Patel Nilesh Kumar Babubhai. Our Promoters have been associated with our Company since its incorporation on March 23, 2016 and have contributed to its growth and development with their industry knowledge and entrepreneurial experience. Rahulkumar Abji Dholu is the Chairman & Managing Director of our Company. He has not received any formal education. He has not received any formal education. He is responsible for business operations, management, commercial activities, financial matters, statutory compliances and strategic decision making. He has over 10 years of professional experience in the textile industry.. Radheshyam Parshottambhai Pokar is the Executive Director of our Company. He holds a bachelor's degree in the field of commerce from Gujarat University. He is responsible for overseeing Company's function relating to Human Resources, Purchase and Procurement and Administration. He has over 10 years of professional experience in the textile industry. Patel Nilesh Kumar Babubhai is the Executive Director of our Company. He holds a diploma in civil engineering from Government Polytechnic, Himatnagar. He is responsible for operational and strategic leadership across the organization, directing day-to-day manufacturing operations, supply chain management and quality control systems across factory unit. He has over 10 years of professional experience in the textile industry. We are also supported by an experienced team of Key Managerial Personnel and Senior Management, who have consistently demonstrated the ability to adapt to changing market conditions, scale operations and maintain customer relationships. For further details, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 300 and 285, respectively.

We are an environmentally conscious organization committed to promoting the use of renewable energy. As part of our sustainability efforts, we have installed (i) wind turbine generators with an aggregate installed capacity of approximately 2.7 MW; (ii) a rooftop solar photovoltaic system with an installed capacity of 1.25 MW at our Manufacturing Facility, which became operational in March 2025; and (iii) a 5 MW ground-mounted solar power plant with horizontal single-axis tracker structures, which became operational in August 2026 and which is expected to generate approximately 10 million kWh of electricity per annum. Our captive renewable generation enables us to diversify our energy sources, enhance energy security and support our long-term objective of transitioning towards clean and sustainable sources of energy.

Following the installation of rooftop solar systems and wind mill power, with a cumulative capacity of 3.95 MW, we began offsetting a significant portion of our energy consumption through captive generation. This has resulted in reduction in grid electricity usage and associated expenses. The impact of the said transition is evident from decline in electricity expenses as a percentage of both total expenses and revenue from operations. With the commissioning of our 5 MW ground-mounted solar power plant, we expect to offset a further approximately 10 million kWh of our annual electricity consumption, which we expect will result in a further reduction in our electricity expenses as a percentage of our total expenses and of our revenue from operations.

Set out below are details of electricity consumption and electricity offset by the Company as a percentage of expenses for last three Fiscals:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Power and Fuel Expense (net of Energy Credit) (₹ in Million) (A)	73.78	88.71	89.11
Manufacturing expenses (₹ in Million) (B)	1,502.63	1,509.90	909.14
Power and Fuel Expense as a % of manufacturing expenses (C = B/A*100)	4.91%	5.88%	9.80%
Total expenses (₹ in Million) (D)	3,004.77	2,412.24	2,091.10

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Power and Fuel Expense as a % of total expenses (E = A/D*100)	2.46%	3.68%	4.26%
Revenue from Operations (₹ in million) (F)	3,453.33	2,761.83	2,223.54
Power and Fuel Expense as a % of revenue from operations (G = A/F*100)	2.14%	3.21%	4.01%

Our revenue from operations increased from ₹2,223.54 million for Fiscal 2024 to ₹3,453.33 million for Fiscal 2026, representing a CAGR of 24.62%. Our EBITDA increased from ₹320.13 million for Fiscal 2024 to ₹648.16 million for Fiscal 2026, representing a CAGR of 42.29%. Our profit for the year increased from ₹99.97 million for Fiscal 2024 to ₹329.89 million for Fiscal 2026, representing a CAGR of 81.66%.

The following table sets forth certain key financial and operating measures as at the dates and for the fiscal years indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
GAAP Measures			
Revenue from operations (₹ in million)	3,453.33	2,761.83	2,223.54
Profit before Tax (₹ in million)	452.97	353.59	135.92
Profit After Tax (₹ in million)	329.89	238.95	99.97
Net Worth (₹ in million)	1,287.70	956.8	718.41
Non-GAAP Measures			
Growth in Revenue from Operations (%)	25.04%	24.21%	NA
Profit After Tax Margin (%)	9.55%	8.65%	4.50%
EBITDA (₹ in million)	648.16	539.4	320.13
EBITDA Margin (%)	18.77%	19.53%	14.40%
EBIT (₹ in million)	574.25	468.07	248.75
EBIT Margin (%)	16.63%	16.95%	11.19%
RoE (%)	29.40%	28.53%	14.93%
RoCE (%)	25.80%	25.17%	13.97%
Debt to Equity Ratio	0.89	0.91	1.37
Operating Cash Flows (₹ in million)	78.73	287.92	180.87
Operational Metrics			
Installed Capacity (Spinning- in MT)	9,307.50	9,307.50	9,307.50
Utilised Capacity (Spinning- in MT)	8,819.90	8,644.51	5,269.12
Utilised Capacity (Spinning- in %)	94.76%	92.88%	56.61%
Number of Employees	178	177	135
Cotton Yarn Sales Volume (MT)	10,428.97	10,213.52	4,945.21
Spindle Capacity (in numbers)	27,360	27,360	27,360

Notes: As certified by Auditor, pursuant to a certificate from the Statutory Auditor dated September 17, 2026.

OUR STRENGTHS

1. Integrated semi-automated yarn manufacturing plant set up supporting a focused product portfolio

We operate an integrated semi-automated ring frame cotton spinning facility at which each stage of the conversion of cotton bales into finished yarn is carried out under a single roof, comprising the blow room, carding, drawing, combing, speed frame, ring spinning and winding stages, followed by packing and dispatch. Our spinning, warehousing and utility functions being housed together, cotton bales moves from bale storage through to finished yarn dispatch without inter-site transportation. This limits material handling between process stages, shortens our production lead times and permits process control to be exercised across the manufacturing cycle. For details, see "*Our Business - Manufacturing Capabilities*" and "*Our Business - Manufacturing Process*" on pages 257 and 259, respectively.

Our Manufacturing Facility is equipped with machinery procured from multiple textile machinery manufacturers. Our installed base of 27,360 spindles, as on March 31, 2026, is not dedicated to any single product. Our ring frames are fitted with compacting attachments and with EliTwist attachments, and the same ring frames accordingly produce carded yarn, combed yarn, conventional compact yarn and EliTwist technology based compact yarn, with different single counts within the Ne 16 to Ne 40 and Ne 2/20, 2/30, 2/32 and 2/40 band run concurrently on different machines according to prevailing order requirements. Count changeovers are affected on individual machines while the balance of the line continues to run, so that a change in our product mix does not interrupt production across our Manufacturing Facility. This configuration enables us to vary our product mix in response to customer requirements without capital expenditure on additional facilities. For details, see "*Our Business - Manufacturing Capabilities*" on page 257.

Our Manufacturing Facility carries process-monitoring and waste-control features at the stages at which yarn quality is determined. Our ring frames are fitted with a spindle monitoring system, which identifies non-functioning spindles so that they may be attended to as they arise rather than upon a scheduled inspection, and with a roving stop motion system, which arrests the feed of roving upon an end break and thereby limits the generation of process waste. Contamination is detected and removed at the blow room stage by an Uster Vision Shield sorter fitted with magic eye technology, and at the winding stage our link coners are fitted with electronic yarn clearers, which detect and clear yarn faults and foreign matter, including polypropylene contamination, immediately before the yarn is wound onto the cone in which it is dispatched. The clearing parameters applied at the winding stage are set by reference to the testing undertaken in our in-house laboratory, which is equipped with an fibre testing system, an evenness tester and yarn clearers, so that fibre testing, in-process monitoring and final clearing operate to a common specification. For details, see "*Our Business - Quality Control*" on page 262. By centralizing operations, we minimize material handling, reduce production lead times, and enhance process control and output consistency.

2. Consistent improvement in capacity utilization driven by operational efficiency.

Our Company has demonstrated a consistent and steady improvement in capacity utilization across our spinning facilities over the last three fiscal years, reflecting the strength of our operational processes, quality of manufacturing infrastructure, and the effectiveness of our management team in optimizing existing assets rather than relying solely on capacity expansion to drive growth. This steady increase in capacity utilisation reflects improved operational efficiency and better absorption of our fixed costs.

While our installed capacity of 27,360 spindles remained same during the last three fiscals, our capacity utilization improved from 56.61% in Fiscal 2024 to 94.76% in Fiscal 2026, representing an improvement of 38.15 percentage points over the period. This improvement has been achieved without a proportionate increase in our fixed cost base, demonstrating the operating leverage inherent in our business model and our ability to derive higher output from our existing asset base.

This consistent improvement has been driven by a combination of the following factors:

- *Production monitoring:* Production is monitored on a daily basis against the plan for each machine, and machine parameters are checked daily by our quality control team under the supervision of our plant general manager and recorded in a log-book maintained as the formal record of parameter monitoring, which enables deviations to be identified and corrected before they affect a production run.

- *Reduction of machine downtime:* Doffing on our ring frames is automated, the count changeovers are effected on individual machines while the balance of the line continues to run, so that a change in product mix does not require a stoppage across the line. Our spindle monitoring system identifies non-functioning spindles, which are attended to as they arise rather than upon a scheduled inspection.

- *Strengthening of plant leadership:* Our Manufacturing Facility is headed by a general manager (production), who joined our Company in May 2024 and has 16 years of experience across the spinning process. Each functional department is headed by a qualified departmental head, so that technical supervision is exercised at each functional level.

- *Parameter-wise procurement of cotton:* We procure cotton bales by reference to specified fibre parameters rather than by reference to variety and price alone, each lot being tested against the parameters set out in our documented quality control procedures such as fibre length, micronaire, and impurity content before acceptance. For details, see "*Our Business - Quality Control*" on page 262. Consistency in the fibre drawn into the process reduces end breakages at the ring frame and, correspondingly, machine stoppage.

- *Employee welfare Measures:* We provide residential accommodation within our premises for our staff and workmen, together with a canteen at our Manufacturing Facility and transport between the nearest town and our Manufacturing Facility for workmen residing locally, which supports the retention of our workforce and has enabled our operations to be run at consistent manning levels across all three shifts. For details, see "*Our Business - Human Resources*" on page 263.

As a result of the above initiatives, we have been able to increase our production volumes and revenue at a pace faster than the corresponding increase in our fixed costs, resulting in improved operating margins and return ratios, as set out in the table below:

Particulars	**Fiscal 2026 (FY3)**	**Fiscal 2025 (FY2)**	**Fiscal 2024 (FY1)**	**CAGR / Growth (FY1–FY3)**
Utilised Capacity (Spinning- in MT)*	8,819.90	8,644.51	5,269.12	29.38%

Particulars	Fiscal 2026 (FY3)	Fiscal 2025 (FY2)	Fiscal 2024 (FY1)	CAGR / Growth (FY1–FY3)
Revenue from Operations (₹ in Million)	3,453.33	2,761.83	2,223.54	24.62%
EBITDA (₹ in Million)	648.16	539.4	320.13	42.29%
EBITDA Margin (%)	18.77%	19.53%	14.40%	14.17%
Profit After Tax (PAT) (₹ in Million)	329.89	238.95	99.97	81.66%
PAT Margin (%)	9.55%	8.65%	4.50%	45.68%
Total Expense (₹ in Million)	3,004.77	2,412.24	2,091.10	19.87%
Total Expense as % of Revenue	87.01%	87.34%	94.04%	(3.81%)
Revenue Growth vs. Total Expense Growth	25.04% vs 24.56%	24.21% vs 15.36%	NA	

* *As certified by Babulal A Ughreja, independent Chartered Engineer, pursuant to certificate dated September 16,2026.*

Over Fiscals 2024 to 2026, our revenue from operations and our EBITDA grew at a CAGR of 24.62% and 42.29%, respectively, while our total expense grew at a CAGR of 19.87% only.

3. Strategically located Manufacturing Facility with adequate storage and scope for future expansion

Our Manufacturing Facility is situated on freehold land admeasuring approximately 13,137 sq. m, with a built-up area of approximately 10,575 sq. m. Its location affords us certain operational advantages in relation to raw material, logistics, labour and utilities.

In relation to raw material, our Manufacturing Facility is situated within the Gujarat cotton belt. Gujarat is the second largest cotton producing States in India (*Source: D&B Report*) and the Shankar-6 variety, on which we principally rely, is widely available within the State. Proximity to the source of our principal raw material reduces our inbound freight cost and transit time, permits our procurement team to assess the quality of lots at the suppliers end, and enables our procurement without additional transportation charges that attach to inter-state procurement. For details, see "*Our Business - Raw Material and Our Suppliers*" on page 254.

In relation to logistics, our Manufacturing Facility is located along the NH-48 Delhi–Mumbai highway corridor, which affords road connectivity to our customers, which are located in Gujarat, Rajasthan, Haryana and Maharashtra and is also connected by road to the ports of Mundra, Kandla and Pipavav, through which consignments destined for overseas markets are shipped by the merchant exporters to whom we sell. For details, see "*Our Business - Export and Export Obligations*" on page 264.

In relation to labour, our Manufacturing Facility is located in the vicinity of Dehgam, and is proximate to the Ahmedabad textile cluster, which affords access to a pool of personnel trained in textile operations, to qualified professionals and to vendors for the servicing of machinery and the supply of spares. Our attrition rate among permanent employees for Fiscals 2026, 2025 and 2024 was 38.62%, 35.64% and 62.60%, respectively, and none of our employees is represented by a registered trade union. We have not experienced any strike, work stoppage or material labour dispute since the commencement of commercial production. For details, see "*Our Business - Human Resources*" on page 263.

In relation to utilities, our Manufacturing Facility is situated in the vicinity of a sub-station of Uttar Gujarat Vij Company Limited, from which we draw grid power against a sanctioned load of 3,200 KVA and a connected load of 2,720 KVA**.** Our water requirement, which is limited, spinning being a dry process, is met entirely from an in-house borewell situated within our premises. For details, see "*Objects of the Issue - Utilities*" on page 143.

Our Manufacturing Facility is supported by storage areas within its built-up area, comprising approximately 3,500 sq. m for cotton bales storage, finished yarn storage, packing material and stores and spares. This storage capacity enables us to maintain a cotton stock-holding period of approximately three to four months, representing our normal forward cover, which permits us to concentrate our procurement in the harvest season and additionally supports our cotton bales trading activity, which requires us to carry stock beyond our own manufacturing requirements.

Of the total land area of approximately 13,137 sq. m on which our Manufacturing Facility is situated, approximately 2,562 sq. m remains unutilised and is available for future expansion. Our Company has accordingly been able to plan the capacity expansion proposed to be funded out of the Net Proceeds within the land presently owned as well as leased by it, without any requirement to acquire additional land. For details of the objects of the Issue relating to the proposed expansion of our manufacturing capacity, see "*Objects of the Issue*" on page 119.

4. Experienced Promoters and management team

We are led by our Promoters, Mr. Rahulkumar Abji Dholu, Mr. Radheshyam Parshottambhai Pokar and Mr. Patel Nilesh Kumar Babubhai, each of whom has been associated with our Company since its incorporation in March 23, 2016 and each of whom is engaged in its day-to-day management. Responsibility is divided among them by function, so that procurement, plant operations and quality on the one hand, and finance, lender relationships and strategy on the other, are separately owned at Board level.

Rahulkumar Abji Dholu is the Chairman & Managing Director of our Company. He has not received any formal education. He is responsible for business operations, management, commercial activities, financial matters, statutory compliances and strategic decision making. He has over 10 years of professional experience in the textile industry.

Radheshyam Parshottambhai Pokar is the Executive Director of our Company. He holds a bachelor's degree in the field of commerce from Gujarat University. He is responsible for overseeing Company's function relating to Human Resources, Purchase and Procurement and Administration. He has over 10 years of professional experience in the textile industry.

Patel Nilesh Kumar Babubhai is the Executive Director of our Company. He holds a diploma in civil engineering from Government Polytechnic, Himatnagar. He is responsible for operational and strategic leadership across the organization, directing day-to-day manufacturing operations, supply chain management and quality control systems across factory unit. He has over 10 years of professional experience in the textile industry.

Our Board of Directors is supported by an experienced team of Key Managerial Personnel and Senior Management, including our plant general manager and our departmental heads, each of whom is qualified in his function. For details, see "*Our Promoters and Promoter Group*" and "*Our Management*" on pages 300 and 285, respectively.

5. Track record of consistent financial growth

Our revenue from operations increased from ₹2,223.54 million in Fiscal 2024 to ₹3,453.33 million in Fiscal 2026, representing a CAGR of 24.62%. Our EBITDA increased from ₹320.13 million in Fiscal 2024 to ₹648.16 million in Fiscal 2026, representing a CAGR of 42.29%, and our profit after tax increased from ₹99.97 million to ₹329.89 million over the same period, representing a CAGR of 81.66%. Certain of our key financial measures for the last three Fiscals are set out below:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations (₹ million)	3,453.33	2,761.83	2,223.54
EBITDA (₹ million)	648.16	539.4	320.13
EBITDA margin (%)	18.77%	19.53%	14.40%
Profit after tax (₹ million)	329.89	238.95	99.97
PAT margin (%)	9.55%	8.65%	4.50%
Return on equity (%)	29.40%	28.53%	14.93%
Return on capital employed (%)	25.80%	25.17%	13.97%
Total debt / equity	0.89	0.91	1.37

OUR STRATEGIES

1. Expanding our existing manufacturing capacity

Our capacity utilisation has exceeded 90% in each of Fiscals 2026 and 2025, and we propose to expand our installed capacity in order to service demand which our present capacity does not permit us to accept. We propose to install an additional 9,120 spindles at our existing Manufacturing Facility, representing an increase of approximately 33% over our installed base of 27,360 spindles as on March 31, 2026, and to install 4,800 two-for-one twisting spindles, as described under "*Expanding our manufacturing to two-for-one twisting ("***TFO***") technology yarns*" below. Our proposed capacity addition is set out below:

Particulars	Present (as on July 31, 2026)	Proposed addition	Post-expansion
Ring spinning spindles	27,360	9,120	36,480
TFO spindles	Nil	4,800	4,800
Installed yarn manufacturing capacity - Ring spinning	25,500	10,050	35,550

Particulars	Present (as on July 31, 2026)	Proposed addition	Post-expansion
spindles (kg/day)			
Installed yarn manufacturing capacity – TFO spindles (kg/day)	-	22,740	22,740
Single count range	Ne 16 to Ne 40	Ne 6 to Ne 15	Ne 6 to Ne 40
TFO Double count range	-	2/6,2/13,2/16,2/20,2/24,2/30,2/40,2/60	2/6,2/13,2/16,2/20,2/24,2/30,2/40,2/60

As certified by Babulal A Ughreja, Independent Chartered Engineer, pursuant to certificate dated September 16, 2026.

The proposed expansion is to be undertaken at the land adjacent to our Manufacturing Facility, situated at Survey No. 837 and 842, Village – Kadjodara, Taluka- Dehgam, District – Gandhinagar, Gujarat, India, which is partially owned by our Promoters and shareholders and is expected to be commissioned by 2028. The additional spindles are proposed to be installed with the same compacting and EliTwist attachments as our existing ring frames, so that the incremental capacity is capable of producing the whole of our present product range and is not dedicated to any single product. On completion, our single count range is expected to extend to Ne 6 to Ne 40, which will enable us to service demand in the coarser counts used in home textiles, in addition to the counts presently offered by us.

Expansion at our existing Manufacturing Facility, rather than at a new site, permits the additional capacity to draw upon our existing utilities, storage, humidification, quality control and laboratory infrastructure and our existing plant supervision, and we accordingly expect the incremental fixed cost associated with the expansion to be lower than that associated with a greenfield facility. The two-for-one twisting spindles described under "Expanding our manufacturing to two-for-one twisting ("TFO") technology yarns" below are proposed to be installed at the same Manufacturing Facility and as part of the expansion, and are expected to draw upon the same infrastructure and plant supervision, and to enable us to supply doubled yarn for end use segments to which we do not presently supply, including terry towels and home furnishing fabric.

For details of the objects of the Issue relating to the proposed expansion of our manufacturing capacity, see "*Objects of the Issue – Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility - A. Spinning Expansion Project*" on page 122. For risk factors in relation to our proposed expansion of manufacturing capacity, see "*Risk Factor 12 - Under-utilization of our manufacturing capacities and an inability to effectively utilize our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*" and "*Risk Factor 27 - We have not yet placed orders in relation to the capital expenditure to be incurred we intend to fund through our Net Proceeds. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.*" on pages 33 and 42, respectively.

2. Expanding our manufacturing to two-for-one twisting ("TFO") technology yarns

We propose to install 4,800 two-for-one twisting spindles at our existing Manufacturing Facility, which will enable us to manufacture doubled yarn as a new product vertical. Two-for-one twisting is a post-spinning operation in which two spun single yarns are doubled and twisted together, two turns of twist being imparted for each revolution of the spindle. It is accordingly distinct from the EliTwist technology based compact yarn presently manufactured by us, which is formed on the ring frame by drafting and compacting two rovings separately and twisting them together in a single operation prior to spinning. The two products are produced by different processes, on different machinery and at different stages of the conversion cycle and are not substitutes for one another. For details of our present product range, see "*Our Business - Our Offerings*" on page 253.

On completion of the proposed installation, we expect to manufacture TFO yarn in 2/6, 2/10, 2/13, 2/16, 2/20, 2/24, 2/30 and 2/40 counts. Doubled yarn of these counts is used principally in terry towels, home furnishing fabric and knitted outerwear, including sweaters and t-shirts, being end-use segments to which we do not presently supply. The proposed vertical is accordingly expected to extend our addressable customer base to manufacturers in those segments, in addition to the hosiery, shirting, suiting and denim end-use customers to whom we presently supply.

The proposed two-for-one twisting capacity is additionally capable of being deployed on a job work basis, under which doubling and twisting would be undertaken by us on single yarn supplied by the customer, and we may evaluate arrangements of this nature following commissioning.

For details of the objects of the Issue relating to our proposed two-for-one twisting project, see "*Objects of the Issue –*

Funding the capital expenditure requirements of our Company towards civil construction works and the purchase of equipment, plant and machinery in connection with the expansion and augmentation of our Manufacturing Facility - B. TFO Project " on page 122. For risk factors in relation to our proposed expansion into two-for-one twisting technology yarns, see "*Risk Factor 16 – We may implement new lines of business, offer new services within existing lines of business or expand into different markets. Such investments may not meet the changing needs of our customers and could have an adverse effect on our business, financial condition and results of operations.*" on page 36.

3. Expand our customer base by direct tie-ups and geographical footprint

Our present capacity is substantially utilised, and the size of the order which we are able to accept is correspondingly constrained. On completion of the capacity expansion and the two-for-one twisting project described above, we expect to be able to accept larger orders and to offer continuity of supply over a defined period, and we accordingly propose to expand our customer base along the following lines.

- *Direct arrangements with institutional buyers.* We propose to explore arrangements with textile mills and other institutional buyers for the supply of yarn on a committed basis over a defined period, in place of the order-by-order basis on which our business is presently transacted. Arrangements of this nature would afford greater visibility on our future order and of our production planning.

- *Wider geographical coverage* - Our revenue is presently concentrated in Gujarat, which contributed 98.30% of our revenue from sale of products in Fiscal 2026. We propose to extend our coverage to additional States through the appointment of additional traders, agents and manufacturers in those markets, drawing upon the intermediary model described in "*Our Business - Sales and Marketing*" on page 265.

- *Wider product coverage with existing customers* - The extension of our single count range to Ne 6 to Ne 40 and the addition of doubled yarn are each expected to enable us to offer a wider range of counts to the customers with whom we already deal, and accordingly to increase the share of the requirement of those customers which is met by us.

- *Greater export volumes* - Incremental capacity is additionally expected to enable us to service a greater volume of consignments destined for overseas markets, which are sold by us to merchant exporters located in India who undertake the export in their own name. Our Company is not the exporter of record in respect of any consignment and does not presently undertake direct exports, although we may evaluate direct export opportunities as our capacity expands. For details, see "*Our Business - Export and Export Obligations*" on page 264.

4. Debt reduction and optimisation of working capital requirements

As on July 31, 2026, our total fund-based borrowings aggregated ₹1,135.20 million, comprising ₹816.66 million of secured borrowings, ₹318.54 million of unsecured borrowings, including ₹133.36 million of facility availed by way of invoice discounting, and ₹185.18 million of other working capital borrowings from banks and other financial institution and our finance cost constituted 4.18% of our total expenses for Fiscal 2026. We propose to utilise a portion of the Net Proceeds towards the repayment or pre-payment, in full or in part, of certain of our outstanding borrowings. A reduction in our outstanding borrowings is expected to reduce our finance cost, improve our debt-equity ratio and our debt service coverage, and increase the headroom available to us for incremental borrowing to fund our future requirements. For details of the objects of the Issue relating to the repayment or pre-payment of certain of our borrowings, see "*Objects of the Issue – Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company*" on page 144.

Alongside the reduction of our indebtedness, we propose to continue to manage our working capital cycle, which is driven principally by our cotton bales inventory. Our procurement is concentrated in the harvest season, typically October to March, and we maintain a cotton stock-holding period of approximately three to four months, representing our normal forward cover. Our working capital cycle was 154 days, 130 days and 122 days for Fiscals 2026, 2025 and 2024, respectively. We propose to manage our working capital requirement by continuing to procure on a combination of advance payment, credit and payment-on-delivery terms according to prevailing cotton bales prices, by monitoring our production plan and against prevailing cotton prices, and by adhering to the credit period extended to our customers. Our Company additionally proposes to fund a greater proportion of its future requirements out of internal accruals as they are generated.

For details of the objects of the Issue relating to the repayment or pre-payment of certain of our borrowings, see "*Objects of the Issue – Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company* " on page 144. For risk factors in relation to our indebtedness and our working capital requirements, see "*Risk Factor* 20 - *We have indebtedness which requires cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating.*" and "*Risk Factor 33 – We have significant working capital requirements and our inability to meet such working capital requirements may have an adverse effect on our results of operations.*" on pages 38 and 46, respectively

OUR OFFERINGS

Manufactured Products

We manufacture cotton yarn in four principal categories, namely (i) EliTwist technology based compact yarn, (ii) conventional compact yarn, (iii) carded yarn and (iv) combed yarn, each produced on the same ring spinning base and differentiated by the preparatory and post-spinning operations applied. Our conventional compact yarn and EliTwist technology based compact yarn are offered in both carded and combed form, so that we presently manufacture six yarn variants in aggregate. Our yarn is supplied exclusively in cone form, in a standard cone weight of 1.89 kg and 2.52kg.

EliTwist Technology based compact yarn (carded or combed)

EliTwist technology based compact yarn is a two-ply yarn produced on our ring frames through dedicated attachments, formed by drafting and compacting two rovings separately and twisting them together in a single operation, a roving being an intermediate, lightly twisted strand of fibre produced at the speed frame stage prior to final spinning. EliTwist technology based compact yarn is accordingly formed from two rovings and not from two spun yarns doubled in a separate post-spinning operation, and requires no separate two-for-one twisting operation. It is produced by us only in compact form and is offered in compact carded and compact combed form. EliTwist technology based compact yarn was supplied by us in 2/20, 2/30, 2/32 and 2/40 counts during the last three Fiscals, and our installed machinery is capable of producing EliTwist technology based compact yarn in such other doubled counts within our Ne 16 to Ne 40 single count range as our customers may require. The higher twist construction imparts strength and crispness to the resulting fabric.

Applications:
- Garment, knitwear
- Denim, home textiles
- Premium fabrics

Conventional compact yarn (carded or combed)

Conventional compact yarn is produced by fitting compacting attachments to our ring frames, which condense the fibre strand immediately before twist is imparted. Condensing the strand eliminates the spinning triangle and produces yarn of greater strength and elongation, materially lower hairiness and lower imperfection than conventional ring-spun yarn, which in turn permits better performance on high-speed downstream weaving and knitting machinery. Short fibres are not removed in the carded compact route but are bound within the body of the yarn by the compacting operation. Conventional compact yarn is offered by us in both carded and combed form.

Applications:
- Premium knitwear, branded apparel,
- Home textiles, fine-count woven fabrics
- Shirting, fashion garments, export-quality fabrics,

Carded Yarn

Carded yarn is produced by the shorter of our two preparatory routes, in which the drawn sliver bypasses the lap former and comber and proceeds directly to the second drawing passage. It retains a proportion of shorter fibres and is correspondingly less uniform than combed yarn, with a higher incidence of neps and of thick and thin places and greater hairiness, but is produced at a higher conversion ratio of approximately 85% to 90% and at lower cost.

Applications:
- Denim fabrics, basic garment fabrics
- General-purpose woven and knitted products
- Hosiery, towels, home textiles, industrial fabrics

Combed Yarn

Combed yarn is produced by passing the drawn sliver through the lap former and comber, which removes the shortest fibres and residual impurities and leaves longer, cleaner and more uniform fibre. The resulting yarn is stronger, more even and less hairy than carded yarn, at a lower conversion ratio of approximately 75% to 80% by reason of the noil extracted.

Applications:
- Premium knitwear, innerwear,
- Fashion apparel, children's wear,

- Premium shirting, high-quality home textiles, fine-count fabrics

While our installed machinery is capable of producing combed yarn, we did not generate any revenue from the sale of combed yarn in its non-compact form in Fiscal 2026, Fiscal 2025 or Fiscal 2024, our combed production during these Fiscals having been undertaken in compact form.

Our operations further generate by-products in the form of comber noil and process waste, as described in "*Industry Overview*" and "*Our Business - Utilities - Waste Management*" on pages 170 and 263, respectively. Process waste generated across our spinning operation, comprising lickerin waste, flat waste, comber noil, hard waste, sweeping waste and micro dust and cotton seed waste and other miscellaneous scrap. Comber noil, being the shorter fibre extracted at the combing stage, is sold to manufacturers of open-end and coarse count yarn, non-woven fabric and absorbent cotton, and the balance of our process waste is sold to recyclers and to manufacturers of low value textile products. Our operations do not generate any non-saleable by-product and the entirety of the process waste generated by us is monetised.

Trading

In addition to the manufacture of cotton yarn, we undertake the trading of cotton bales and cotton yarn on an opportunity basis. Cotton bales traded by us are procured from ginners, traders, agents and a government corporation, based in Gujarat and are sold without any transformation, and cotton yarn traded by us is procured from other spinning units and is sold in the form in which it is procured. We have traded in cotton bales in each of the last three Fiscals and commenced trading in cotton yarn in Fiscal 2025. Our trading activity is conducted through the same procurement network, quality assessment infrastructure and storage capacity that support our manufacturing operations, and we do not maintain any infrastructure, personnel or inventory dedicated exclusively to such activity. We are not party to any long-term contract or committed offtake arrangement in respect of our trading activity, and the volumes transacted by us vary from period to period according to prevailing market conditions.

For the segregation of our revenue from operations between our manufacturing and trading activities, see "*Industry Overview*" on page 170. For risk factors in relation to our trading activity, see "*Risk Factor 5 – A significant portion of our revenue is derived from the manufacture of EliTwist technology-based compact yarn and the trading of cotton bales and cotton yarn Any decline in demand for these categories of yarn or cotton bales, pricing pressures, or adverse developments in the textile industry materially and adversely impact our business, financial condition, and results of operations*. " on page 28.

RAW MATERIAL AND OUR SUPPLIERS

Cotton bales are the principal raw material in our manufacturing process. We source cotton bales predominantly of the Shankar-6 variety through ginners, traders, agents and a government corporation, based in Gujarat, with the balance sourced from other cotton-growing states, including Madhya Pradesh and Rajasthan. Procurement from government corporation, based in Gujarat is undertaken through its electronic auction platform, under sale contracts which require us to place a security deposit computed as a percentage of the value of the cotton contracted and to lift the contracted quantity within the stipulated period. Over the years, we have built relationships with our agents/ and suppliers to ensure a consistent and reliable supply of high-grade cotton with the desired characteristics. Our dedicated in-house procurement team evaluates each lot in accordance with our documented quality control procedures critical quality parameters such as fibre length, micronaire, and impurity content. This assessment process is directed at maintaining our internal production standards.

As per *D&B report,* Shankar-6 is the most widely traded and internationally recognised cotton variety produced in India and is derived from the Gossypium hirsutum species, which accounts for the majority of India's hybrid cotton production. Predominantly cultivated in Gujarat and parts of Maharashtra. Owing to its consistent fibre quality, favourable spinning characteristics, large-scale availability and established acceptance in domestic and international markets, it has become the benchmark cotton grade for India's spinning and cotton export industry. Gujarat's position as India's second largest cotton-producing state has further strengthened the prominence of Shankar-6 within the domestic cotton value chain, making it one of the most widely used raw materials for cotton yarn manufacturing in the country.

The expenses towards purchase of raw materials as a percentage of our revenue from operations for the last three Fiscals is set out below:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Expenses towards purchase of raw materials (₹ millions)	1,389.75	1,341.33	904.01
Revenue from manufacturing operations (₹ millions)	2,062.50	1,946.91	1,124.77
Expense towards Purchase of Raw Material as % of revenue from manufacturing operations	67.40%	68.90%	80.30%
Total expenses (₹ millions)	3,004.77	2,412.24	2,091.10

Expenses towards purchase of raw materials as a % of total expenses	46.25%	55.61%	43.23%

All of our raw material suppliers are located in India and we do not procure any raw material from suppliers located outside India. We do not enter into long-term supply contracts or agreements with our suppliers, and our purchases are made on a purchase order basis at prices prevailing at the time of procurement. Accordingly, we have no contractual assurance of continued supply from any supplier, and no supplier is under any obligation to supply raw material to us on agreed terms. A portion of our cotton bale procurement is arranged through agents, to whom we pay commission on the value of the cotton procured; commission on purchases aggregated ₹0.25 million, ₹0.72 million and ₹2.86 million in Fiscals 2026, 2025 and 2024, respectively. For risk factors in relation to our dependence on suppliers and the absence of long-term supply agreements, see "*Risk Factor – 2 We are primarily dependent upon our largest supplier and top ten suppliers for our principal raw material cotton bales, packing material, stores and spares and stock-in-trade. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, these top ten suppliers contributed 60.40%, 45.46% and 57.68% respectively of our total purchases. Further, a majority of our purchases of cost of material consumed and stock-in-trade is made from suppliers based in Gujarat. Any disruption, delay, or inability of these suppliers to fulfil their commitments may materially and adversely affect our production, financial performance, and growth prospects.*" and "*Risk Factor 3 – We do not have long-term arrangements with our customers or with our suppliers of raw materials. Any reduction or discontinuance of orders by our customers, or any disruption in the supply of raw materials by our suppliers, whether owing to the absence of formal arrangements or to a shortage of raw materials in the market, could adversely affect our business operations.*" on pages 25 and 26, respectively.

Our purchases from Top 1, Top 5 and Top 10 suppliers as a percentage of our total purchases for the last three Fiscals is set out below:

Particulars	**Fiscal 2026**	**% of total purchases**	**Fiscal 2025**	**% of total purchases**	**Fiscal 2024**	**% of total purchases**
Top largest supplier [(1)]	319.20	12.12%	220.88	10.98%	499.09	26.97%
Top 5 suppliers [(1)]	1,083.77	41.15%	576.82	28.67%	841.09	45.44%
Top 10 suppliers [(1)]	1,590.71	60.40%	914.32	45.46%	1067.46	57.68%
Total purchase	2,633.42	100.00%	2,011.17	100.00%	1,850.50	100.00%

As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.
(1) The largest supplier, top five supplier and top ten supplier refer to the suppliers contributing the largest, five highest and ten highest suppliers, respectively, during the relevant Fiscal and may not necessarily be the same across all three Fiscals.

The following table provides a breakdown of our top 10 suppliers that constituted more than 50% of our total supplies for the Fiscal 2026:

Sr. No.	**Name of the Supplier**	**Amount of Purchase (₹ in million)**	**% of total purchases**
1.	Supplier No. 1	319.20	12.12%
2.	Surya Future Tradewing LLP (Supplier No. 2)	258.08	9.80%
3.	Supplier No. 3	204.74	7.77%
4.	Supplier No. 4	160.59	6.10%
5.	Supplier No. 5	141.16	5.36%
6.	Supplier No. 6	128.59	4.88%
7.	Supplier No. 7	120.59	4.58%
8.	Supplier No. 8	118.08	4.48%
9.	Supplier No. 9	70.22	2.67%
10.	Supplier No. 10	69.46	2.64%

As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.
(1) Names of the suppliers not included due to commercial sensitivities and lack of receipt of consent.

A member of our Promoter Group, Surya Future Tradewing LLP, has been among our ten largest suppliers of cotton bales in each of Fiscal 2026, Fiscal 2025 and Fiscal 2024, and purchases from such entity represented approximately 9.80%, 4.11% and 7.01% of our total purchases in those Fiscals, respectively. Such purchases are undertaken on an arm's length basis and in the ordinary course of business and in accordance with our policy on related party transactions. For further details, see "*Restated Financial Information – Note 47 - Related Party Transactions*" and "*Risk Factor 21 – Our Promoters, members of the Promoter Group, Directors, Group Companies, Key Managerial Personnel, Senior Management of our Company may enter into ventures that may lead to real or potential conflicts of interest with our business. Further, our Promoters and*

Directors have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits. Additionally, Surya Future Tradewing LLP, to which our Company sells its products and purchases goods, are enabled under their constitutional documents to carry on activities similar to those of our Company. Any real or potential conflicts of interest that may arise in this regard may materially adversely impact our business, financial condition, results of operations and cash flows. " on pages 358 and 38, respectively.

Our procurement is routed entirely through intermediaries. We do not purchase cotton bales directly from farmers; our cotton bales are sourced from ginners, traders, agents and a government corporation, based in Gujarat. Our procurement is neither purely spot nor governed by advance seasonal contracts but follows a season-driven pattern under which we procure larger quantities during the cotton harvest season, when availability and quality are at their best, and continue to procure through bulk purchases during the balance of the year according to production requirements.

Our cotton bales procurement is concentrated within the State of Gujarat, which accounted for approximately 99.58%, 99.46% and 98.22% of our total cotton bales procurement by volume in Fiscals 2026, 2025 and 2024, respectively. Procurement from outside the State, principally from Madhya Pradesh and Rajasthan, does not exceed approximately 2% of our total cotton bales procurement in any year and is typically undertaken at the beginning of the cotton season. Inter-State procurement may be commercially advantageous in terms of quality or price but attracts incremental costs by way of market committee fees, levies of the relevant Agricultural Produce Market Committee and additional inbound freight, which is borne by us and is not separately recovered from our customers. We do not import cotton bales or any cotton-based raw material, our requirement being met from domestic sources.

We procure cotton bales, which we maintain as a standard specification across all sourcing regions so as to standardise the principal fibre input parameter irrespective of the geographic source of the cotton. We rely principally on the Shankar-6 variety, given its ready availability and its suitability for our spinning requirements, but are not rigidly dependent on it: in the event of an adverse crop season affecting the availability or quality of Shankar-6, whether on account of weather conditions or pest infestation, our contingency is to procure the best available alternative variety most closely matching Shankar-6 on quality parameters, so as to maintain production continuity.

We typically maintain a cotton bales stock-holding period of approximately three to four months, representing our normal forward cover, which may be extended where market conditions warrant. This level of inventory serves two purposes: it secures quality and pricing by concentrating procurement in the cotton season, and it supports our cotton trading activity, which requires us to carry stock beyond our own manufacturing requirements.

Our payment terms for cotton purchases are not fixed to a single mode. Purchases are made against advance payment, on credit terms with a typical credit period of 45 to 60 days, and on payment-on-delivery terms, the last of which we adopt where prevailing prices are favourable. This allows us to adapt our payment approach to market conditions and pricing opportunities at the time of procurement.

Cotton bales constitutes the largest single component of our cost of production, ranging between approximately 96% and 98% of total cost of production over the last three Fiscals. Our results of operations are consequently sensitive to movements in cotton prices. For risk disclosure in this regard, see "*Risk Factor 4 – Our business is significantly exposed to volatility in the cost of key inputs, particularly cotton bales and electricity, which together accounted for 42.38%, 51.78% and 44.66% of our revenue from operations for Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively. Any increase in the cost of these inputs, or any shortage or disruption in the supply of cotton bales or electricity, may lead to increased operating costs, which could materially and adversely affect our business, financial condition, results of operations and cash flows*." on page 27.

Cotton bales received at our Manufacturing Facility is verified against contracted specifications in our in-house laboratory. Where the cotton received does not meet the required parameters, we seek replacement of the non-conforming stock from the supplier or return the goods, so that only cotton meeting our quality standards is accepted into production. For details of our inbound testing protocol, see "*Our Business - Quality Control*" on page 262.

OUR CUSTOMERS

We operate primarily in the business-to-business segment. Our customers comprise yarn traders, agents, manufacturers and merchant exporters, and our yarn is supplied as an intermediate input into their own manufacturing operations rather than to any retail or end-consumer market. Our customers are acquired directly, through the agents engaged by us and through traders who on-sell our yarn to their own customers.

Our revenue from Top 1, Top 5 and Top 10 customers as a percentage of our total revenue from operations for the last three Fiscals is set out below:

Particulars	Fiscal 2026	% of revenue from operations	Fiscal 2025	% of revenue from operations	Fiscal 2024	% of revenue from operations
Top largest customer [1]	1,459.30	42.26%	759.42	27.50%	609.30	27.40%
Top 5 customers [1]	2,989.08	86.56%	2,083.00	75.43%	1,482.16	66.65%
Top 10 customers [1]	3,320.96	96.17%	2,473.55	89.58%	1,636.89	73.60%

As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

[1] The largest customer, top five customers and top ten customers refer to the customers contributing the largest, five highest and ten highest revenues, respectively, during the relevant Fiscal and may not necessarily be the same across all three Fiscals.

[2] For the Fiscal year ended March 31, 2025 and March 31, 2024 our top 10 customers included Surya Future Tradewing LLP, which is a member of our Promoter Group, and our sales to such entity represented approximately 13.52 %, and 7.80%, of our total revenue from operations in those Fiscals, respectively. For the Fiscal year ended March 31, 2025 our top 10 customers also included Shree Ram Twistex Limited.

[3] Names of other suppliers not included due to commercial sensitivities and lack of receipt of consent.

The following table provides a breakdown of our top 10 customers that constituted more than 50% of our total revenue from operations for Fiscal 2026:

Sr. No.	Name of the Customer	Revenue (₹ in million)	% of revenue from operations
1.	Customer No. 1	1,459.30	42.26%
2.	Customer No. 2	650.56	18.84%
3.	Customer No. 3	312.00	9.03%
4.	Customer No. 4	283.85	8.22%
5.	Customer No. 5	283.37	8.21%
6.	Customer No. 6	177.27	5.13%
7.	Customer No. 7	104.49	3.03%
8.	Customer No. 8	18.63	0.54%
9.	Customer No. 9	16.90	0.49%
10.	Customer No. 10	14.59	0.42%

As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.

[1] Names of the customers not included due to commercial sensitivities and lack of receipt of consent.

We do not have any long-term supply contract or offtake agreement with any customer, and business is transacted on an order-by-order basis as requirements arise.

The credit period extended to our customers ranges from 45 to 60 days, determined by reference to the track record of the relationship. We have not had any bad debts or made any provision for bad debts since the commencement of commercial production. Our typical lead time from confirmation of an order to dispatch is approximately seven days where no order backlog subsists. Orders are generally processed on a first-in-first-out basis where multiple orders are pending. In circumstances where we hold advance orders spanning one to two months, dispatches are made on a continuous, rolling basis rather than as a single consignment.

Cancellation of an order after production has commenced is infrequent and we did not experience any material order cancellation in Fiscal 2026, Fiscal 2025 or Fiscal 2024. Where it occurs, the goods produced are ordinarily absorbed by other customers, given the breadth of our customer base, which comprised 43 customers in Fiscal 2026 and the standard nature of the counts produced, which limits the financial impact of any such cancellation. For risk disclosure on customer concentration, see "*Risk Factor 1 - Our largest customer, top five customers, and our top ten customers contributed 42.26%,86.56% and 96.17%, respectively, of our revenue from operations for Fiscal 2026, 27.50%,75.43% and 89.58% respectively, for Fiscal 2025, and 27.40%, 66.65% and 73.60%, respectively, for Fiscal 2024. Any reduction in orders, loss of business, or adverse change in the relationship with one or more of these key customers could materially and adversely affect our business, financial condition, results of operations and cash flows.*" on page 24.

MANUFACTURING CAPABILITIES

We operate out of a semi-automated integrated Manufacturing Facility is located in District Gandhinagar, Gujarat. This location offers us a strategic advantage providing access to the Gujarat cotton belt, a skilled textile labour pool and proximity to the Ahmedabad textile hub, and it is located alongside the NH-48 Delhi-Mumbai highway corridor, which is in turn connected by major road to the other states and to the ports of Mundra, Kandla and Pipavav and thereby facilitates dispatch to merchant exporters and to customers located outside Gujarat. The facility is located on a freehold industrial land and spans a built-up area of approximately 10,575 sq.m. Our spinning, warehousing and utility functions are housed within a single integrated campus, which limits material handling between process stages and permits the movement of cotton from bale storage through to finished yarn dispatch without inter-site transportation. Our operations run on a continuous, round-the-clock, three-shift basis and our Manufacturing Facility has an installed capacity of approximately 25,500 kg of yarn per day (9307.50 MT per annum).

Our Manufacturing Facility is equipped with machinery procured from multiple textile machinery manufacturers. Our spinning line comprises a blow room, carding machines and carding machines draw frames and finisher draw frames, ring frames supplied by combers and lapformers at the combing stage in the case of combed yarn, speed frames at the roving stage, 15 ring frames of 1,824 spindles each fitted with Compact Set compacting and EliTwist attachments and link coners at the winding stage, followed by yarn conditioning on a conditioning plant. Contamination is detected and removed at the blow room stage by sorters, metallic contaminants are removed by an in-line metal detector, and yarn faults are cleared automatically at winding by electronic yarn clearers. Our quality control laboratory is equipped with instruments for the testing of cotton, sliver and yarn respectively. Our operations run on a continuous, round-the-clock basis in three shifts of eight hours each throughout the year, save for approximately two days in a year during which the plant is shut down for electrical maintenance, and our Manufacturing Facility has an installed capacity of approximately 25,500 kg of yarn per day (9,307.50 MT per annum), as certified by an independent chartered engineer.

Our production is configured for flexibility rather than for a fixed product mix. Our installed base of 27,360 spindles is not dedicated to any single product: the same ring frames produce carded, combed, compact and EliTwist technology based compact yarn, and different single counts across the Ne 16 to Ne 40 band may be run concurrently on different machines according to prevailing order requirements. Doffing on our ring frames is automated, and count changeovers are effected on individual machines while the balance of the line continues to run, so that a change in product mix does not interrupt production across our Manufacturing Facility. EliTwist technology based compact yarn realisation across our operations ranges between 85% and 90% depending on the count and on whether the yarn is carded or combed, and the blended production efficiency across our ring frames is approximately 90.4%.

Our Manufacturing Facility is supported by storage areas, comprising approximately 3,500 sq. m for cotton bales storage, finished yarn storage, packing material and stores and spares.

Our Manufacturing Facility is equipped with a centralised humidification plant operated on a zone-wise basis, so that temperature and relative humidity in the spinning and winding sections are maintained at the levels required by each process rather than at a uniform setting throughout the plant.

Set out below are photographs of our Manufacturing Facility:






MANUFACTURING PROCESS

Set out below is a brief description of the manufacturing process of cotton yarn:

The journey of cotton yarn commences with cotton bales, which are opened and cleaned in the blow room. This stage loosens the compressed fibre, removes dust, dirt and other impurities, and blends different grades of cotton where required, so as to ensure that the prepared fibre carried forward for further processing is even and consistent.

The prepared fibre is thereafter fed to the carding machine for further processing, where rotating cylinders covered with fine wire teeth further separate, straighten and clean the fibres, removing any residual debris, dust or short fibres. The resultant continuous, fluffy strand of aligned cotton fibre is referred to as a "card sliver" (*sliver is a technical term referring to a loose, untwisted strand of cotton fibre*).

Several card slivers are thereafter combined and drafted, being drawn out through rollers moving at increasing speeds, in the draw frame (1st passage). This process evens out the thickness of the strand and further aligns the fibres, resulting in a "drawn sliver". Depending on the intended yarn quality, the drawn sliver thereafter proceeds along one of the following two routes:

(a) *Combed process:* The drawn sliver is first fed into the lap former, where multiple slivers are layered and compacted into a flat sheet known as a "comber lap". The comber lap is then processed through the comber, which removes the shortest fibres and any remaining impurities (collectively, "noil"), leaving behind longer, cleaner and more uniform fibres suited for finer, higher-quality yarn. The output at this stage is referred to as "combed sliver".

(b) *Carded process:* The drawn sliver bypasses the lap former and comber and proceeds directly to the next drawing stage, resulting in a comparatively simpler and quicker process typically employed for regular-quality yarn.

Irrespective of the route adopted, the sliver undergoes a further drawing process (2nd passage draw frame), during which it is combined with other slivers, further straightened, and levelled to ensure consistency in weight and thickness, resulting in what is referred to as "drawn (combed) sliver".

The sliver is thereafter drafted further in the speedframe, where it is thinned out, given a light twist, and wound onto bobbins as "roving", a strand sufficiently strong to be handled without breaking, while remaining thin enough to be spun.

The roving is then fed to the ring frame, where it is drafted to the desired fineness, twisted through a rotating spindle and guided by the ring so that the twisted strand is wound onto a bobbin, thereby converting it into "yarn". The Company also manufactures EliTwist technology based compact yarn and conventional compact yarn, which is produced on our ring frame through Compact and EliTe CompactSet attachments installed on those machines. In the case of our EliTwist technology based compact yarn, two rovings are fed side by side into the same drafting zone, compacted, and twisted together in the same operation, so that a two-ply yarn is produced directly on the ring frame.

The spun yarn, on ring bobbins, is thereafter transferred onto larger cones through the auto corner. During this process, tension is controlled, faults such as thick or thin spots and knots are automatically detected and removed, broken ends are joined using splicer, and a light wax coating is applied to the yarn to enhance smoothness. Full cones are automatically replaced with empty ones to ensure a continuous winding process.

Finally, the finished cones are wrapped, typically with stretch film, for protection, and packed into cartons with appropriate layer separators. The cartons are thereafter labelled with the count, lot number and weight, stacked, strapped and dispatched.

LOGISTICS

Our inbound and outbound movements are undertaken by road through third-party transporters rather than through a fleet operated by us. Transporters are engaged consignment by consignment, according to the destination of the consignment and their availability at the time of dispatch.

Cotton bales sourced within Gujarat are delivered to our Manufacturing Facility by the supplier. Cotton bales sourced from outside Gujarat are transported to our Manufacturing Facility by transporters engaged by us. For the incidence of inbound freight, see "*Our Business - Raw Material and Our Suppliers*" on page 254.

Finished yarn is dispatched from our Manufacturing Facility against a tax invoice, an e-way bill and a lorry receipt, and outbound freight is arranged and borne by us or by the customer as agreed for each order. Consignments sold to merchant exporters are delivered to the location nominated by the merchant exporter, which thereafter exports the goods in its own name. For further details, see "*Our Business - Export and Export Obligations*" on page 264.

For risk factors in relation to our reliance on third party transportation, see "*Risk Factor 37 – We rely on third-party transportation providers for inbound raw materials and outbound finished goods, and any disruption or inefficiency in such logistics arrangements may adversely affect our business, financial condition, results of operations, and cash flows***.** " on page 48.

GOVERNMENT INCENTIVES

We avail certain government incentives under the Government of Gujarat Textile Policy 2012. We were entitled to received ₹51.32 million, ₹49.17 million and ₹28.18 million under the Government of Gujarat Textile Policy 2012 schemes in Fiscals 2026, 2025 and 2024, which have supported our operations by reducing operational costs.

For risk factors in relation to the government incentives availed by us, see "*Risk Factor 54 – Our Company avails of subsidies and incentives extended by the state government of Gujarat, including reimbursement of state goods and services tax, and the elimination, reduction or withdrawal of such subsidies and incentives, or any inability on our part to comply with the conditions subject to which they are granted, may increase our costs and reduce the economic benefits of our existing operations and of our opportunities to develop or expand our business.*" on page 58.

INSTALLED CAPACITY AND CAPACITY UTILISATION

Information relating to our Manufacturing Facility and the historical installed capacity and capacity utilization of our Manufacturing Facility as included in this Draft Red Herring Prospectus, is based on various assumptions and estimates of our management, which have been reviewed and considered by Babulal A Ughreja, Independent Chartered Engineer, by certificate dated September 16, 2026.

The following table sets forth our installed capacity, actual utilization and capacity utilization for our manufacturing unit for Fiscals 2026, 2025 and 2024:

Plant Name	Plant Type	Installed Capacity as of March 31, 2026	Capacity utilisation in Fiscal 2026	Installed Capacity as of March 31, 2025	Capacity utilisation in Fiscal 2025	Installed Capacity as of March 31, 2024	Capacity utilisation in Fiscal 2024
Manufacturing Facility Survey No. 837,	Cotton spinning unit	9,307.50	94.76%	9,307.50	92.88%	9,307.50	56.61%

Plant Name	Plant Type	Installed Capacity as of March 31, 2026	Capacity utilisation in Fiscal 2026	Installed Capacity as of March 31, 2025	Capacity utilisation in Fiscal 2025	Installed Capacity as of March 31, 2024	Capacity utilisation in Fiscal 2024
Village – Kadjodara, Taluka - Dehgam, District - Gandhinagar, Gujarat, India							
Total		**9,307.50**	**94.76%**	**9,307.50**	**92.88%**	**9,307.50**	**56.61%**

As certified by Babulal A Ughreja, Independent Chartered engineer dated September 16, 2026.

KEY EQUIPMENT

The details of some of our key equipment, plant and machineries operating at our Manufacturing Facility are given below:

Department	Machine	No. of Units	Remaining Life of Machinery
Blow Room	Blendomat	1	16 years
	Metal detector	1	16 years
	CLP pre-cleaner	2	16 years
	MPM multi-mixer	2	16 years
	CLU universal cleaner	2	16 years
	Jossi Vision Shield contamination sorter	2	16 years
	Condenser	2	16 years
Carding	Carding machine (TC-10)	20	16 years
	Carding machine (LC-363)	4	16 years
Drawing	Breaker draw frame (LD-2)	4	16 years
	Breaker draw frame (LDB-3)	2	16 years
Combing	Finisher draw frame (RSB D-50)	6	20 years
	Comber	12	16 years
	Comber	7	16 years
	Lapformer	5	16 years
Roving	Speed frame (LF4200A)	5	16 years
	Speed frame (LF4280A)	1	16 years
Spinning	Ring frame (LR9/AXL)	15	16 years
	Compacting attachment (EliTe CompactSet)	15	20 years
Winding	Auto-coner (AC-6), 40 drums per frame	15	20 years
Packing	Yarn conditioning plant	1	11 years
	Strapping machine	1	11 years
	Pallet packing machine	1	11 years
	Roving opener	1	11 years
Material Handling	Forklift	1	6 years
	Hand pallet truck	4	6 years
Power	Transformer	2	16 years
	Diesel generating set	1	16 years
	Diesel generating set	1	16 years
	Rooftop solar plant	1	22 years
	Ground-mounted solar plant	1	25 years
	Wind turbine generator	1	20 years
Humidification & Air-Conditioning	Humidification plant	1	16 years
Compressed Air	Air compressor	3	16 years
	Air dryer	1	16 years
Water & Effluent	Sewage treatment plant	1	8 years

Department	Machine	No. of Units	Remaining Life of Machinery
Treatment	Reverse osmosis plant	1	6 years
Testing & QC Lab Equipment	HVI-1000 cotton testing instrument	1	20 years
	AFIS PRO sliver testing instrument	1	20 years
	UT6 yarn and sliver testing instrument	1	20 years
	Trash separator	1	16 years
	Lea strength tester	1	16 years
	Twist tester	1	16 years
	Board winder	1	16 years
	Wrap reel	1	16 years
	Wrap block	1	16 years
	Cone strength tester	1	16 years
Fire & Safety Equipment	Fire hydrant system	2	16 years
	Fire extinguisher	135	3 years
	Fire control and detection system	2	16 years
Waste Management	Bale press	1	16 years

Our machinery is sourced from both overseas and domestic manufacturers. Our winding machines, compacting and EliTwist attachments, our contamination detection and removal machinery and laboratory testing equipment are imported, while the balance of our line is procured in India. Spare parts are sourced predominantly from domestic suppliers, which shortens replacement lead times and limits our exposure to exchange rate movement and to customs duty on spares.

QUALITY CONTROL

Quality assurance and control are central to our manufacturing operations. Our Quality Control Team oversees inspection at every stage of production, from the intake of cotton bales through in-process checks to the final inspection of finished yarn before dispatch. Quality parameters are agreed with the customer at the time of acceptance of the sales order and production is planned to those parameters, so that the specification against which output is tested is fixed before manufacture commences rather than assessed after it. This enables us to align production with the specific technical requirements of each customer and has supported the receipt of repeat orders.

Recognising that the quality of yarn begins with the fibre drawn into the process, our control commences at the point of intake. Cotton bales received at our Manufacturing Facility is tested lot-wise against the contracted specification on a sampling basis covering certain number of bales in each lot, and our testing covers staple length, micronaire, trash content, moisture content, moisture regain, fibre strength, uniformity index, short fibre index, colour grade and neps, each of which is critical to spinnability and to the quality of the finished yarn. Where the results of such testing deviate from the required parameters, we seek replacement of the non-conforming bales from the supplier or return the consignment, so that only cotton meeting our specification is drawn into production.

We are supported by our in-house laboratory, which is headed by a laboratory manager, staffed by trained technicians and equipped with, among other instruments, a fibre testing system, an evenness tester and trash separator, lea strength tester, twist tester, board winder, Wrapreel, wrap block and cone strength tester. The laboratory enables us to test fibre, sliver, yarn and process parameters through the course of production rather than only upon its completion.

In-process monitoring is undertaken at each stage of the spinning process. Quality checks at the draw frame and speed frame stages are conducted manually by our Quality Team, the ring frame stage is equipped with an online quality monitoring system, and yarn faults are detected and cleared automatically at the winding stage. Our ring frames operate with an average doffing cycle of approximately 60 to 90 minutes, and doffing is undertaken through an automated process rather than manually, which limits machine stoppage time and supports consistency of output across the spinning operation. Machine parameters are checked daily by our quality control team under the supervision of our plant general manager, and the results are recorded in a logbook maintained as the formal record of parameter monitoring, which enables deviations to be identified and corrected before they affect a production run.

Prior to dispatch, cones are inspected manually under ultraviolet light in accordance with prevailing industry practice, which reveals defects such as shade variation, colour contamination, the presence of white polypropylene and count mix-up. In addition, our customers depute their own quality personnel to inspect goods at the time of dispatch and, in certain cases, appoint independent third-party inspection agencies to verify quality before shipment.

Our yarn quality is maintained in line with the specific requirements of each customer and is verified through our in-house laboratory following production. Such verification is corroborated at the point of dispatch by the inspection undertaken by our customers and, in certain cases, by the independent third-party inspection agencies appointed by them, as described above. Such inspections are undertaken in respect of specific consignments at the instance of the customer concerned and do not constitute a certification of our yarn quality; our Company does not hold certification of its yarn quality from any independent certification body. Where a complaint is received, it is routed by our sales team to our laboratory and technical team for review, following which our management determines the appropriate resolution. For risk factors in relation to the quality of our products, see "*Risk Factor 35 – We are subject to stringent quality requirements from our end-use industries. Any failure to meet prescribed quality specifications may result in product rejections, loss of customer confidence, and reputational damage, which could adversely affect our business and results of operations.*" on page 47.

UTILITIES

Power

Our manufacturing process is energy-intensive and power is a significant element of our cost of production. We procure grid power from Uttar Gujarat Vij Company Limited **(UGVCL),** a state-owned electricity distribution company serving the northern region of Gujarat. The total connected load of our Manufacturing Facility is 2,720 KVA against a sanctioned load of 3,200 KVA. Our grid requirement is supplemented by captive renewable generation comprising a 5 MW ground-mounted solar power plant and a 1.25 MW rooftop solar photovoltaic system, and by wind power generated through our wind turbine generators having an installed capacity of approximately 2.7 MW. Diesel generating sets are maintained as standby for the fire-fighting system, office lighting, the labour residences and essential factory loads.

Water

The water requirement of our Manufacturing Facility is met entirely by an in-house borewell situated within our premises. We do not draw water from any municipal source or from the supply of the Gujarat Industrial Development Corporation, and our water requirement is limited. While spinning is a dry process and water is not consumed as part of the spinning process, water is required for the operation of our humidification plant.

Waste Management

Our Manufacturing Facility is equipped with an automated dust collection system which extracts and collects the process waste generated at each stage of spinning, comprising lickerin waste, flat waste, comber noil, hard waste, micro dust, cotton seed waste, sweeping waste and other miscellaneous scrap. The collected waste is compressed into bales by the same automated system and is sold to third parties, so that process waste is monetised as a by-product rather than giving rise to a disposal cost. Our operations do not generate trade effluent and we do not operate an effluent treatment plant.

HEALTH, SAFETY AND ENVIRONMENT

Our operations are subject to laws and regulations relating to safety, health and environmental protection, including controls on air and water discharge, noise levels, and the handling, storage and disposal of waste materials. We seek to comply with applicable requirements through documented operating procedures, periodic training of plant personnel and monitoring by our departmental heads, as described further in "*Key Regulations and Policies*" on page 271.

Fire risk is inherent in cotton spinning, cotton fibre and airborne lint being combustible, and is addressed through a combination of detection and suppression systems. Our Manufacturing Facility is equipped with a fire detection system on the blow room line, which detects and diverts sparks and foreign metal capable of igniting cotton fibre before they enter the process stream, together with a hydrant-based fire-fighting system, each of which is operational. We have also conducted a third-party fire safety audit at our Manufacturing Facility to assess the fire safety systems and arrangements at the Manufacturing Facility. In addition, we conduct fire safety programmes to equip our personnel with the necessary knowledge and training to respond to fire-related incidents. Additionally, our workmen are provided with personal protective equipment appropriate to their function, and selected personnel are trained in first aid.

Spinning is a dry process and our Manufacturing Facility does not generate trade effluent requiring treatment or discharge. Airborne fibre and dust generated during processing are captured by an automated dust collection system, as described in "*Our Business - Utilities - Waste Management*" on page 263.

HUMAN RESOURCES

As at July 31,2026, we had 171 permanent employees, set forth below by department:

Department	No of Employees
Management	11
Procurement Team	2
Administration	5
Core Production (Manufacturing)	106
Finance, Accounts, Legal	9
Secretarial	1
Support Services / Facilities	6
Quality Control	4
Maintenance & Technical Support	26
Information Technology	1
Total	171

Our Manufacturing Facility is headed by a plant general manager, and each functional department is headed by a professionally qualified departmental head, so that technical supervision and decision-making are exercised at each functional level. As our production is undertaken to standard yarn counts and specifications agreed with the customer at the sales order stage rather than being design-led, we do not maintain a separate product design function. In addition to compensation that includes salary, allowances (including bonuses), we provide our employees other benefits which include employees' compensation insurance and paid leave.

Employee benefits expense constituted approximately 1.94%, 2.19% and 2.37% of our total expenses for Fiscals 2026, 2025 and 2024, respectively.

The attrition rate among our permanent employees including our KMPs for Fiscals 2026, 2025 and 2024 was 38.62%, 35.64% and 62.60%, respectively.

None of our employees is represented by a registered trade union, and we have not experienced any strike, work stoppage or material labour dispute since the commencement of commercial production.

EXPORT AND EXPORT OBLIGATIONS

Our Company does not undertake direct exports and is not the exporter of record in respect of any consignment. Products destined for overseas markets are sold to merchant exporters located in India, who possess experience in global trade practices, export documentation and destination compliance requirements and who undertake the export in their own name. All of our turnover reflected in our books of account is recorded as domestic sales, with no separate export revenue recognized.

INFORMATION TECHNOLOGY

We rely on our information technology infrastructure to maintain consistency across our production chain and to support our record-keeping, procurement, vendor payment tracking and receivables management. Our infrastructure comprises a dedicated server system with a backup system, end-user workstations, networking equipment and storage systems, a centralised software system supporting our operational and business requirements, and closed-circuit television monitoring, including night vision cameras, across the premises of our Manufacturing Facility.

Our record-keeping is maintained through an enterprise resource planning system. Our information technology function and network security are administered and monitored by our in-house team, while website redevelopment and digital transformation services are undertaken with the support of a third-party service provider.

INSURANCE

We maintain insurance policies including industrial all risk policy in respect of building, plant and machinery, stock, marine cargo insurance, insurance in respect of our wind turbine generators, vehicle insurance, and employees' compensation insurance. Our Company believes that its insurance coverage is consistent with industry standards, though it may not cover all potential losses.

Details of our insurance coverage as of Fiscals 2026, 2025, and 2024 are set out below:

(*in ₹ million, unless specified otherwise*)

Particulars	Reference	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Net value of all tangible assets [(1)] (₹ million)	A	1,691.44	1,706.32	1,765.35
Net value of insured tangible assets [(2)] (₹ million)	B	1,612.64	1,675.66	1,733.32
Amount of insurance coverage [(3)] (₹ million)	C	2,058.85	2,198.85	1,799.52
Percentage of insured tangible assets (%)	D = B/A*100	95.34%	98.20%	98.19%
Insurance coverage as a percentage of insured assets (%)	E = C/B*100	127.67%	131.22%	103.82%

[(1)] Tangible assets include Inventory and fixed assets, where fixed assets consist of property, plant and equipment, capital work-in-progress, excluding intangible assets and right-of-use assets.
[(2)] Insured tangible assets is sum of WDV of those tangible assets for which the Company has taken insurance.
[(3)] Amount of insurance coverage represents the sum insured as mentioned in the policies taken on by the company for its tangible assets.

For details, see "*Risk Factor* 38 - *Our risk management framework and insurance policies may not be adequate to cover all losses incurred in our business. An inability to maintain adequate insurance cover to protect us from material adverse incidents in connection with our business may adversely affect our operations and profitability.*" on page 49.

SALES AND MARKETING

Our finished yarn is distributed through a network of agents, traders who maintain relationships with buyers across the domestic market and, for overseas markets, our finished yarn is sold through merchant exporters for onward export by them as we do not export our products directly. Our marketing and business development function is overseen directly by one of our director and we do not maintain a separate marketing department.

Our intermediaries serve principally as a link between our Company and its customers. Although our products are sold directly to customers pursuant to purchase orders placed with us, such transactions are frequently introduced and arranged through our agents and traders, whose contribution includes identifying prospective customers, initiating business leads and assisting in the finalisation of sales orders. This model enables us to maintain a lean internal sales structure while drawing upon the market reach and the relationships of our intermediary network.

Our arrangements with our agents, and traders are not governed by written agreements, and business is transacted on an order-by-order basis.

Set out below are the revenue derived from agents, traders, manufacturers and merchant exporters engaged by us and the commission paid to them for each of the last three Fiscals:

(*in ₹ million, unless specified otherwise*)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Traders	2,831.18	1,554.22	1,137.11
Agents	177.27	119.15	200.89
Merchant Exporters	321.28	532.59	156.21
Manufacturers	72.17	506.05	674.56
Service	-	-	-
Other Operating Revenue*	51.43	49.82	54.76
Total	**3,453.33**	**2,761.83**	**2,223.54**
Commission on sales	2.67	2.15	3.68
Commission on sales as a % of revenue from operations	0.08%	0.08%	0.17%

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

Our products are supplied as an intermediate input in the business-to-business segment and are not sold under any consumer-facing brand. We do not undertake brand-led advertising or promotional activity and we do not bid for business through any tender process. For risk disclosure relating to our reliance on intermediaries, see "*Risk Factor 6 – We derive a significant portion of our revenue through traders and agents. During Fiscal 2026, Fiscal 2025 and Fiscal 2024, 87.12%, 60.59% and 60.17%, respectively, of our revenue from operations was generated through sales facilitated by traders and agents. Consequently, any disruption in these relationships, deterioration in the performance of such traders or agents, or increase in commission costs could materially and adversely affect our business, financial condition, results of operations and cash flows*" on page 29.

MARKET OPPORTUNITY

As per *D&B report-*

- The Indian textile industry, one of the oldest and most significant sectors of the economy, plays a crucial role in employment generation and export earnings. The Indian textile industry encompasses the production of fibres, yarns, fabrics, and finished textile products such as garments and home furnishings, covering the entire value chain from raw material processing to final consumption. It is one of the most significant sectors of the country's economy, playing a vital role in industrial development, employment generation, and export performance. As per government figures outlined in Union Budget 2026-27, the sector contributes nearly 2% to India's Gross Domestic Product (GDP),11% to manufacturing GVA, and 8.63% to exports.

- According to the Economic Survey 2025-26, India aims to build a USD 350 billion Textile & Apparel industry with USD100 billion exports by 2030, supported by initiatives such as PM MITRA, PLI, technical textiles, and export promotion measures. However, considering the historical growth trends between FY 2020-26, the market size of Indian Textile and Apparel Industry is projected to reach to reach USD 259 billion by FY 2031, reflecting a CAGR of 7.7% while apparel segment is projected to reach USD 181 billion translating in CAGR of 10.2%.

- The Indian cotton yarn industry is gradually transitioning from conventional commodity yarns towards value-added and performance-oriented yarn categories, driven by evolving requirements of textile manufacturers, garment exporters, home textile producers and premium garment brands. Increasing demand for superior fabric quality, improved processing efficiency, enhanced durability and differentiated textile products has supported the adoption of compact yarns, doubled yarns, specialty yarns and other advanced spinning products across domestic and export markets.

- Among the emerging product categories, compact yarns and technology-enabled value-added yarns have gained increasing acceptance due to their improved strength, lower hairiness, better yarn uniformity and enhanced fabric appearance compared with conventional ring-spun yarns. These performance characteristics are particularly valued in premium applications such as fine-count shirting fabrics, knitwear, home textiles, high-thread-count fabrics, fashion garment and export-oriented textile products. As downstream textile manufacturers increasingly focus on quality enhancement and production efficiency, demand for value-added cotton yarns is expected to witness sustained growth.

- By FY2029-30, the product mix of the cotton yarn market is expected to gradually shift towards higher-value yarn categories. While carded yarn will continue to account for the largest share, its contribution is projected to decline from 48% to 43%, reflecting increasing demand for finer and premium-quality yarns. In contrast, combed yarn is expected to expand its share from 35% to 37%, supported by growing consumption of high-quality garment, knitted garments and export-oriented textile products. Compact yarn is projected to witness the strongest growth among all yarn categories, with its market share increasing from 8% to 12%, driven by rising adoption in premium fashion, performance textiles and high-end fabric manufacturing. Meanwhile, the share of other yarn categories is expected to decline marginally from 9% to 8%, as demand growth remains concentrated in carded, combed and compact yarn segments. Overall, the industry is expected to witness a gradual migration towards value-added yarn products, reflecting the increasing emphasis on quality, performance and premiumisation across the textile value chain.

- In addition, advanced yarn constructions such as compact twin-spun yarns manufactured using technologies such as EliTwist Technology-based compact yarn and doubled yarns produced through Two-for-One (TFO) systems are gaining traction across premium textile applications. Such yarns generally provide improved tensile strength, lower hairiness, enhanced durability, superior abrasion resistance and better weaving performance compared with conventional single yarns. These characteristics enable higher weaving efficiencies, lower yarn breakages and improved fabric appearance, making them suitable for high-quality woven fabrics, premium shirting materials, fine-count suiting fabrics, denim, bed linen, terry towels and other home textile products. Studies comparing EliTwist Technology-based compact yarn and conventional TFO yarns have reported improvements in yarn strength and extension characteristics, supporting their use in applications that require enhanced durability and fabric performance.

- The increasing premiumisation of garment and home textile markets is further supporting demand for such yarns. Manufacturers of branded garment, high-thread-count bedding, premium home furnishings and export-oriented textile products are increasingly seeking yarns that offer improved consistency, reduced fabric defects and superior finished-product aesthetics. As a result, value-added yarn categories such as compact yarns, doubled yarns and compact twin-spun yarns are increasingly being adopted across downstream textile manufacturing segments.

COMPETITION

We operate in the cotton yarn industry in India, which is highly competitive and fragmented and comprises a mix of organised and unorganised players at both the regional and the national level. Competition is shaped by factors such as operational efficiency, production capacity, and compliance with evolving market trends. The industry benefits from the availability of domestic cotton, but challenges related to cost fluctuations, regulatory requirements, and evolving consumer preferences influence market positioning.

As per *D&B report*, the competition in Indian Cotton Spinning Industry is influenced by a combination of factors such as:

- Access to raw cotton and procurement efficiency
- Scale of operations and capacity utilisation
- Shift towards value-added yarn products
- Technology adoption and manufacturing efficiency
- Export market access and customer relationships
- Energy costs and operational efficiency
- Integration across the textile value chain
- Compliance, sustainability and traceability requirements

We believes that our ability to produce EliTwist technology based compact yarn at bulk production scale, together with our in-house quality control infrastructure and the cost position achieved through season-driven cotton procurement and captive renewable power, differentiates us from competitors whose operations are concentrated in standard carded, combed and conventional compact yarn produced on a high-volume, price-competitive basis.

As per *D&B report*, we are positioned as one of the strongest performers among the selected peers, combining a relatively large operating scale with industry-leading profitability and return metrics. Our company reported the third-highest total income in FY2025-26, behind only Ambika Cotton Mills Limited and Aastha Spintex Limited, while generating the highest EBITDA and EBITDA margin among our peer group. Our EBITDA margin of 35.7% significantly exceeded the peer range of 9.1% to 14.6%, reflecting superior cost efficiency and earnings generation. For further information, see "*Basis for Issue Price*" on page 153.

Our Company has not entered into any tie-in arrangement, exclusive sale agreement, price control arrangement or other similar arrangement, whether written or oral, with any competitor, distributor or supplier. For further information, see "*Industry Overview*" on page 170.

INTELLECTUAL PROPERTY

As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark(s) with the Registrar of Trademarks under the Trademarks Act, 1999:

Sr. No.	Trademark	Registration/ Application No.	Class	Date of Registration/ Application	Status	Owner	Validity
1.	RUDRA COTTEX Pvt. Ltd. THREAD OF LIFE	4355501	35	November 22, 2019	Registered	Rudra Cottex Limited	10 years from the date of registration,
2.	RUDRA	7994928	23	September 14, 2026	Applied	Rudra Cottex Limited	-
3.	RUDRA	7994929	24	September 14, 2026	Applied	Rudra Cottex Limited	-
4.	RUDRA	7994930	25	September 14, 2026	Applied	Rudra Cottex Limited	-
5.	RUDRA	7994931	35	September 14, 2026	Applied	Rudra Cottex Limited	-
6.	RUDRA THREAD OF LIFE	7995317	23	September 14, 2026	Applied	Rudra Cottex Limited	-
7.	RUDRA THREAD OF LIFE	7995318	24	September 14, 2026	Applied	Rudra Cottex Limited	-
8.	RUDRA THREAD OF LIFE	7995319	25	September 14, 2026	Applied	Rudra Cottex Limited	-

For details, see "*Risk Factor 55 - We have made applications for registration of certain trademarks of our Company, which are currently pending. We cannot assure you that the trademarks which are currently not registered and for which our Company has filed applications, will be registered in our name, and that we will continue to enjoy uninterrupted use of the said intellectual property. Inability to obtain or protect our intellectual property rights may adversely affect our reputation and our business*" on page 58.

CORPORATE SOCIAL RESPONSIBILITY

Our Company is conscious of its role as a responsible corporate entity and has framed a corporate social responsibility (**CSR**) Policy and constituted a CSR Committee, in compliance with applicable laws. Our Company's CSR policy focuses on *inter alia* (i) eradicating hunger, poverty and malnutrition, and promoting health care, sanitation and safe drinking water; (ii) promoting education, vocational skills and livelihood enhancement; (iii) promoting gender equality, empowering women and reducing inequalities faced by socially and economically backward groups; (iv) ensuring environmental sustainability and ecological balance; (v) protecting national heritage, art and culture; (vi) supporting veterans of the armed forces, the Central Armed Police Forces and the Central Para Military Forces, and their dependents; (vii) promoting rural, nationally recognised, Paralympic and Olympic sports; (viii) contributing to the Prime Minister's National Relief Fund, the PM CARES Fund and other funds set up by the Central Government for socio-economic development and welfare; (ix) contributing to specified research, development and incubation in science, technology, engineering and medicine; (x) rural development; (xi) slum area development; and (xii) disaster management, including relief, rehabilitation and reconstruction. In Fiscal 2026, Fiscal 2025 and Fiscal 2024, our CSR expenses were ₹ 3.82 million, ₹ 2.19 million and ₹ 3.94 million, respectively.

The details of (i) expenditure required to be made under Section 135 of the Companies Act, 2013; (ii) expenditure made for all Fiscals; and (iii) details of amount remaining unspent are as under:

(₹ in million)

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
a)	Gross Amount required to be spent by the Company during the period/year	3.82	2.19	3.94
b)	Amount approved by the Board to be spent during the year	3.82	2.19	3.94
c)	Amount spent during the period/year	3.82	2.19	3.94
d)	Shortfall/ (Surplus) at the end of the year	-	-	-

Further, the details see *"Restated Financial Information - Corporate social responsibility (CSR) – Note 44"* on page 356 of this Draft Red Herring Prospectus.

OUR PROPERTIES

As of the date of this Draft Red Herring Prospectus, set out below are the details of our properties:

S. No.	Purpose	Particulars of Property	Area	Owned/ Leased	Seller/Lessor	Interest of the Promoter / members of the Promoter Group	Term	Rent / License Fees/ Consideration (where the property owned) (Amount in ₹)
1.	Registered office	403, Satyamev Eminence, B/S. Saptak Bunglows, Science City Road, Sola, Ahmedabad-380060	602 sq. ft	Leased	Bharvadiya Gopal Lakhmanbhai	No	5 Years Commencing from June 1, 2026 to May 31, 2031	57,750/- Per Month and increase by 10% every year on the last paid monthly rent.
2.	Manufacturing Facility, Corporate office, Canteen, Guest House, Staff and Labour Quarters, Godown and Vacant Land	Survey No. 808 & 836 to 843, Village - Kadjodara Devkaran Na Muwada Road, Bayad Road, Dehgam, Gandhinagar, Gujarat – 382315, India.	Survey No. 808 having land admeasuring 10,498 Sq. m	Leased	Radheshyam Parshottambhai Pokar	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	14,600/- Per Month
			Survey No. 836 having land admeasuring 38,243 sq. m	Leased	Parekh Mukeshkumar Ganpatlal, Patel Pravinbhai Govindbhai & Chandulal M Makani	No	15 Years Commencing from: - June 2, 2026 to June 1, 2041	34,400/- Per Month
			Survey No.	Owned	(1) Mansuuri	N.A.	N.A.	31,55,000/-

S. No.	Purpose	Particulars of Property	Area	Owned/ Leased	Seller/Lessor	Interest of the Promoter / members of the Promoter Group	Term	Rent / License Fees/ Consideration (where the property owned) (Amount in ₹)
			837 having land admeasuring 13,137 sq. m		Yusufbhai Hasambhai			
			Survey No. 837 having land admeasuring 34,359 sq. m	Leased	Radheshyam Parshottambhai Pokar, Patel Nileshkumar Babubhai & Rahulkumar Abji Dholu	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	28,800/- Per Month
			Survey No. 838 having land admeasuring 3,930 sq. m	Leased	Patel Nileshkumar Babubhai	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	3,300/- Per Month
			Survey No. 839 having land admeasuring 3,537 sq. m	Leased	Chandulal M. Makani	No	15 Years Commencing from: - June 2, 2026 to June 1, 2041	3,000/- Per Month
			Survey No. 840 having land admeasuring 9,337 sq. m	Leased	Radheshyam Parshottambhai Pokar & Chandulal M. Makani	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	7,800/- per month
			Survey No. 841 having land admeasuring 3,941 sq. m	Leased	Parekh Mukeshkumar Ganpatlal	No	15 Years Commencing from: - June 2, 2026 to June 1, 2041	3,300/- Per Month
			Survey No. 842 having land admeasuring 9,799 sq. m	Leased	Parekh Mukeshkumar Ganpatlal & Chandulal M. Makani	No	15 Years Commencing from: - June 2, 2026 to June 1, 2041	10,800/- Per Month
			Survey No. 843 having land admeasuring 4,502 sq. m	Leased	Rahulkumar Abji Dholu	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	3,800/- Per Month
3.	Wind Power Project	Survey No.705, Verad, Bhanvad, Devbhumi Dwarka, Gujarat-360515	10,000 sq. m	Sub-lease	M/s. Powerica Limited	No	Commencing from March 24, 2021 To June 23, 2033	15000/-per 10000 Sq. Meters per annum as a lease rent and Rs.2,625 other taxes as per present rate
4.	Ground Solar Use	Survey No. 47/8 p1, 47/2p2, 47/5p1, 47/5p2-Village-Vanasan, Ta-Siddhpur, Dist-Patan, Gujarat-384151	17,606 sq. m	Leased	Jeminkumar Pravinbhai Patel	No	26 Years and 10 Months Commencing from June 1, 2025 to March 31, 2052	19,937.5/- Per Month and 5% increment at the end of every 3 years and Rs 2,39,250 as a deposit.
5.		Survey No. 47/3, 47/4, 47/7, 47/2P1, 218P2-Village-	34,903 sq. m	Leased	Bhagvatiben Pravinbhai Patel	No	26 Years and 10 Months Commencing from June 1, 2025 to March	39,508/- Per Month and 5% increment at the end of every 3 years and Rs

S. No.	Purpose	Particulars of Property	Area	Owned/ Leased	Seller/Lessor	Interest of the Promoter / members of the Promoter Group	Term	Rent / License Fees/ Consideration (where the property owned) (Amount in ₹)
		Vanasan, Ta-Siddhpur, Dist-Patan, Gujarat-384151					31, 2052	4,74,100 as a deposit.
6.	Admin Office	FF 142-Balmukund Square, Opp Amin Soc, Dehgam, Dist-Gandhinagar, Gujrat-382305	28.61 sq. m	Owned	1. Amin Rakeshkumar Thakorbhai 2. Amin Bhavanaben Thakorbhai 3. Amin Leenaben Thakorbhai 4. Amin Deepaben Thakorbhai 5. Amin Pushpaben 6. Urmilaben 7. Snehalkumar Kashibhai 8. Sonalben Kashibhai 9. Pragneshkumar Kashibhai 10. Pragneshkumar Kashibhai	N.A.	N.A.	5,50,000/-

All the lease agreements entered into by our Company in respect of the leased properties set out above are duly registered and adequately stamped. For further details, see "*Risk Factor 22 – Our Registered Office, and the premises on which our wind mill and ground-mounted solar installations are situated, have been acquired on a leasehold basis. There can be no assurance that these arrangements will be renewed upon their expiry or that we will be able to obtain alternative premises on the same or similar commercial terms.*" on page 39.

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the business and operations of our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive but indicative and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by our Company, see 'Government and Other Approvals' on page 401.

I. Industry specific legislations

The Textiles Committee Act, 1963 and the rules framed thereunder

The Textile Committee Act, 1963 ("**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 ("**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 objective as mentioned above, the functions 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. The Textiles Committee Rules, 1965 govern the constitution and functioning of the Textile Committee, while the Textiles Committee (Cess) Rules, 1975 prescribe the manner of assessment, collection, and refund of cess levied on manufacturers of textiles and textile machinery.

Textile Development and Regulation Order, 2001 ("Textile Order")

The Central Government, in exercise of the powers conferred upon it under section 5 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 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.

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 objectives of the NTP are 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 its 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.

Gujarat Textile Policy, 2024

The Gujarat Textile Policy, 2024, issued by the Government of Gujarat, seeks to strengthen the state's position as India's textile hub by promoting integrated growth across the entire textile value chain. The Gujarat Textile Policy, 2024, effective from 1 October 2024 to 30 September 2029, aims to attract investments, boost employment, and support the development of garments, apparel, technical textiles, and related sectors. It provides an array of fiscal incentives, including capital and interest subsidies, power tariff and payroll assistance, and support for quality certification, technology acquisition, and sustainable practices. It lays down emphasis on fostering women's participation, supporting MSMEs and youth, and encouraging green growth. Distinct benefits are available for labour-intensive units and projects investing in worker welfare, with eligibility criteria focused on investment thresholds and employment generation. The Gujarat Textile Policy, 2024, also outlines streamlined procedures for registration and incentive claims, and provides for flexibility in offering customised packages for mega-projects in the larger interest of the state.

Production-Linked Incentive Scheme in Textiles Products

The aim of the PLI Scheme is to boost domestic manufacturing and cut down on import bills. The PLI Scheme provides companies with incentives on incremental sales from products manufactured in domestic units. Along with inviting foreign companies to set up shops in India, the PLI Scheme also aims to encourage local companies to set up or expand existing manufacturing units. The PLI Scheme was initially rolled out for mobile and allied equipment, pharmaceutical ingredients, and medical devices manufacturing. The government has thereafter expanded the ambit of the PLI Scheme to include as many as ten more sectors, such as textiles.

The Government of India approved the PLI Scheme for the textile sector in September 2021, with a total outlay of ₹10,683 crore over a five-year period. The scheme aims to promote domestic manufacturing and enhance exports in key segments of the textile value chain, specifically man-made fibre ("MMF") fabrics and technical textiles. Incentives are provided on incremental turnover from eligible products manufactured in India, subject to prescribed investment and performance thresholds.

The PLI Scheme is intended to attract large-scale investments in the textile sector and reduce India's reliance on imported MMF and high-value textile products. It forms part of the broader "Aatma Nirbhar Bharat Abhiyaan" initiative and is designed to strengthen India's position in the global textile market. Both greenfield and brownfield projects are eligible under the scheme, and the incentives are fixed at the time of approval of the applicant, based on committed investment and projected sales.

Export Promotion Capital Goods Scheme (EPCG Scheme)

To facilitate import of capital goods for producing quality goods and services to enhance India's export competitiveness. EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers. Also covers a service provide who is designated/ certified as a Common Service Provider (CSP) by the DGFT.

The EPCG Scheme allows import of capital goods for pre-production, production, and post-production at 5% customs duty subject to and export obligation equivalent to 8 times of the duty saved on capital goods imported under the EPCG Scheme to be fulfilled over a period of 8 years reckoned from the date of issuance of license. Capital Goods would be allowed at 0% duty for exports of agricultural products and their value-added variants. However, in respect of EPCG licenses with a duty saved of ₹ 1,000 million or more, the same export obligation shall be required to be fulfilled over a period of 12 years.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time ("MSMED Act"), seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. The MSMED Act ensures that the buyer of goods makes payment to the registered enterprise within the time limit prescribed by the MSMED Act. The MSMED Act provides that the agreed period cannot exceed 45 (forty-five) days from the day of acceptance of goods. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ("Council"). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

Industries (Development and Regulation) Act, 1951 (Industries Act)

The Industries Act provides for the development and regulation of certain industries specified in the First Schedule to the Act "Scheduled Industries", which the Union has, in the public interest, taken under its control. Textiles is a scheduled industry under the First Schedule. Under the IDR Act, every owner of an existing industrial undertaking in a scheduled industry is required to register the undertaking with the Central Government, and no person may establish a new undertaking, effect a substantial expansion, or commence production of a new article, except under a licence issued by the Central Government. The Central Government is further empowered to investigate scheduled industries and issue directions regulating production, prices and distribution. The Industries Act is administered by the Ministry of Commerce and Industry through its Department for Promotion of Industry and Internal Trade (DPIIT), which is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector, and also monitors industrial growth and production, in general, and in selected industrial sectors.

Bureau of Indian Standards Act, 2016 ("BIS Act") and Bureau of Indian Standards Rules, 2018

The BIS Act provides for the establishment of a bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard 207 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) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service confirms to an Indian standard. The Bureau of Indian Standards Rules, 2018, lay down inter alia the procedure for the establishment and review of Indian standards, adoption of standards as Indian standards and for publishing of Indian standards.

Gujarat Industrial Policy 2020

The policy aims to make Gujarat a "Global Business Destination," driving the state's economic growth and thereby increasing the standard of living and prosperity among the people of Gujarat by providing opportunities for skilled employment and a nurtured enterprise ecosystem. This policy is a broad framework rather than a detailed blueprint, aimed at defining the broad contours of the government's mission towards augmenting the industrial development of the state. The policy further promotes Cluster Development in the state; clusters are geographic concentrations of competing and collaborating firms that tend to speed up economic development in an area by improving competitiveness, developing synergies and introducing innovation, especially in the MSME sector. The policy aligns with the Government of India's 'Make in India' initiative, which seeks to boost manufacturing through investment, innovation and world-class infrastructure, and Gujarat has positioned itself as a contributor to this objective by offering strong industrial infrastructure and a business-friendly regulatory environment, supported by reforms undertaken by the State Government. Being an industrialized state, Gujarat needs a strategy that can support industrialization through higher value addition. The policy proposes financial assistance for cluster development, including: (a) assistance subject to preparation of a Comprehensive Development Plan for 5 years by the project cluster group; (b) pecuniary assistance to nodal institutions/hiring of experts; and (c) eligibility for clusters to receive financial assistance under the Scheme of Critical Infrastructure. The policy also aims at enhancing competitiveness in the MSME sector, and envisages strengthening the sector to make it more technology-driven. To motivate entrepreneurs, the Gujarat government will constitute separate awards for MSMEs, and the use of Enterprise Resource Planning Systems (ERPS) will be encouraged in the sector.

II. General legislations applicable to our business

Fire Prevention Laws

The State legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the 12th Schedule to the Constitution of India, which includes fire services. These legislations include provisions in relation to maintenance of fire safety and life saving measures by occupiers of buildings, procedure for obtaining no objection certificate and penalties for non compliances.

Gujarat Fire Prevention and Life Safety Measures Act, 2013

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 ("Fire Safety Act") has been enacted to provide for fire prevention, fire safety measures and protection of life and property from fire hazards in the State of Gujarat. The Fire Safety Act, read with the rules and regulations framed thereunder, mandates owners and occupiers of buildings, including industrial, commercial and high-risk buildings, to install and maintain prescribed fire prevention and life safety systems in accordance with the applicable building bye-laws and fire safety standards. It requires obtaining fire safety approvals and certifications from the designated fire authority and compliance with periodic inspection, testing and maintenance requirements. The Act empowers the competent authorities to conduct inspections, issue directions, order rectification of deficiencies, and impose penalties, including sealing of premises, for non-compliance with the provisions of the Fire Safety Act and the regulations made thereunder.

Electricity Act, 2003

The *Electricity* Act, 2003 ("**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.

Shops and Establishments Laws

As per the provisions of local Shops and Establishments laws applicable in the states of India, business of the organization, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 has been promulgated with the objective to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold and distributed in weights, measures or numbers. Weight and measures used by the traders are verified and stamped by the Inspector of the Legal Metrology Department, after due verification, with a seal for ensuring the integrity of the stamp of Inspector and quarter in which it is verified.

The Legal Metrology (Packaged Commodity) Rules, 2011

The Packaged Commodity Rules, 2011 prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, whole sale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. Rule 27 of the Legal Metrology (Packaged Commodity) Rules, 2011 stipulates that any person who pre-packs or imports any commodity for sale, distribution or delivery, shall be registered with the Controller of Legal Metrology or the Director of Legal Metrology appointed under the Legal Metrology Act, 2009.

The Sale of Goods Act, 1930 ("Sale of Goods Act")

The Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts, i.e., the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provisions of the Sale of Goods Act.

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 protect 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" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. 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 10 lakhs.

III. Foreign investment laws

Foreign investment regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy (the "**Consolidated FDI Policy**"), effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.

In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA Regulations has now been entrusted to the concerned administrative ministries or departments. Foreign direct investment for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where foreign direct investment is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.
Under the current Consolidated FDI Policy, 100% foreign investment is permitted in 'IT/ITES' sector under automatic route.

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("**IEC**") granted by the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). The IEC granted to any person may be suspended or cancelled *inter alia* in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder, or the foreign trade policy would become liable to a penalty under the FTA.

Foreign Trade Policy 2023

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992, has notified Foreign Trade Policy 2023 ("**FTP**") which is effective from April 1, 2023, and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to March 31, 2023, shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

IV. Labour laws

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, Contract Labor (Regulation and Abolition) Act, 1970, the Maternity Benefit Act, 1961, the Employee's Compensation Act, 1923, the Trade Unions Act, 1926, Equal Remuneration Act, 1976, the Industrial Dispute Act, 1947, Apprentices Act, 1961, Industrial Employment (Standing Orders) Act, 1946, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Equal Remuneration Act, 1976, the Child Labor (Prohibition and Regulation) Act, 1986, the Labour Welfare Fund Act, 1965 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform the existing labour laws in India, the Government enacted four labour codes that collectively replaces 29 central labour laws. Following their enactment five years ago, the Government of India has notified the implementation of the aforesaid codes, effective immediately from November 21, 2025. The following codes have come into force with the objective of easing regulatory and compliance requirements for employers and ensuring a uniform wage structure and social security protection for workers:

(a) *Code on Wages, 2019,* which regulates and amalgamates wage and bonus payments and subsumes the four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the

Equal Remuneration Act, 1976. It regulates *inter-alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

(b) *Industrial Relations Code 2020*, which consolidates and amends laws relating to the trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

(c) *Code on Social Security, 2020*, which amends and consolidates laws relating to social security, and subsumes nine social security related legislations encompassing both organized and unorganized sectors, *inter-alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organizations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

(d) *The Occupational Safety, Health and Working Conditions Code, 2020* consolidates and amends 13 (thirteen) legislations such as 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 among others. The Occupational Safety Code provide for definitions of key terms including 'contract labour', 'contractor', 'principal employer' and 'establishment', annual leave with wages and prescription of working hours and rest intervals, special provisions on employment of women in night shifts, and prescription of health and safety obligations and provision of welfare facilities.

V. Tax laws

Income Tax Act, 2025 (the "Income Tax Act")

1961Income Tax Act, 2025 (**Income Tax Act**) has been passed by the Parliament and has come into force with effect from April 1, 2026 and has repealed the Income Tax Act, 1961. The Income Tax Act deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of Income Tax Act, the rates at which entities are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the same. Filing of returns of income is compulsory for all assesses.

Professional *Tax*

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or any trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per List II of the Constitution of India. The professional taxes are classified under various tax slabs. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wage payable to such person before such salary or wage paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wage, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Goods and Service Tax

Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act, 2017, and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the states including union territories with legislature/ union territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), State Goods and Services Tax Act, 2017 ("**SGST**"), Union Territory Goods and Services Tax Act, 2017 ("**UTGST**"), Integrated Goods and Services Tax Act, 2017 ("**IGST**") and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Customs Act, 1962 (the "Customs Act") and the Customs Tariff Act, 1975

The provisions of the Customs Act and rules made there under are applicable to imported goods i.e. goods brought into India from a place outside India (except goods cleared for home consumption) and export goods i.e. goods which are to be taken out of India to a place outside India. Imported goods and export goods are subject to duties of customs as specified under the Customs Tariff Act, 1975.

VI. Intellectual property laws

The Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010 ("**Trademark Amendment Act**") simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

The Patents Act, 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Designs Act, 2000 ("DA") and the Designs Rules, 2001 ("DR")

The DA governs and safeguards the originality of an article's design, while prohibiting the unauthorized copying or piracy of registered designs. The principal aim of the DA is to protect new and original designs from imitation and to ensure that the creator, originator, or artisan of a design is not denied the rightful benefits arising from their creative work. Under the authority granted by the DA, the Central Government has also formulated the DR, which lay down specific provisions concerning the practical implementation of the DA, including the matters such as fee payments, maintenance of the design register, classification of goods, service addresses, restoration procedures for designs, and related procedural requirements.

VII. Environmental Legislations

The Environment (Protection) Act, 1986 and Environment Protection Rules, 1986

The Environment (Protection) Act, 1986 (EPA) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution. The central government regularly keeps updating the rules via notifications and orders as the jurisprudence around this subject is evolving.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government of India by way of a notification and includes chemicals used in batteries. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer must contribute a sum equal to the premium paid on the insurance policies towards the environment relief fund.

The Solid Wastes Management Rules, 2016

The Solid Waste Management Rules, 2016, apply to all waste generators including industrial, commercial, and residential entities. The Rules mandate segregation of waste at source into biodegradable, non-biodegradable, and hazardous categories.

Bulk waste generators are required to process, treat, and dispose of waste responsibly. Local authorities are tasked with waste collection, transportation, and disposal. The Rules emphasize waste reduction, source segregation, and resource recovery, and promote the inclusion of informal waste workers. They also encourage Extended Producer Responsibility for sustainable waste management and environmental protection.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The Water Act provides for the establishment of Pollution Control Boards ("**PCBs**") at Central and State levels to establish and enforce standards for discharging pollutants into water bodies. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state PCB. Failure to comply with specified directions or orders under the Water Act or acting in violation of the provisions of the Water Act, may lead to imprisonment of up to seven years, fines up to ₹10,000, and additional daily fines for continued non-compliance. In case of violation by a company, both the company and persons responsible for its business are deemed guilty unless they prove lack of knowledge or due diligence. Directors, managers, secretary or other officers of the company involved through consent, connivance, or neglect are also held liable and punished accordingly.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant. Under Section 37 of the Air Act, whoever fails to comply with the provisions of Section 22 or the directions issued under Section 31A of the Air Act, shall be liable to the penalty up to ₹ 1,500,000. There is an additional penalty of ₹ 10,000 per day if the requisite compliances under the aforesaid sections are not carried out.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Plastic Waste Management Rules, 2016 ("Plastic Waste Management Rules")

The Plastic Waste Management Rules stipulate conditions for the manufacture, importer stocking, distribution and use of plastic carry bags, plastic sheets, packaging etc. They aim to increase minimum thickness of plastic carry bags and plastic sheets to 50 microns and also to facilitate collection and recycle of plastic waste. The Plastic Waste Management Rules bring in the responsibilities of producers, generators, importers and brand owners in the plastic waste management system and has introduced a collect back system of plastic waste by producers or brand owners. In addition to this, the applicability of the Plastic Waste Management Rules extends to rural areas as well.

VIII. Other applicable laws

In addition to the above, our Company is also required to comply with the Companies Act, 2013, and rules framed thereunder, the Competition Act, 2002, the Indian Contract Act, 1872 and other applicable statutes imposed by the Central or the State Government and authorities for our day-to-day business and operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as 'Rudra Cottex Private Limited' as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 23, 2016, issued by the Assistant Registrar of Companies, Gujarat at Ahmedabad. Subsequently, our Company was converted from a private limited company to a public limited company a resolution passed by the Board of Directors of our Company on July 18, 2026 and a special resolution passed by our Shareholders of our Company on August 14, 2026, consequent to which the name of our Company was changed to its present name 'Rudra Cottex Limited' and a fresh certificate of incorporation dated September 2, 2026 was issued to our Company by the Registrar of Companies, Central Processing Centre.

Changes in Registered Office

The registered office of our Company is currently situated at 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat 380 060, India.

Except as disclosed below, there have been no changes in our registered office since our incorporation:

Effective Date of Change	Details of Change	Reasons for change
March 5, 2019	The registered office of the Company was changed **from** S-101, Suncity, Sector - 4, S. P. Ring Road, Bopal, Dascroi, Ahmedabad , Gujarat - 380058, India **to** GF- 21, V.KEE. Complex Nr. Mangalam Cinema, Odhav, Gujarat - 382415, India	The Company changed its registered office in the ordinary course of business to facilitate efficient management, administrative convenience, and operational effectiveness.
July 11, 2026	The registered office of the Company was changed **from** GF- 21, V.KEE. Complex Nr. Mangalam Cinema, Odhav, Gujarat– 382415, India **to** 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat 380060, India	The registered office of the Company was shifted in line with the expansion of its business operations and to accommodate the growing administrative and management requirements of the Company.

Main Object of our Company

The main object of our Company contained in the Memorandum of Association is as disclosed below.

1. To carry on the business of manufacturers, processors, dealers, importers, exporters, merchants, stockists, buyers, sellers, agents, brokers and commission agents of all kind of cotton, kapas, yarns, spinning, cotton waste, absorbent cotton, cotton wool, and other fibrous material and to deal in its raw materials and semi-finished goods of every description.

2. To manufacture, process, spin, weave, knit, dye, print, finish, convert, import, export and otherwise deal in all kinds of natural, artificial, synthetic, man-made and blended fibres, yarns, fabrics, garments, home textiles, technical textiles and allied products, including polyester staple fibre (PSF), viscose staple fibre (VSF), silk, wool, jute, hemp, linen, rayon, nylon, acrylic and other textile materials, and to manufacture, purchase, sell, import, export and otherwise deal in dyes, chemicals, auxiliaries, packaging materials, spare parts, components and other consumables required for the textile industry.

3. To establish, acquire, purchase, construct, own, lease, hire, operate, maintain, modernize, expand and manage ginning and pressing factories, spinning mills, compact spinning units, twisting units, texturising units, weaving units, knitting units, processing houses, dyeing and printing units, garment manufacturing facilities, warehouses, workshops and other industrial undertakings, and to install, operate and maintain spinning frames, ring frames, spindles, TFO (Two-for-One Twister) machines, open-end spinning machines, texturising machines and all other plant, machinery, equipment and capital assets required for the manufacture, processing, storage, packing, distribution and export of yarn, fabrics, textiles, garments and allied products.

The main objects as contained in the Memorandum of Association enables our Company to carry on the business presently being carried on by our Company.

Amendments to our Memorandum of Association in last 10 years

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below:

Date of Amendment/Share holders' Resolution	Details of the Amendment
August 14, 2026	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Rudra Cottex Private Limited' to 'Rudra Cottex Limited', pursuant to conversion of our Company from private to public
August 14, 2026	Clause III A of the Memorandum of Association was amended by inserting sub-clauses 2 and 3 after the existing clause 1: "2) To manufacture, process, spin, weave, knit, dye, print, finish, convert, import, export and otherwise deal in all kinds of natural, artificial, synthetic, man-made and blended fibres, yarns, fabrics, garments, home textiles, technical textiles and allied products, including polyester staple fibre (PSF), viscose staple fibre (VSF), silk, wool, jute, hemp, linen, rayon, nylon, acrylic and other textile materials, and manufacture, purchase, sell, import, export and otherwise deal in dyes, chemicals, auxiliaries, packaging materials, spare parts, components and other consumables required for the textile industry. 3) To establish, acquire, purchase, construct, own, lease, hire, operate, maintain, modernize, expand and manage ginning and pressing factories, spinning mills, compact spinning units, twisting units, texturizing units, weaving units, knitting units, processing houses, dyeing and printing units, garment manufacturing facilities, warehouses, workshops and other industrial undertakings, and to install, operate and maintain spinning frames, ring frames, spindles, TFO (Two-for-One Twister) machines, open-end spinning machines, texturising machines and all other plant, machinery, equipment and capital assets required for the manufacture, processing, storage, packing, distribution and export of yarn, fabrics, textiles, garments and allied products." Further, Clause III B has been amended to revise the 'Matters which are necessary for the furtherance of the objects specified in Clause III A' comprising sub-clauses 1-43.
May 11, 2026	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 310,000,000 divided into 31,000,000 equity shares of face value ₹ 10 to ₹510,000,000 divided into 51,000,000 equity shares of face value ₹10 each.
January 29, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 105,100,000 divided into 10,510,000 equity shares of face value ₹10 each to ₹ 310,000,000 divided into 31,000,000 equity shares of face value ₹10 each.
August 10, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹ 100,000 divided into 10,000 equity shares of face value ₹ 10 to ₹ 105,100,000 divided into 10,510,000 equity shares of face value ₹10 each.

Major Events and milestones of our Company

The table below sets forth some of the major events and milestones in the history of our Company:

Year	Event
2016	Incorporation of our Company as a private company on March 23, 2016 under the name and style of "Rudra Cottex Private Limited"
2018	Commencement of manufacturing operations at Dehgam, Dist-Gandhinagar, with an initial capacity of 27,360 spindles.
2019	Our Company crossed the revenue milestone of ₹ 1,000 million, achieving Revenue from Operations (Net) of ₹ 145.40 million.
2021	Installation of additional attachments to existing machinery and commencement of production of Eli-Twist technology based Compact Yarn.
	Setting up and installation of a 2.70 MW wind power project, further enhancing the company's commitment to sustainable and cost-effective manufacturing.
2025	Setting up and installation of a 1.25 MW solar rooftop for captive use near the manufacturing facility, reducing carbon emissions and operational costs.
2026	Setting up and installation of a 5.00 MW solar ground mount for captive use, reducing dependence on grid power and supporting sustainable manufacturing.

Key Awards, Accreditations and Recognition

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company:

Year	*Award/Certification/Recognition*
2018	*Received "Expressed interest for investment in Gujarat in textile and Apparels" by Government of Gujarat*
2025	*Received "Award for High Reputation 2024" by Standard Chartered Rating GmbH*
2026	*Received ISO 9001:2015 registration from Manufacturing, Spinning, Processing, Trading, Import, Export, and Supply of Cotton, Kapas, Yarns, Cotton Waste, Absorbent Cotton, Cotton Wool, and Natural or Synthetic Fibrous Materials, Including Their Raw, Semi-Finished, and Finished Forms, Along With Product Design and Development, In-House Quality Testing, Warehousing, and Merchant Export of Yarn and Related Textile Products for Quality Management Systems.*

Other Details Regarding our Company

Significant Financial and Strategic Partners

Our Company does not have any significant financial or strategic partnerships as of the date of this Draft Red Herring Prospectus.

Time and Cost Overruns

Our Company has not experienced any instances of time or cost overruns in relation to any projects set up by our Company. For more details see "*Risk Factor 50 - Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays in schedule of implementation or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.*" on page 55.

Defaults or Rescheduling of Borrowings from Financial Institutions/Banks

There has been no instance of defaults or rescheduling of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

Launch of key products or services, entry into new geographies or exit from existing markets capacity/ facility creation or location of plants

For details of key services offered/ key products launched by our Company, entry into new geographies or lines of business or exit from existing markets or capacity/facility creation, see "*Our Business*" on page 242.

Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years

Our Company has not made any material acquisitions or divestments of any business/undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the 10 years preceding the date of this Draft Red Herring Prospectus.

Holding company, Subsidiaries, Joint ventures, Group Companies and associates

As of the date of this Draft Red Herring Prospectus, our Company does not have any holding company, subsidiary company, joint venture, group company or any associates.

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, since our Company has no subsidiary company there are no accumulated profits or losses, which are not accounted for by our Company in the Restated Financial Information.

Common Pursuits

Our Promoter Group entity i.e., Surya Future Tradewing LLP, is engaged in the similar line of business as that of our Company. However, there is no conflict of interest amongst our Promoter Group entity and our Company. Our Company shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if and when they may arise.

Shareholders' Agreement and Other key Agreements

Except as disclosed below, there are no inter-se agreements, arrangements, deeds of assignment, acquisition agreements, shareholders' agreements, any agreements between our Company, our Promoters, and Shareholders, or agreements of like nature or agreements comprising clauses/covenants which are material to our Company. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public shareholders of our Company.

Share Subscription and Shareholders' Agreement dated July 7, 2026 ("**SHA**") entered into among our Company, Radheshyam Parshottambhai Pokar, Rahulkumar Abji Dholu, Patel Nilesh Kumar Babubhai ("**Promoters**"), Shah Amee D, Shah Dhiren Mahendrakumar (HUF), Shah Nirupamaben Mukeshkumar, Shruti Vikas Shah, Maniyar Bhaveshkumar Motilal, Piyush Jashwantlal Shah, Amishi P Shah, Fivex Capital VCC – Fivex Emerging Star Fund ("**Investors**"), Abjibhai Karamshibhai Dholu, Anilbhai Dhanjibhai patel, Archanaben Radheshyambhai Pokar, Babulal Lalji Patel, Chandrakantbhai Mohanbhai Patel, Chandulal Manilal Makani, Dasrathbhai Dhaniibhai Petel, Leelaben Dhanjeebhai Patel, Dushyantkumar Narayanbhai Bhojani, Ganpatbhai Haribhai Patel, Haribhai Arjanbhai Rudani, lshvarbhai Karamshibhai Patel, Jagdishbhai Ranchodbhai Patel, Kalpeshbhai Abjibhai Dholu, Kamleshbhai Jayentibhai Pokar, Kantibhai Pachanbhai Patel, Lilaben Babulal Patel, Mahendrabhai Manilal Makani, Minaxiben Pareshbhai Patel, Mohanbhai Hirjibhai Patel, Mukesh Ganpatbhai Patel, Mukeshbhai Babubhai Patel, Mukeshbhai Manibhai Makani, Nikunjbhai Tulshibhai Patel, Nileshbhai Babulal Ramani, Nitinbhai kantibhai Surani, Pareshbhai Kanubhai Ramani, Pravinbhai Govindbhai Patel, Purshottambhai Khimjibahi Pokar, Rajesh Javantibhai Patel, Shantaben Ranchhodbhai Patel, Rasilaben Harilal Patel, Rekhaben Mukeshbhai Patel, Ronakkumar M Patel, Shilaben Nileshbhal Patel, Sudarshankumar Vasantbhai Patel, Taraben Parshottambhai Pokar, Tulshibhai Arjanbhai Patel, Tulshibhai Ranchodbhai Patel, Vasantbhai Ratilal Patel and Vipulbhai Bipinbhai Patel ("**Existing Shareholders**").

The SHA governs the mutual rights and obligations of our Company and its Shareholders in relation to their respective shareholding, the management of our Company, exit rights and certain other matters. Pursuant to the SHA, the Investors have been granted certain rights in our Company, including pre-emptive rights to participate in further issue of equity capital, appointment of observer, anti-dilution rights, reserved matters and restrictions on transfer of shares including information and inspection rights in our Company.

Further, the SHA specifically provides that all rights, liabilities and obligations in the SHA shall stand automatically terminated upon filing of the draft red herring prospectus by the Compnay, and in the event the initial public offering is not completed by the March 2027 ("**IPO Long Stop Date**"), then the provisions of the SHA shall immediately and automatically stand reinstated, with full force and effect.

Key terms of other subsisting material agreements

Our Company has not entered into any subsisting material agreements with strategic partners, joint venture partners and/or financial partners other than in the ordinary course of business of our Company.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee

There are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors 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.

Details of Agreements required to be disclosed under Clause 5A of paragraph A of part A of Schedule III of SEBI Listing Regulations

There are no agreements with our Shareholders, our Promoters, members of our Promoter Group, our related parties, our Directors, our Key Managerial Personnel, employees of the Company, entered into amongst themselves or with our Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of our Company or impose any restriction or create any liability upon our Company, including any rescission, amendment or alteration of such agreements, whether or not our Company is a party to such agreements.

Other Confirmations

All material clauses of our Articles of Association having a bearing on the Issue have been disclosed in this Draft Red Herring Prospectus.

Except as disclosed below, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial to operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

Radheshyam Parshottambhai Pokar and Rahulkumar Abji Dholu, our Promoters also our Directors are partners in Surya Future Tradewing LLP, our Promoter Group entity and supplier of raw materials and sales (crucial for operations of our Company) to our Company.

Also see, "*Risk Factor 21 – Our Promoters, members of the Promoter Group, Directors, Group Companies, Key Managerial Personnel, Senior Management of our Company may enter into ventures that may lead to real or potential conflicts of interest with our business. Further, our Promoters and Directors have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits. Additionally, Surya Future Tradewing LLP, to which our Company sells its products and purchases goods, are enabled under their constitutional documents to carry on activities similar to those of our Company. Any real or potential conflicts of interest that may arise in this regard may materially adversely impact our business, financial condition, results of operations and cash flows*." on page 38.

Except as disclosed below, there is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of the Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.

Radheshyam Parshottambhai Pokar, Rahulkumar Abji Dholu and Patel Nilesh Kumar Babubhai, our Promoters also our Directors are lessors of the immovable properties (which are crucial for operations of the Company) leased to our Company as follows:

Purpose	Particulars of Property	Area	Owned/Leased	Owner/Lessor/Licensor	Interest of the Promoter / members of the Promoter Group	Term	Rent / License Fees/ Consideration (where the property owned) (Amount in ₹)
Manufacturing Facility, Corporate office, Canteen, Guest House, Staff and Labour Quarters, Godown and Vacant Land	Survey No. 808, 837, 383 840 & 841, Village - Kadjodara Devkaran Na Muwada Road, Bayad Road, Dehgam, Gandhinagar, Gujarat – 382315, India.	Survey No. 808 having land admeasuring 2663.22 Sq. m	Leased	Radheshyam Parshottambhai Pokar	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	14600/- Per Month
		Survey No. 837 having land admeasuring 21,402 sq. m	Leased	Radheshyam Parshottambhai Pokar, Patel Nileshkumar Babulal & Rahulkumar Abji Dholu	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	28,800/- Per Month
		Survey No. 838 having land admeasuring 3,930 sq. m	Leased	Patel Nileshkumar Babulal	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	3,300/- Per Month
		Survey No. 840 having land admeasuring 9,337 sq. m	Leased	Radheshyam Parshottambhai Pokar & Chandulal Manilal Makani	Yes	15 Years Commencing from: - June 2, 2026 to June 1, 2041	7,800/- per month
		Survey No. 841 having land admeasuring	Leased	Rahulkumar Abji Dholu	Yes	15 Years Commencing from: - June 2, 2026	3,800/- Per Month

Purpose	Particulars of Property	Area	Owned/Leased	Owner/Lessor/Licensor	Interest of the Promoter / members of the Promoter Group	Term	Rent / License Fees/ Consideration (where the property owned) (Amount in ₹)
		4,502 sq. m				to June 1, 2041	

Also see, "*Risk Factor 22 - Our Registered Office, and the premises on which our wind mill and ground-mounted solar installations are situated, have been acquired on a leasehold basis. There can be no assurance that these arrangements will be renewed upon their expiry or that we will be able to obtain alternative premises on the same or similar commercial terms*." on page 39.

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than 3 Directors and not more than 15 Directors, provided that our Company may appoint more than 15 Directors after passing a special resolution in a general meeting.

As of the date of this Draft Red Herring Prospectus, our Board comprises 6 Directors, of which 3 are Executive Directors, 3 are women Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements prescribed under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
Name: Rahulkumar Abji Dholu ***DIN:*** 02953428 & 07327045* ***Designation:*** Chairman & Managing Director ***Address:*** D-401, Mahalaxmi Royal Palace, B/h Swagat Rain 1, Kudasan, Gandhinagar- 382 421, Gujarat, India. ***Occupation*:** Business ***Current term:*** Five years with effect from September 07, 2026 to September 06, 2031 , liable to retire by rotation ***Period of directorship:*** Since incorporation, i.e., March 23, 2016 ***Date of birth:*** July 9, 1983	43	***Indian Companies:*** ***Listed Companies:*** NIL ***Unlisted Companies:*** 1. PC Patel Mahalaxmi Simplex Consortium Private Limited 2. PCP Mil Mining Private Limited ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL
Name: Radheshyam Parshottambhai Pokar ***DIN:*** 03613602 ***Designation:*** Executive Director ***Address:*** 76, Suryaketu Township, Near Nehru Chokadi, Dehgam, Gandhinagar- 382 305, Gujarat, India. ***Occupation*:** Business ***Current term:*** Five years with effect from September 07, 2026 to September 06, 2031, liable to retire by rotation. ***Period of directorship:*** Since incorporation, i.e., March 23, 2016 ***Date of birth:*** December 11, 1982	43	***Indian Companies:*** ***Listed Companies:*** NIL ***Unlisted Companies:*** 1. Aaditya Paptech Private Limited 2. Imperial Tradex Private Limited 3. Aspiration Commercial Private Limited ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL
Name: Patel Nilesh Kumar Babubhai ***DIN:*** 07353395 ***Designation:*** Executive Director ***Address:*** 06, Shreenath Bunglows, Opp Umiya Temple, Dehgam, Gandhinagar- 382 305, Gujarat, India. ***Occupation*:** Business ***Current term:*** Five years with effect from September 07, 2026 to September 06, 2031, liable to retire by rotation**.** ***Period of directorship:*** Since incorporation, i.e., March 23, 2016 ***Date of birth:*** June 13, 1981	45	***Indian Companies:*** ***Listed Companies:*** NIL ***Unlisted Companies:*** NIL ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
Name: Dharaben Chirag Patel ***DIN:*** 11766325 ***Designation:*** Independent Director ***Address:*** 02, Yogi Parivar, Opp Mahakali Mandir, Himatnagar, Sabarkantha, Gujarat - 383 001, India ***Occupation*:** Professional ***Current term:*** Five years with effect from September 02, 2026 to September 01, 2031, not liable to retire by rotation ***Period of directorship:*** *Since September 02, 2026* ***Date of birth:*** November 3, 1989	36	***Indian Companies:*** ***Listed Companies:*** NIL ***Unlisted Companies:*** 1. Selloship Services Limited ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL
Name: Meeta Tejas Prajapati ***DIN:*** 11763673 ***Designation:*** Independent Director ***Address:*** Plot No. 179, Medows 2, Near Eklavya School, Sanathal, Ahmedabad, Gujarat – 382 210, India ***Occupation*:** Professional ***Current term:*** Five years with effect from September 02, 2026 to September 01, 2031, not liable to retire by rotation**.** ***Period of directorship:*** *Since September 02, 2026* ***Date of birth:*** December 23, 1986	39	***Indian Companies:*** ***Listed Companies:*** *NIL* ***Unlisted Companies:*** 1.Joel Educ Teck Private Limited ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL
Name: Shweta Mihir Panelia ***DIN:*** 09542909 ***Designation:*** Independent Director ***Address:*** 67, Akhandanand Society, Near Sardarbridge, Adajan, Surat, Gujarat - 395009, India ***Occupation*:** Professional ***Current term:*** Five years with effect from September 02, 2026 to September 01, 2031, not liable to retire by rotation ***Period of directorship:*** *Since September 02, 2026* ***Date of birth:*** *July 6, 1985*	41	***Indian Companies:*** ***Listed Companies:*** NIL ***Unlisted Companies:***1. Sujata Synthetics Limited ***Companies incorporated under Section 8 of Companies Act:*** NIL ***Foreign Companies:*** NIL

*Note: For more details see "*Risk Factor 64 – Our director has inadvertently obtained two DINs.*"

Brief Biographies of our Directors

Rahulkumar Abji Dholu is the Chairman & Managing Director of our Company. He has not received any formal education. He is responsible for business operations, management, commercial activities, financial matters, statutory compliances and strategic decision making. He has over 10 years of professional experience in the textile industry.

Radheshyam Parshottambhai Pokar is the Executive Director of our Company. He holds a bachelor's degree in the field of commerce from Gujarat University. He is responsible for overseeing Company's function relating to Human Resources, Purchase and Procurement and Administration. He has over 10 years of professional experience in the textile industry.

Patel Nilesh Kumar Babubhai is the Executive Director of our Company. He holds a diploma in civil engineering from Government Polytechnic, Himatnagar. He is responsible for operational and strategic leadership across the organization, directing day-to-day manufacturing operations, supply chain management and quality control systems across factory unit. He has over 10 years of professional experience in the textile industry.

Dharaben Chirag Patel is an Independent Director of our Company. She holds a bachelor's degree in the field of commerce from the Gujarat University. She is an associate member of the Institute of Company Secretaries of India. She is currently associated as Company Secretary of Farm Peace Limited and Independent Director in Selloship Services Limited. She was previously associated with Actymo Private Limited as its Company Secretary. She has over 6 years of professional experience in the secretarial practice.

Meeta Tejas Prajapati is an Independent Director of our Company. She holds a bachelor's and master's degree in the field of commerce from Gujarat University. She is an associate member of the Institute of Chartered Accountants of India. She is the proprietor of MTP & Co., Chartered Accountant firm. She has over 11 years of professional experience in finance and accounting.

Shweta Mihir Panelia is an Independent Director our Company. She holds a bachelor's and master's degree in the field of commerce from the Veer Narmad South Gujarat University, Surat. She is a fellow member of the Institute of Chartered Accountants of India. She is currently associated as an Independent Director in Sujata Synthetics Limited. She has over 10 years of professional experience in finance and accounting.

Relationship between our Directors and Key Managerial Personnel and Senior Management

None of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Arrangements or understanding with major shareholders, customers, suppliers or others

None of our Directors have been presently appointed or selected as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service contracts with Directors

Except the statutory benefits upon termination of their employment in our Company or superannuation, none of the Directors are entitled to any other benefit upon retirement or termination of employment or superannuation. There are no service contracts entered into with any Directors, which provide for benefits upon retirement or termination of employment.

Terms of appointment of Directors

Terms of appointment and remuneration of our Executive Directors

Rahulkumar Abji Dholu

Rahulkumar Abji Dholu is the Chairman & Managing Director of our Company and has been associated with our Company as a Executive Director since incorporation. He was appointed as the Chairman & Managing Director of our Company pursuant to the resolution passed by our Board at its meeting dated September 05, 2026 and the special resolution passed by our Shareholders on September 07, 2026, for a period of five years with effect from September 07, 2026 to September 06, 2031. He is entitled to the following remuneration and perquisites:

Component	Remuneration Details (in ₹ million)
Salary	3.6
Commission	Nil
Other benefits/ Perquisites	Nil

Radheshyam Parshottambhai Pokar

Radheshyam Parshottambhai Pokar is the Executive Director of our Company and has been associated with our Company as a Executive Director since incorporation. His term was fixed pursuant to the resolution passed by our Board at its meeting dated September 05, 2026 and the special resolution passed by our Shareholders on September 07, 2026, for a period of five years with effect from September 07, 2026 to September 06, 2031. He is entitled to the following remuneration and perquisites:

Component	Remuneration Details (in ₹ million)
Salary	3.6

Commission	Nil
Other benefits/ Perquisites	Nil

Patel Nilesh Kumar Babubhai

Patel Nilesh Kumar Babubhai is the Executive Director of our Company and has been associated with our Company as a Executive Director since incorporation. His term was fixed pursuant to the resolution passed by our Board at its meeting dated September 05, 2026 and the special resolution passed by our Shareholders on September 07, 2026, for a period of five years with effect from September 07, 2026 to September 06, 2031. He is entitled to the following remuneration and perquisites:

Component	Remuneration Details (in ₹ million)
Salary	3.6
Commission	Nil
Other benefits/ Perquisites	Nil

Our Company has paid the following compensation to our Executive Directors in Fiscal 2026:

S. No.	Name of Director	Total compensation (in ₹ million)
1.	Rahulkumar Abji Dholu	NIL
2.	Radheshyam Parshottambhai Pokar	1.26
3.	Patel Nilesh Kumar Babubhai	1.26

1. *Terms of appointment of our Independent Directors*

Our Independent Directors may be entitled to receive (i) sitting fees, as determined by our Board from time to time, for attending meetings of our Board and committees thereof; and (ii) reimbursements on account of out-of-pocket expenses as may be incurred by them for performing their duties as Directors, as applicable.

Pursuant to the resolution passed by our Board dated September 02, 2026, our Independent Directors are entitled to receive a sitting fee of ₹ 12,000, per meeting for attending meetings of the Board and various committees of our Board.

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable by our Company to our Directors.

Bonus or profit-sharing plan for Directors

Except as disclosed in the "*Our Management —Terms of appointment of Directors*" on page 287, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

The Articles of Association of our Company do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1	Rahulkumar Abji Dholu	2,325,000	6.37%
2	Radheshyam Parshottambhai Pokar	2,480,000	6.79%
3	Patel Nilesh Kumar Babubhai	2,130,000	5.83%
Total		**6,935,000**	**18.99%**

Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company. Our Independent Directors may be deemed to be interested to the extent of sitting fees, payable to them for attending meetings of our Board or Committees thereof. For further details, see *"Our Management — Terms of appointment of Directors"* on page 287.

Our Directors may be interested to the extent of their shareholding and the shareholding of their relatives or shareholding of entities in which they are associated as partners, promoters, directors, proprietors, members, trustees or beneficiaries or Equity

Shares that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members, trustees or beneficiaries, pursuant to the Offer, as applicable, in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business.

Other than as disclosed in "*Summary of Related Party Transactions*" on page 68, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to our Directors in respect of the contracts, agreements or arrangements which are proposed to be made with our Directors other than in the normal course of business.

Except in the ordinary course of business and as disclosed in this section and in *"Summary of Related Party Transactions"* on page 68, our Directors do not have any other business interest in our Company. Further, our Directors namely, Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai are interested to the extent of guarantees provided in connection with our borrowings. For further details, see "*Risk Factor 15 - Certain of the members of our Promoter Group, including our Promoters, have provided personal guarantees in connection with our borrowings. Our business, financial condition, results of operations and prospects may be adversely affected by the revocation of all or any of the guarantees provided by them in connection with our borrowings*" and "*Summary of Related Party Transactions*" on pages 35 and 68, respectively.

There are no conflicts of interest between our Directors and any lessors of immovable properties taken on lease by the Company (crucial for the operations of the Company).

There are no conflicts of interest between our Directors and any suppliers of raw materials and third party service providers (crucial for the operations of the Company).

Interest in promotion or formation of our Company

Except, Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai who are the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company as on the date of this Draft Red Herring Prospectus.

Interest as to property

Except as disclosed in *"History and Certain Corporate Matters"* on page 279 for Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai, none of our Directors are interested in any property acquired/leased by our Company in the preceding 3 years or proposed to be acquired by it.

Interest as to acquisition of land, construction of building or supply of machinery

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Loans to/from Directors

Our Directors have not availed any loans from our Company.

Our Directors, Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai have also extended personal guarantees in favour of our lender to secure the borrowings availed by our Company and may be deemed to be interested to that extent. For further details in relation to the borrowings by our Company, see "*Financial Indebtedness*" on page 363.

Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai, who is also our Promoter, may be deemed to be interested to the extent of unsecured loans provided by him to our Company. For further details, see "*Risk Factor 57 — Certain unsecured borrowings have been availed by us which may be recalled by lenders."*

Confirmations

None of our Directors is or was on the board of any listed company on any stock exchanges, during the five immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange(s) during their tenure as a director of such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the RBI.

None of our Directors has been declared Fugitive Economic Offender.

None of our Directors have been or are directors on the board of any listed companies which have been or were delisted from any stock exchange(s) during their tenure as a director of such company.

None of our Directors are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him/her to become, or to help him/her qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Except as disclosed below, none of the Directors, or Promoters or individuals forming part of the Promoter Group of our Company is appearing in the list of directors of struck-off companies:

Name of Promoter/Director	Name of Entity Struck off	Reason for Strike off
Radheshyam Parshottambhai Pokar	Accutech Plast Private Limited	Inoperation for period of 2 preceding financial years

For further details, see "*Risk Factor 31 —Our Director, Radheshyam Parshottambhai Pokar was disqualified to act as director under Section 164(2) of the Companies Act, 2013 in the past" on page 45.*

Changes in our Board of Directors during last 3 years

The changes in our Board during the 3 years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Director	Date of Change	Reason
1.	Meeta Tejas Prajapati	September 02, 2026	Appointed as Additional Independent Non-Executive Director
2.	Dharaben Chirag Patel	September 02, 2026	Appointed as Additional Independent Non-Executive Director
3.	Shweta Mihir Panelia	September 02, 2026	Appointed as Additional Independent Non-Executive Director
4.	Rahulkumar Abji Dholu	September 07, 2026	Appointed as Chairman & Managing Director
5.	Meeta Tejas Prajapati	September 07, 2026	Regularized as Independent Non-Executive Director
6.	Dharaben Chirag Patel	September 07, 2026	Regularized as Independent Non-Executive Director
7.	Shweta Mihir Panelia	September 07, 2026	Regularized as Independent Non-Executive Director

Borrowing powers of our Board of Directors

In accordance with the Articles of Association of our Company, and Section 180(1)(c) of the Companies Act, 2013, our Shareholders pursuant to a special resolution passed at their meeting dated September 07, 2026 authorised our Board to borrow any sum or sums of money for the purpose of business of the Company, notwithstanding that the monies to be borrowed together with the money already borrowed by the Company, may exceed the aggregate of paid up capital, free reserves and securities premium, provided however, the maximum amount must not exceed ₹ 10,000 million.

Corporate Governance

The provisions of the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, including those pertaining to the constitution of the Board and committees thereof and formulation of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

As on the date of filing of this Draft Red Herring Prospectus, our Board comprises of 6 Directors (including 3 women directors), of whom 3 are Executive Directors and 3 are Non-Executive Independent Directors (including 1 woman independent director).

Committees of our Board

Our Board has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

1. ***Audit Committee***
2. ***Nomination and Remuneration Committee***
3. ***Stakeholders' Relationship Committee***
4. ***Corporate Social Responsibility Committee***

Audit Committee

The Audit Committee of our Board was constituted by a resolution of our Board at their meeting held on September 02, 2026. The constitution of the Audit Committee is as follows:

Sr. No.	Name	DIN	Designation	Position in Committee
1.	Meeta Tejas Prajapati	11763673	Independent Director	Chairperson
2.	Dharaben Chirag Patel	11766325	Independent Director	Member
3.	Shweta Mihir Panelia	09542909	Independent Director	Member
4.	Radheshyam Parshottambhai Pokar	03613602	Executive Director	Member

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 (collectively referred to as the "Companies Act"), and Regulation 18 of the SEBI Listing Regulations.

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

Terms of Reference for the Audit Committee:

The Audit Committee shall be responsible for, among other things, from time to time, the following:

Role of Audit Committee

The role of the Audit Committee shall include the following:

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2) Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor and the fixation of the audit fee of the Company;
3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5) To approve the key performance indicators being included in the issue documents in connection with the proposed initial public offer by the Company;
6) Formulating a policy on related party transactions, which shall include materiality of related party transactions
7) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
    (b) Changes, if any, in accounting policies and practices and reasons for the same;
    (c) Major accounting entries involving estimates based on the exercise of judgment by management;
    (d) Significant adjustments made in the financial statements arising out of audit findings;
    (e) Compliance with listing and other legal requirements relating to financial statements;
    (f) Disclosure of any related party transactions; and
    (g) Modified opinion(s) in the draft audit report.
8) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
9) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement, etc.), the statement of funds utilised for purposes other than those stated in the issue document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
10) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed
11) Reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company or its subsidiaries pursuant to each of the omnibus approvals given;
12) Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions;
13) Scrutinising of inter-corporate loans and investments;

14) Valuation of undertakings or assets of the Company, wherever it is necessary;
15) Evaluating of internal financial controls and risk management systems;
16) Overseeing vigil mechanism established by the Company for directors and employees to report their genuine concerns or grievances, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
17) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
18) 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;
19) Discussing with internal auditors on any significant findings and follow up thereon;
20) 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;
21) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
22) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
23) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
24) Reviewing the functioning of the whistle blower mechanism;
25) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
26) Monitoring the end use of funds raised through public offers and related matters;
27) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
28) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
29) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;
30) Approval of related party transactions to which the subsidiary(ies) of the Company is party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, subject to such other conditions prescribed under the SEBI Listing Regulations;
31) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
32) Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Powers of the Audit Committee shall include the following:

The powers of the Audit Committee include the following:
1) To investigate any activity within its terms of reference;
2) To seek information from any employee;
3) To obtain outside legal or other professional advice; and
4) To secure attendance of outsiders with relevant expertise if it considers necessary.
5) Such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations

Reviewing Powers of the Audit Committee

The Audit Committee shall mandatorily review the following information:
1) Management's 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:
    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    (ii) annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations."
6) Review the financial statements, in particular, the investments made by any unlisted subsidiary;
7) Such information as may be prescribed under the Companies Act, 2013, as amended and SEBI Listing Regulations

__Nomination and Remuneration Committee__

The Nomination and Remuneration Committee of our Board was constituted by a resolution of our Board at their meeting held on September 02, 2026. The constitution of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name	DIN	Designation	Position in Committee
1.	Dharaben Chirag Patel	11766325	Independent Director	Chairperson
2.	Meeta Tejas Prajapati	11763673	Independent Director	Member
3.	Shweta Mihir Panelia	09542909	Independent Director	Member

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act as amended, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 (collectively referred to as the "Companies Act"), Regulation 19 of the SEBI Listing Regulations, and the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed.

Terms of Reference for the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following

1) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
   i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
2) For every appointment of an independent director, 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 Nomination and Remuneration Committee may:
   i. use the services of an external agencies, if required;
   ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   iii. consider the time commitments of the candidates.
3) Formulating of criteria for evaluation of the performance of the independent directors and the Board;
4) Devising a policy on Board diversity;
5) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
8) Analysing, monitoring and reviewing various human resource and compensation matters;
9) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10) Determining all remuneration/ compensation levels, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
11) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
13) Administering monitoring and formulating detailed terms and conditions the employee stock options scheme/ plan approved by the board and the members of the company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any.
14) Construing and interpreting the ESOP Schemes and any agreements defining the rights and obligations of the company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations

relating to the administration of the ESOP Schemes

15) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
16) evaluation and recommendation of termination of appointment of directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
17) making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel;
18) periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
19) authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;
20) ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act;
21) developing a succession plan for our Board and senior management and regularly reviewing the plan;
22) ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company
23) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
24) Recommend to the Board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of our Board was constituted by a resolution of our Board at their meeting held on September 02, 2026. The constitution of the Stakeholders' Relationship Committee is as follows:

Sr. No.	Name	DIN	Designation	Position in Committee
1.	Shweta Mihir Panelia	09542909	Independent Director	Chairperson
2.	Patel Nilesh Kumar Babubhai	07353395	Executive Director	Member
3.	Dharaben Chirag Patel	11766325	Independent Director	Member
4.	Radheshyam Parshottambhai Pokar	03613602	Executive Director	Member

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations.

Terms of Reference for the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by theunder applicable law, the following:

1) considering and specifically looking into various aspects of interests of shareholders, debenture holders and other security holders;
2) redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares or debentures, non-receipt of share or debenture certificates, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
3) reviewing measures taken for effective exercise of voting rights by the shareholders;
4) investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities;
5) reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;
6) reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
7) formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
8) approving, registering, refusing to register transfer or transmission of shares and other securities;
9) giving effect to all allotments, transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;
10) issuing duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

11) Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and other covenants; and
12) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

Corporate Social Responsibility Committee

The Board was informed that a Corporate Social Responsibility Committee of the Board is re-constituted by a resolution of our Board at their meeting held on September 02, 2026 in compliance with Section 135 of the Companies Act, 2013. Thus, in supersession of and in modification of the resolution passed by the Board on April 15, 2023 and in compliance with the provisions of Section 135 of the Companies Act, 2013, as amended, the board of directors of the Company re-constituted the "Corporate Social Responsibility Committee" committee to carry out such functions as may be required, consisting of the following members, namely:

Sr. No.	Name	DIN	Designation	Position in Committee
1.	Radheshyam Parshottambhai Pokar	03613602	Executive Director	Chairperson
2.	Patel Nilesh Kumar Babubhai	07353395	Executive Director	Member
3.	Dharaben Chirag Patel	11766325	Independent Director	Member
4.	Shweta Mihir Panelia	09542909	Independent Director	Member

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, as amended, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable law, and the SEBI Listing Regulations, as amended, and the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed.

Terms of Reference for the Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee shall be responsible for, among other things, as may be required by the applicable law, the following:

1) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken by the Company in areas or subject as specified in Schedule VII of the Companies Act, 2013, as amended;
2) formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects.
3) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
5) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
6) To review and recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years;
7) To monitor the CSR Policy and its implementation by the Company from time to time;
8) assistance to the Board to ensure that the Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act;
9) providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
10) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

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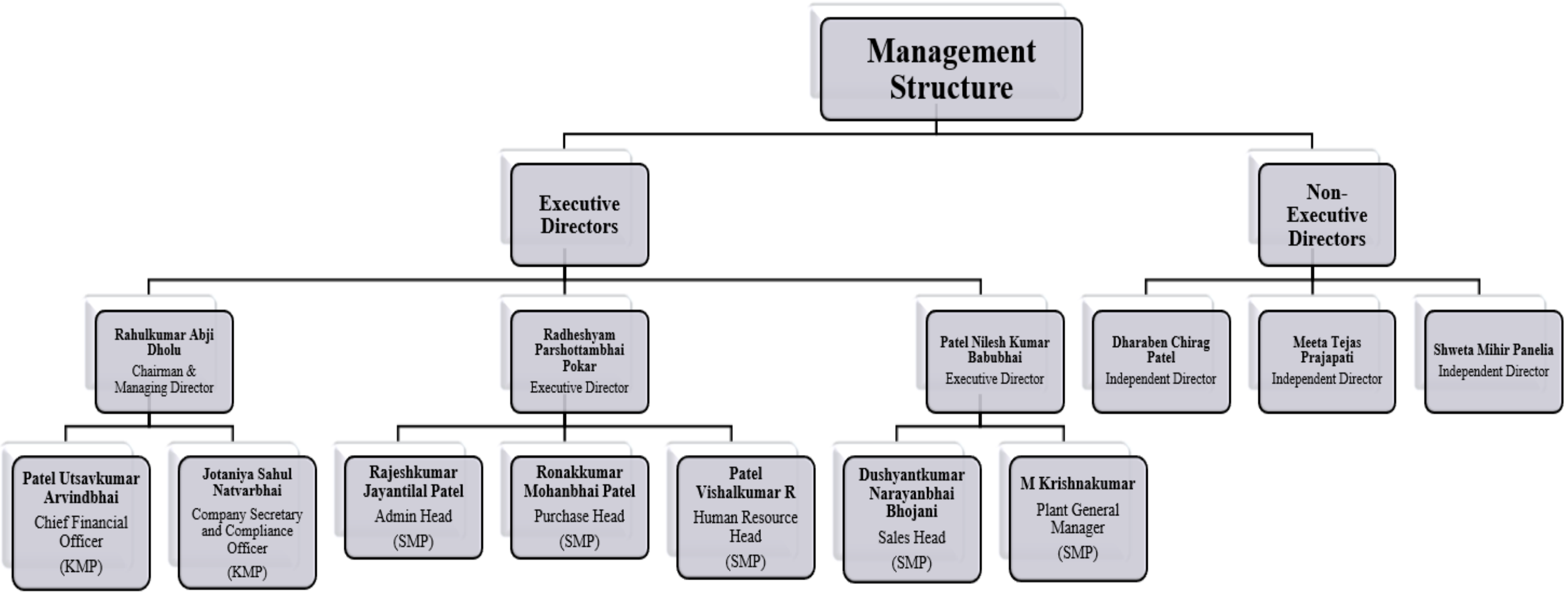
MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel and Senior Management of our Company

In addition to our Chairman & Managing Director, Executive Directors and Independent Directors, whose details are provided in "*Our Management —Brief Biographies of our Directors*" on page 286, the details of our other Key Managerial Personnel and members of the Senior Management as of the date of this Draft Red Herring Prospectus are set out below:

Key Managerial Personnel

The details of our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus, are as follow:
1. Patel Utsavkumar Arvindbhai – Chief Financial Officer
2. Jotaniya Sahul Natvarbhai – Company Secretary and Compliance Officer

Brief profiles of our Key Managerial Personnel

Patel Utsavkumar Arvindbhai is the Chief Financial Officer of our Company. He has been associated with our Company as CFO since September 02, 2026. He holds a bachelors' and masters' degree in field of Commerce from Sardar Patel University. He is responsible for all accounting and financial matters including internal auditing of our Company. Prior to joining our Company, he was associated with Packaging Solutions and Sayaji Industries Limited. He has over 3 years of professional experience in the accountant practice. He did not receive any remuneration from our Company as CFO in Fiscal 2026, as he was appointed as CFO of the Company in Fiscal 2027.

Jotaniya Sahul Natvarbhai is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since August 10, 2026. He holds a bachelor's degree in business administration from Gujarat University, a master's degree in business administration - HR Specialization from Gujarat University. He is an associate member of the Institute of Company Secretaries of India. He is responsible for ensuring regulatory compliance and governance in our Company. Prior to joining our Company, he was associated with Religo Capital Advisors Private Limited, Napbooks Limited and Bright Solar Limited. He has over 8 years of experience in the secretarial practice. He did not receive any remuneration from our Company in Fiscal 2026, as he joined our Company in Fiscal 2027.

Senior Management

The details of the members of our Senior Management as on the date of this Draft Red Herring Prospectus, are as follow:
1. Dushyantkumar Narayanbhai Bhojani – Sales Head
2. Ronakkumar Mohanbhai Patel – Purchase head
3. Rajeshkumar Jayantilal Patel – Admin Head
4. Patel Vishalkumar R – Human Resource Head
5. M Krishnakumar – Plant General Manager

Brief Profiles of our Senior Management

Dushyantkumar Narayanbhai Bhojani is the Sales Head of our Company. He has been associated with our Company since April 01, 2016. He holds a bachelor's degree in business administration from Hemchandracharya North Gujarat University, a master's degree in business administration from Sikkim Manipal University of Health, Medical and Technological Sciences and a course completion certificate for post graduate diploma in management from IDEA Institute of Management and Technology, Gujarat. He is responsible for handling sales of cotton and blended yarn across domestic markets, managing buyer negotiations, developing and maintaining client relationships of the company. He has over 10 years of experience in our Company. For Fiscal 2026, he was paid an aggregate compensation of ₹ 0.9 million.

Ronakkumar Mohanbhai Patel is the Purchase Head of our Company. He has been associated with our Company June 11, 2019. He holds a bachelors' degree field of arts from Hemchandracharya North Gujarat University, Patan. He is responsible for sourcing raw cotton, cotton bales, and yarn, finalizing rates, credit terms and delivery schedules, identifying vendors, and keeping track of market movements and stock positions to plan purchases cost-effectively. He has over 7 years of experience in our Company. For Fiscal 2026, he was paid an aggregate compensation of ₹ 0.9 million.

Rajeshkumar Jayantilal Patel is the Admin Head of our Company. He has been associated with our Company since April 01, 2016. He holds a bachelors' degree in field of science from North Gujarat University. He is responsible for managing administrative functioning of the factory and office premises of our Company. He has over 10 years of experience in our Company. For Fiscal 2026, he was paid an aggregate compensation of ₹ 0.9 million.

Patel Vishalkumar R is the Human Resource Head of our Company. He has been associated with our Company as since October 27, 2023. He holds a bachelors' degree in field of arts from Gujarat University. He is responsible for managing the recruitment cycle covering hiring, overseeing salary and leaves, attending to labour law compliances, handling employee welfare, grievances and training activities of our Company. He has over 2 years of experience in our Company. For Fiscal 2026, he was paid an aggregate compensation of ₹ 0.39 million.

M Krishnakumar is the Plant General Manager of our Company. He has been associated with our Company since May 01, 2024. He holds a bachelors' degree in business administration from Madurai Kamaraj University, a master's degree in business administration from Madurai Kamaraj University and a diploma in textile technology from State Board of Technical Education and Training. He is responsible for overseeing the entire spinning operation, planning and monitoring production of yarn, maintaining quality parameters, and adherence to safety norms of our Company. Prior to joining our Company, he was associated with Dhruv Cotton Processing Private Limited, Armstrong Spinning Mills (P) Limited, Diamond Textiles Private Limited. He has 14 years of experience in the textile industry. For Fiscal 2026, he was paid an aggregate compensation of ₹ 1.36 million.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel or Senior Management Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Status of Key Managerial Personnel and Senior Management

As on the date of this Draft Red Herring Prospectus, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Attrition of Key Managerial Personnel and Senior Management vis-à-vis industry

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

Shareholding of Key Managerial Personnel and Senior Management in our Company

As on the date of this Draft Red Herring Prospectus, except as provided under *"Capital Structure - Details of the Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel"* on page 108, and disclosed below, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Sr. No.	Name of Key Managerial Personnel / Senior Management	Number of Equity Shares held	Percentage of Pre-Issue Equity Share capital (%)
1.	Dushyantkumar Narayanbhai Bhojani	775,000	2.12%
2.	Ronakkumar Mohanbhai Patel	620,000	1.70%
3.	Rajeshkumar Jayantilal Patel	620,000	1.70%
Total		**2,015,000**	**5.52%**

Interest of Key Managerial Personnel and Senior Management of our Company

Except as disclosed in "*Our Management - Interest of Directors*", and "*Our Management - Payment or benefit to Key Managerial Personnel and Senior Management*" on page 288 and 299, respectively, and other than to the extent of (i) the remuneration (including any variable pay or performance-linked incentives, perquisites or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business; and (ii) the Equity Shares held by them or their relatives, if any, dividend payable to them on such shareholding, and other benefits arising out of such shareholding, our Key Managerial Personnel and Senior Management do not have any interests in our Company.

Our Key Managerial Personnel and Senior Management do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Relationship among Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other.

Contingent and deferred compensation payable to our Key Managerial Personnel or Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management have been appointed as Key Managerial Personnel and Senior Management, respectively

None of our Key Managerial Personnel or Senior Management have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contracts with Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel or Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management

Other than as disclosed in "*Our Management - Changes in our Board of Directors during last 3 years*" on page 290, the changes in other Key Managerial Personnel and Senior Management in the preceding 3 years are as follows:

Sr. No.	Name	Date of appointment/ Change/ Cessation	Reason
1.	Divya Goswami	September 01, 2020	Appointment as Company Secretary
2.	Divya Goswami	January 01, 2025	Resignation as Company Secretary
3.	Monali Makhija	January 01, 2025	Appointment as Company Secretary
4.	Monali Makhija	July 01, 2025	Resignation as Company Secretary
5.	Himani Jain	August 01, 2025	Appointment as Company Secretary
6.	Himani Jain	April 30, 2026	Resignation as Company Secretary
7.	Jotaniya Sahul Natvarbhai	August 10, 2026	Appointment as Company Secretary & Compliance officer
8.	Patel Utsavkumar Arvindbhai	September 02, 2026	Appointment as Chief Financial Officer (CFO)
9.	Dushyantkumar Narayanbhai Bhojani	September 05, 2026	Appointment as Senior Managerial Personnel
10.	Rajeshkumar Jayantilal Patel	September 05, 2026	Identified as Senior Managerial Personnel
11.	Ronakkumar Mohanbhai Patel	September 05, 2026	Identified as Senior Managerial Personnel
12.	Patel Vishalkumar R	September 05, 2026	Identified as Senior Managerial Personnel
13.	M Krishnakumar	September 05, 2026	Identified as Senior Managerial Personnel

Payment or benefit to Key Managerial Personnel and Senior Management

Except as disclosed in this *"Our Management - Terms of appointment of Directors*" and *"Summary of Related Party Transactions"* on page 287 and 68, no non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management, within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders.

Conflict of Interest of Key Managerial Personnel and Senior Management

There is no conflict of interest between our Key Managerial Personnel and Senior Managerial Personnel and the suppliers of raw materials and third-party service providers (which are crucial for operations of the Company).

There is no conflict of interest between our, Key Managerial Personnel, Senior Managerial Personnel and lessors of the immovable properties (which are crucial for the operations of our Company).

Employee Stock Option Plan

Our Company has not formulated any employee stock option scheme as on the date of this Draft Red Herring Prospectus.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Rahulkumar Abji Dholu, Radheshyam Parshottambhai Pokar and Patel Nilesh Kumar Babubhai are the Promoters of our Company.

As at the date of this Draft Red Herring Prospectus, our Promoters' collectively hold 69,35,000 Equity Shares of face value of ₹ 10 each, equivalent to 18.98% of the pre-Issue, issued, subscribed and paid-up Equity Share capital of our Company on fully diluted basis, as set out below:

Sr. No.	Name of the Promoter	Number of Equity Shares	Percentage of the pre-Issue Equity Share capital (%)	Percentage of the pre-Issue Equity Share capital on a fully diluted basis* (%)
1.	Rahulkumar Abji Dholu	23,25,000	6.37	6.37
2.	Radheshyam Parshottambhai Pokar	24,80,000	6.79	6.79
3.	Patel Nilesh Kumar Babubhai	21,30,000	5.83	5.83
	Total	**69,35,000**	**18.99**	**18.99**

For further details in relation to the build-up of the shareholding of our Promoters in our Company, see "*Capital Structure — Build-up of Promoters' Equity shareholding in our Company* " on page 104.

Details of our Promoters

Rahulkumar Abji Dholu, aged 43 years, is one of the Promoters and Chairman & Managing Director of our Company.

Address: D-401, Mahalaxmi Royal Palace, B/h Swagat Rain 1, Kudasan, Gandhinagar – 382 421, Gujarat, India.

Date of Birth: July 09, 1983

His permanent account number is **AEXPD6118H**.

Nationality: Indian

For the complete profile of Rahulkumar Abji Dholu, i.e. his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management—Board of Directors*" and "*Our Management—Brief Biographies of our Directors*" on pages 285 and 286, respectively.

	**Radheshyam Parshottambhai Pokar**, aged 43 years, is one of our Promoters and Executive Director of our Company. **Address**: 76, Suryaketu Township, Naheru Chokadi, Dehgam, Gandhinagar – 382 305, Gujarat, India. **Date of Birth**: December 11, 1982 **Nationality**: Indian His permanent account number is **AOXPP4674G**. For the complete profile of Radheshyam Parshottambhai Pokar, i.e. his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management—Board of Directors*" and "*Our Management—Brief Biographies of our Directors*" on pages 285 and 286, respectively.
	**Patel Nilesh Kumar Babubhai**, aged 45 years, is one of our Promoters and Executive Director of our Company. **Address**: 06, Shreenath Bunglows, Opp. Umiya Temple, Dehgam, Gandhinagar - 382 305, Gujarat, India **Date of Birth**: June 13, 1981 **Nationality**: Indian His permanent account number is **AKQPP6460R**. For the complete profile of Patel Nilesh Kumar Babubhai, i.e. his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "*Our Management—Board of Directors*" and "*Our Management—Brief Biographies of our Directors*" on pages 285 and 286, respectively.

Our Company confirms that the permanent account number, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of each of the Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

As on the date of filing this Draft Red Herring Prospectus, our company has no corporate promoter.

Change in control of our Company

Our Promoter are the original promoters of our Company.

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

Interests of our Promoters

The Promoters are interested in our Company to the extent (i) that they are the promoters of our Company, (ii) of the shareholding held by them or their relatives, directly or indirectly and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company; (iv) to the extent of personal guarantees extended in relation to certain loans availed by the Company; (v) to the extent that they are appointed as Directors on the Board of our Company and the remuneration, sitting fees or reimbursement of expenses payable by our Company to them. For further details of shareholding of our Promoters and the Promoter Group, see "*Capital Structure – Details of shareholding of our Promoters and the members of our Promoter Group in the Company*" on page 102. Additionally, they may be interested in any transactions or business arrangements undertaken by our Company with the Promoters, or their relatives or entities in which the Promoters or their relatives hold shares or which is controlled by them. For further details in relation to the interest of our Promoters, see "*Restated Financial Information – Notes to the Restated Financial Information – Note 47 – Related Party Disclosures*" on page 358.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in which our Promoters is interested as a member, in cash or shares or otherwise by any person either to induce any such person to become, or qualify him as a director, or otherwise for services rendered by such person or by such firm or company in connection with the promotion or formation of our Company.

Payment or benefits to Promoters or Promoter Group

Except as stated in "*Other Financial Information*", "*Our Management—Terms of appointment of and remuneration paid to Directors*", "*Our Management—Interest of our Directors*" and "*Restated Financial Information – Notes to the Restated Financial Information – Note 47 – Related Party Disclosures*" on pages 361, 288 and 358, respectively, there has been no payment or benefit by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as at the date of this Draft Red Herring Prospectus.

Other ventures of our Promoters

Other than as disclosed in "*Promoter Group – Entities forming part of promoter group" and* "*Our Management - Board of Directors*" on page 303 and 285, our Promoters are not involved in any other ventures. Further, other than Surya Future Tradewing LLP and Rudra Future Tradewing LLP which are in the similar line of business as our Company, our Promoters do not have any direct interest in any venture that is involved in the same line of activity or business as conducted by our Company.

Interest in property, land, construction of building and supply of machinery

Other than as disclosed in "*Our Management—Interest of our Directors*" and in "*Restated Financial Information – Notes to the Restated Financial Information – Note 47 – Related Party Disclosures*" on pages 288 and 358, respectively, our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft 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. For details in relation to properties leased from our Promoters, see "*Risk Factor 21 - Our Promoters, Promoter Group, Directors, Group Companies, Key Managerial Personnel, Senior Management of our Company may enter into ventures that may lead to real or potential conflicts of interest with our business. Further, our Promoters and Directors have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits. Additionally, Surya Future Tradewing LLP, to which our Company sells its products and purchases goods, are enabled under their constitutional documents to carry on activities similar to those of our Company. Any real or potential conflicts of interest that may arise in this regard may materially adversely impact our business, financial condition, results of operations and cash flows*." and "*Our Business - Properties*" on pages 38 and 268, respectively.

Companies or firms with which our Promoters have disassociated in the last 3 years

Our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus.

For other relevant confirmations in relation to our Promoters and members of our Promoter Group, see "*Other Regulatory and Statutory Disclosures*" on page 404.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

Promoter Group

The individuals and entities that form a part of the Promoter Group of our Company (excluding our Promoters) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons forming part of our Promoter Group

S. No.	Name of the individual	Relationship with the Promoter
Rahulkumar Abji Dholu		
1.	Pinalben Rahulkumar Dholu	Spouse
2.	Dholu Shantaben Abji	Mother
3.	Abji Karamshi Dholu	Father
4.	Kalpesh Abji Dholu	Brother(s)
5.	Rudra Rahulkumar Dholu Veevan Rahulkumar Dholu	Son(s)
6.	Patel Niruben	Spouse's Mother
7.	Patel Manilal Chhaganbhai	Spouse's Father
8.	Patel Zarnaben Manilal Khushbuben Mayurkumar Patel	Spouse's Sister(s)
Radheshyam Parshottambhai Pokar		
1.	Archanaben R Pokar	Spouse
2.	Taraben Parshottambhai Patel	Mother
3.	Parshottambhai Khimjibhai Patel	Father
4.	Patel Bhavikaben Bhautikkumar	Sister(s)
5.	Harsh Radheshyam Pokar	Son(s)
6.	Patel Pushpaben	Spouse's Mother
7.	Patel Ishwarbhai Karamshibhai	Spouse's Father
8.	Patel Mehulkumar Ishwarbhai	Spouse's Brother(s)
9.	Bhojani Pragnaben Dushyantkumar	Spouse's Sister(s)
Patel Nilesh Kumar Babubhai		
1.	Ramani Shilaben	Spouse
2.	Patel Lilaben Babulal	Mother
3.	Babubhai Lalji Patel	Father
4.	Mukesh B Patel	Brother(s)
5.	Patel Shivansh Nileshkumar	Son(s)
6.	Patel Jeeya Nileshkumar Patel Vaishnavi Nileshkumar Patel Krinshi Nileshkumar	Daughter (s)
7.	Patel Amrutben Natvarlal	Spouse's Mother
8.	Natvarlal Hanshraj Patel	Spouse's Father
9.	Patel Yogesh Natvarlal	Spouse's Brother(s)
10.	Meetaben Yogeshbhai Patel Hansha	Spouse's Sister(s)

Entities forming part of the Promoter Group

The companies, body corporates, firms & HUFs forming part of our Promoter Group are as follows:

Companies/LLPs

1. Rudra Future Tradewing LLP
2. Surya Future Tradewing LLP
3. Mahalaxmi Spaces LLP
4. Ecosky Green Energy LLP
5. Imperial Tradex Private Limited
6. Aaditya Paptech Private Limited
7. Orbit Paper Traders Private Limited
8. Aspiration Commercial Private Limited
9. Mahalaxmi Infracontract Limited
10. Veevan Green Energy LLP
11. Mahalaxmi Inframining LLP
12. Skyfame Steel LLP
13. PC Patel Mahalaxmi Simplex Consortium Private Limited
14. PCP Mil Mining Private Limited
15. MIPL GCL Infracontract Private Limited
16. Mahalaxmi Contracts Private Limited
17. AMPL-MIPL-GCL Private Limited
18. Mahalaxmi PC Patel Consortium Private Limited
19. PC Patel Mahalaxmi Infra LLP
20. Imperial Tradex Private Limited
21. K&M Contract LLP

Firms

1. KLP Enterprise Partnership
2. Gokuldham Developers
3. Maruti Construction Co
4. Uma Developers
5. Shree Uma Projects
6. Narayan Developers
7. Mahalaxmi Capitax

HUFs

1. Abjibhai Karamshibhai Dholu (HUF)
2. Kalpesh Abjibhai Dholu (HUF)
3. Abhjibhai Karamshibhai Dholu (HUF)

Trusts

Nil

Sole Proprietorships

Nil

Other Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or director of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018.

Except as disclosed in "*Restated Financial Information*" on page 307, our Promoters have no conflict of interest with the suppliers of raw materials and third-party service providers (crucial for operations of the Company).

Except as disclosed in "*History and Certain Corporate Matters – Other Confirmations*", there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial to operations of our Company) and our, Promoters and Promoter Group.

Except as disclosed in "*History and Certain Corporate Matters – Other Confirmations*", there is no conflict of interest between the lessors of the immovable properties (which are crucial for operations of the Company) and our Company, Promoters and Promoter Group.

(*Remainder of this page has been intentionally left blank*)

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies" includes (i) such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the Issue documents, as covered under the applicable accounting standards, and also (ii) other companies as considered material by the board of the issuer.

Accordingly, for (i) above, all such companies with which the Company had related party transactions during the period covered in the Restated Financial Information, as covered under the Indian Accounting Standard (Ind AS) 24, shall be considered as 'Group Companies', in accordance with the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy, for the purposes of point no. (ii) above, such companies (other than the companies covered under the schedule of related party transactions included in the Restated Financial Information and the companies categorised under (i) above) which are members of the promoter group, in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and with which the Company has entered into transactions during the most recent completed financial year/and the relevant stub period (as applicable) as per the Restated Financial Information, and which individually or in the aggregate, in value, exceeds 10% of the restated total revenue from operations of the Company for the last completed full financial year or relevant stub period as per the Restated Financial Information, will be considered material and disclosed as a "group company" in the Issue Documents.

Accordingly, based on the above, our Company does not have any group company, as on the date of this Draft Red Herring Prospectus.

(*Remainder of this page has been intentionally left blank*)

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and/or approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the applicable law, including the Companies Act. The dividend policy of our Company was adopted and approved by our Board in its meeting held on September 02, 2026.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. In terms of our Dividend Policy, our Board shall consider, inter alia, the following financial, internal and external parameters while declaring or recommending dividends to our Shareholders: (i) profits of the Company; (ii) past dividend pattern; (iii) major capital expenditure to be incurred by the Company; (iv) cash flow requirements of our Company; (v) debt-equity ratio; (vi) cost of borrowing keeping in view the growth opportunities; (vii) debt obligations of the Company; (viii) Investments in new business; (ix) regulatory requirements; (x) economic environment; (xi) political/geographical situations; (xii) inflation rate; (xiii) industry outlook for future; and (xiv) any other relevant factors and material events as may be deemed fit by our Board.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details on restrictive covenants under our loan agreements, see "*Financial Indebtedness*" on page 363.

Our Company has not declared or paid any dividends during the Fiscals ended 2026, 2025 and 2024 preceding the date of this Draft Red Herring Prospectus and from April 1, 2026, until the date of this Draft Red Herring Prospectus.

Our Company may from time to time, pay interim dividends. Our past practices in relation to declaration of dividend and, or the amount of dividend paid is not necessarily indicative of our future dividend declaration. Bidders are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares issued in the Issue. There is no guarantee that any dividends will be declared or paid on Equity Shares or with any frequency, in the future.

For further details, see "*Risk Factor* 58 – *Our Company has not paid dividends during the last three Fiscals and during the current Fiscal. There can be no assurance that our Company will be in a position to pay dividends in the future. 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*." on page 60.

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SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED FINANCIAL INFORMATION

To,
The Board of Directors,
Rudra Cottex Limited (formerly known as "Rudra Cottex Private Limited")
403, Satyamev Eminence, B/S. Saptak Bungalows,
Science City Road, Sola, Ahmedabad,
Gujarat, India, 380060

Dear Sirs,

1. We, Mistry & Shah LLP, Chartered Accountants have examined the attached Restated Financial Information of Rudra Cottex Limited (formerly known as Rudra Cottex Private Limited) (the "**Company**") comprising the Restated Statement of Assets and Liabilities as at March 31, 2026, March 31, 2025 and March 31, 2024, the Restated Statements of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the year ended March 31, 2026, March 31, 2025 and March 31, 2024, the Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Financial Information**"), (as required by section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014) , as approved by the Board of Directors of the Company at their meeting held on 17th September 2026 for the purpose of inclusion in the Draft Red Herring Prospectus (**"DRHP"**) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (IPO) prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (**the "Act**");

    b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**");

Management's Responsibility for the Restated Financial Information:

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Securities and Exchange Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the Registrar of Companies, Ahmedabad, Gujarat ("ROC"), in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note No. 2.1 of the Restated Financial Information**.** The responsibility of Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also

responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 14th June 2026 in connection with the proposed IPO of equity shares of the Company;

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, the Guidance Note and the SEBI e-mail in connection with the proposed IPO.

Restated Financial Information

4. These Restated Financial Information have been compiled by the management from:

   a) Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2025 and March 31, 2024, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India along with the presentation requirements of Division II of Schedule III to the Act (IND AS Compliant Schedule III) as applicable, which were prepared by the Company after taking into consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their meeting held on 8th September 2026.

   b) Audited Financial Statements of the company as at and for the year ended 31 March 2026, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India along with the presentation requirements of Division II of Schedule III to the Act (IND AS Compliant Schedule III) as applicable, which have been approved by the Board of Directors at their meeting held on 8th September 2026.

   c) Audited Special Purpose Ind AS financial statements of the company as at and for the period ended 31 March 2025 and 31 March 2024 which were prepared by the Company after taking into consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their Board meeting held on meeting held on 8th September 2026.

For the financial year ended March 31, 2025 and March 31, 2024, the company prepared its statutory financial statements in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021, as amended, specified under Section 133 of the Act ("Indian GAAP") due to which the special purpose financial statements were prepared to comply with the SEBI ICDR Regulations, the Guidance Note and SEBI E-mail.

The special purpose Ind AS financial statements have been prepared after making suitable adjustments to the audited Indian GAAP financial statements of the company as at and for the year ended March 31, 2025 and March 31, 2024 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").

Auditor's Report

5. For the purpose of our examination, we have relied on:

    a) Auditor's report issued by us dated 8th September 2026 on the special purpose financial statements of the Company as at and for the year ended March 31, 2025 and March 31, 2024 as referred in Paragraph 4 (a) above.

    b) Auditor's report issued by us dated 8th September 2026 on the Ind AS financial statements of the Company as at and for the year ended March 31, 2026 as referred in Paragraph 4 (b) above.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

    a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at year ended on March 31, 2026;

    b) There are no qualifications in the auditor's reports on the Audited Financial Statements of the Company as at and for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 which require any adjustments to the Restated Financial Information; and

    c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports mentioned in Paragraph 5.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock Exchanges and ROC, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, Mistry & Shah LLP
Chartered Accountants
FRN: W100683

CA Ketan Mistry
Partner
Membership No. 112112
UDIN: 26112112EHWGQY8986

Date: 17th September 2026
Place: Ahmedabad

Rudra Cottex Limited

(Formerly known as "Rudra Cottex Private Limited")
CIN: U13111GJ2016PLC086570
Registered office: 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, India, 380060

Annexure I - Restated Statement of Assets and Liabilities
(All amount in Rs. millions, unless otherwise stated)

Particulars	Note No	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	809.81	882.92	910.19
Capital work in progress	4	48.96	-	-
Other Intangible Assets	5	0.13	-	-
Right-of-use Assets	6	9.60	-	-
Financial Assets				
Other financial assets	7	37.30	30.04	26.08
Other non current assets	8	184.71	10.00	0.11
Total Non-current Assets		**1,090.52**	**922.96**	**936.38**
Current assets				
Inventories	9	832.67	823.40	855.16
Financial Assets				
Investments	10	15.68	15.32	14.77
Trade receivables	11	822.89	349.72	47.92
Cash and cash equivalents	12	11.16	2.09	1.44
Bank balances other than cash and cash equivalents	13	4.66	-	-
Other financial assets	14	108.18	64.46	40.23
Other current assets	15	25.32	52.27	110.55
Total Current Assets		**1,820.56**	**1,307.26**	**1,070.07**
Total Assets		**2,911.08**	**2,230.22**	**2,006.45**
EQUITY and LIABILITIES				
Equity Share Capital	16	310.00	310.00	310.00
Other Equity	17	977.70	646.80	408.41
Total Equity		**1,287.70**	**956.80**	**718.41**
Non-current liabilities				
Financial Liabilities				
Borrowings	18	225.70	207.57	349.07
Lease liabilities	19	8.32	-	-
Provisions	20	10.35	5.85	3.52
Deferred tax liabilities net	21	96.74	99.82	91.70
Total Non-current liabilities		**341.11**	**313.24**	**444.29**
Current liabilities				
Financial Liabilities				
Borrowings	18	917.53	659.55	636.36
Lease liabilities	19	0.79	-	-
Trade Payables	22			
- total outstanding dues of micro enterprises and small enterprises		47.34	29.92	53.18
- total outstanding dues of others		160.26	165.24	108.06
Other Financial liabilities	23	7.68	6.26	5.23
Other current liabilities	24	5.49	6.90	2.30
Provisions - current	25	143.18	92.31	38.62
Total Current liabilities		**1,282.27**	**960.18**	**843.75**
Total liabilities		**1,623.38**	**1,273.42**	**1,288.04**
Total Equity and Liabilities		**2,911.08**	**2,230.22**	**2,006.45**

See accomplying notes to restated financial Information

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

For and on behalf of Board of Directors,
Rudra Cottex Limited
(CIN: U13111GJ2016PLC086570)

CA Ketan Mistry
Partner
Membership No: 112112

Radheshyam Pokar
Director
DIN: 03613602

Nilesh Patel
Director
DIN: 07353395

Rahul Dholu
Managing Director
DIN: 07327045

Utsav Patel
Chief Financial Officer

Sahul Jotaniya
Company Secretary

Place: Ahmedabad
Date: 17 September, 2026

Place: Ahmedabad
Date: 17 September, 2026

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
CIN: U13111GJ2016PLC086570
Registered office: 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, India, 380060

Annexure II - Restated Statement of Profit and Loss
(All amount in Rs. millions, unless otherwise stated)

Particulars	Note No	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Income				
Revenue From Operations	26	3,453.33	2,761.83	2,223.54
Other Income	27	4.41	4.00	3.48
Total Income		**3,457.74**	**2,765.83**	**2,227.02**
Expenses				
Cost of materials consumed	28	1,366.95	1,364.59	852.46
Purchases of Stock-in-Trade	29	1,205.43	631.38	921.22
Changes in inventories of finished goods, Stock in Trade and work in progress	30	61.90	56.60	(32.43)
Employee benefits expense	31	58.36	52.76	49.48
Finance costs	32	125.69	118.48	116.31
Depreciation and amortization expense	33	73.91	71.33	71.38
Other expenses	34	112.52	117.10	112.68
Total Expenses		**3,004.77**	**2,412.24**	**2,091.10**
Profit/(loss) before tax (I-II)		**452.97**	**353.59**	**135.92**
Tax expenses	35			
Current tax		126.50	106.33	34.71
Deferred tax		(3.42)	8.31	1.24
Total Tax expense		123.08	114.64	35.95
Profit/(loss) after tax for the period (III-IV)		**329.89**	**238.95**	**99.97**
Other Comprehensive Income				
OCI that will not be reclassified to P&L	36	1.35	(0.75)	1.15
Income Tax Relating to items that will not be Reclassified to P&L		(0.34)	0.19	(0.29)
OCI that will be reclassified to P&L		-	-	-
Income Tax Relating to items that will be Reclassified to P&L		-	-	-
Total Other Comprehensive Income (VI)		**1.01**	**(0.56)**	**0.86**
Total Comprehensive Income for the period		**330.90**	**238.39**	**100.83**
Earnings per equity share				
Basic	39	10.64	7.71	3.22
Diluted		10.64	7.71	3.22

See accomplying notes to restated financial Information

For Mistry & Shah LLP	**For and on behalf of Board of Directors,**				
Chartered Accountants	Rudra Cottex Limited				
FRN: W100683	(CIN: U13111GJ2016PLC086570)				
CA Ketan Mistry	**Radheshyam Pokar**	**Nilesh Patel**	**Rahul Dholu**	**Utsav Patel**	**Sahul Jotaniya**
Partner	Director	Director	Managing Director	Chief Financial Officer	Company Secretary
Membership No: 112112	DIN: 03613602	DIN: 07353395	DIN: 07327045		
Place: Ahmedabad	Place: Ahmedabad				
Date: 17 September, 2026	Date: 17 September, 2026				

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
CIN: U13111GJ2016PLC086570
Registered office: 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, India, 380060

Annexure III - Restated Statement of Changes in Equity
(All amount in Rs. millions, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as on 01 April 2022	3,10,00,000	310.00
Add: Issued during the year	-	-
Balance as on 31 March 2023	3,10,00,000	310.00
Add: Issued during the year	-	-
Balance as on 31 March 2024	3,10,00,000	310.00
Add: Issued during the year	-	-
Balance as on 31 March 2025	3,10,00,000	310.00
Add: Issued during the year	-	-
Balance as on 31 March 2026	3,10,00,000	310.00

B. Other Equity

Particulars	Reserves and Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings	Acturial Gain /(loss)	
Balance as on 01 April 2023	309.03	0.63	309.67
Ind AS Adjustments	(2.09)	-	(2.09)
Profit for the year	99.97	-	99.97
Amortisation for the year	-	-	-
Other comprehensive income, net of tax	-	0.86	0.86
Total comprehensive income for the year	**97.88**	**0.86**	**98.74**
Balance as at 31 March 2024	**406.91**	**1.49**	**408.41**

Particulars	Reserves and Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings	Acturial Gain /(loss)	
Balance as on 01 April 2024	406.91	1.49	408.41
Profit for the year	238.95	-	238.95
Amortisation for the year	-	-	-
Other comprehensive income, net of tax	-	(0.56)	(0.56)
Total comprehensive income for the year	**238.95**	**(0.56)**	**238.39**
Balance as at 31 March 2025	**645.87**	**0.93**	**646.80**

Particulars	Reserves and Surplus	Other Comprehensive Income	Total Other Equity
	Retained Earnings	Acturial Gain /(loss)	
Balance as on 01 April 2025	645.87	0.93	646.80
Profit for the year	329.89	-	329.89
Amortisation for the year	-	-	-
Other comprehensive income, net of tax	-	1.01	1.01
Total comprehensive income for the year	**329.89**	**1.01**	**330.90**
Balance as at 31 March 2026	**975.76**	**1.94**	**977.70**

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

CA Ketan Mistry
Partner
Membership No: 112112

Place: Ahmedabad
Date: 17 September, 2026

For and on behalf of Board of Directors,
Rudra Cottex Limited
(CIN: U13111GJ2016PLC086570)

Radheshyam Pokar
Director
DIN: 03613602

Nilesh Patel
Director
DIN: 07353395

Rahul Dholu
Managing Director
DIN: 07327045

Utsav Patel
Chief Financial Officer

Sahul Jotaniya
Company Secretary

Place: Ahmedabad
Date: 17 September, 2026

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Annexure IV - Restated Statement of Cash Flows
(All amount in Rs. millions, unless otherwise stated)

Particulars	Note No	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		452.97	353.59	135.92
Adjustments for:				
Depreciation and amortisation		73.91	71.33	71.38
Effect of Exchange rate Changes		(0.01)	-	-
(Gain)/Loss on investments measured at fair value through profit and loss		(0.36)	(0.55)	(0.47)
Gratuity Expenses		1.90	1.64	1.11
Interest on Lease Liabilities		0.61	-	-
Finance Cost		125.08	118.48	116.31
Interest Income		(3.31)	(2.10)	(1.66)
Dividend Income		-	(1.35)	(1.35)
Insurance claim receivable		(0.73)	-	-
Operating profit before working capital changes		650.07	541.04	321.24
Adjustment for (increase) / decrease in operating assets				
Trade receivables		(473.17)	(301.80)	2.21
Other financial assets		(50.98)	(28.19)	(44.14)
Inventories		(9.27)	31.76	(111.98)
Other Current assets		26.95	58.28	92.43
Adjustment for (Increase) / decrease in operating liabilities				
Trade payables		12.44	33.92	(71.10)
Other Current liabilities		(1.41)	4.60	0.31
Provisions		17.94	1.85	(9.24)
Other financial Liabilities		1.42	1.00	5.23
Cash generated from operations		173.99	342.47	184.97
Income tax paid (net)		90.61	54.55	4.10
Net cash generated by operating activities		**83.38**	**287.92**	**180.87**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and capital work in progress (Net of Advances)		(224.20)	(53.95)	(0.96)
Purchase of Intangible Assets		(0.16)	-	-
Intial Expenditure Incurred on lease liability		(0.16)	-	-
Dividend received		-	1.35	1.35
Interest received		3.31	2.10	1.66
Net cash (used in) / generated by investing activities		**(221.21)**	**(50.50)**	**2.05**
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(113.22)	(179.11)	(412.06)
Proceeds from long term borrowings		133.30	34.11	253.16
Proceeds from/ (repayment of) Short term borrowings		254.12	26.41	92.61
Payment of Lease Liabilities		(0.87)	-	-
Finance cost		(121.78)	(118.17)	(116.31)
Net cash used in financing activities		**151.55**	**(236.76)**	**(182.60)**
Net increase / (decrease) in cash and cash equivalents		13.72	0.66	0.32
Cash and cash equivalents at the beginning of the year		2.09	1.44	1.12
Exchange gain loss on Cash and cash equivalents			-	-
Cash and cash equivalents at the end of the year	**12 & 13**	**15.81**	**2.09**	**1.44**

Particulars	**For Year ended 31 March 2026**	**For Year ended 31 March 2025**	**For Year ended 31 March 2024**
Reconciliation of Cash and Cash Equivalents with Balance Sheet:			
Cash and cash equivalents includes			
Cash on hand	0.93	2.09	1.44
Balances with Banks	10.23	-	-
Fixed deposits with original maturity of less than three months	-	-	-
Fixed deposits with original maturity of more than 3 months but less than 12 Months	4.66	-	-

The cash flow has been prepared under the 'Indirect Method' as set our in Ind AS - 7 on Statement of Cash Flows.

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

For and on behalf of Board of Directors,
Rudra Cottex Limited
(CIN: U13111GJ2016PLC086570)

CA Ketan Mistry
Partner
Membership No: 112112

Radheshyam Pokar
Director
DIN: 03613602

Nilesh Patel
Director
DIN: 07353395

Rahul Dholu
Managing Director
DIN: 07327045

Utsav Patel
Chief Financial Officer

Sahul Jotaniya
Company Secretary

Place: Ahmedabad
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Annexure V - Statement of Restated Adjustments to the Special Purpose Audited Financial Information:
(All amount in Rs. millions, unless otherwise stated)

Part:A Statement of adjustments to Restated Financial Information:

(I) Reconciliation between Special Purpose Audited Profit and Restated Profit:

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	306.39	262.08	100.36
(i) Audit qualifications	-	.	-
(ii) Adjustments due to change in accounting policy/material errors/other adjustments	23.50	(23.13)	(0.38)
Total Adjustments (i+ii)	23.50	(23.13)	(0.38)
Restated Profit after tax	**329.89**	**238.95**	**99.97**

Note(a)

Adjustment on account of:			
1. Impact of deferred tax charge for the year	(0.10)	(0.01)	0.13
2. Impact of Changes in Provision for tax/Tax Expense	23.15	(23.17)	-
3. Impact of Changes in Provision for expenses	0.44	0.06	(0.51)
Total	**23.50**	**(23.13)**	**(0.38)**

Notes on Material Adjustments:

(1) Difference on Account of Calculation in Deferred Tax

The Company had incorrectly calculated the deferred tax liability arising in respect of the gratuity provision for the financial year 2024–25. The error has been identified and duly rectified through appropriate restatement adjustments in the restated financial statements.

(2) Changes in Provision of tax

The Income tax liability pertaining to FY 2024–25 was paid during FY 2025–26, along with additional tax of Rs.23.17 million under Section 140B of the Income-tax Act, 1961. The same has been appropriately regrouped and recognised as tax expense pertaining to FY 2024–25 in the restated financial statements.

(3) Changes in Provision of Expenses

Provision of Expenses pertaining to FY 2023–24 and FY 2024–25, which were identified during FY 2025–26, have been recognized in the respective financial years to which they relate.

(II) Reconciliation between Special Purpose Audited total Equity and Restated Total Equity:

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Audited Ind AS/ Special Purpose Audited Total Equity	1,287.71	980.32	718.79
(i) Add/(Less) : Adjustments on account of change in Profit/Loss	-	-	-
(ii) Add/(Less): Prior Period Adjustment	(0.01)	(23.51)	(0.38)
Total Adjustements (i+ii)	**(0.01)**	**(23.51)**	**(0.38)**
Total Equity as per Restated Statement of Assets and Liabilities	**1,287.70**	**956.80**	**718.41**

Part:B Material Regrouping:

Appropriate regroupings and reclassifications have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss (including Other Comprehensive Income, where applicable), and Restated Statement of Cash Flows, wherever considered necessary, to conform to the presentation requirements of the current period. Such regroupings and reclassifications have been effected by reclassifying the corresponding items of income, expenses, assets, liabilities, equity and cash flows for the years ended 31 March 2026, 31 March 2025 and 31 March 2024, in accordance with the requirements of Schedule III to the Companies Act, 2013, the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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Annexure VI - Material Accounting Policies and Other Explanatory Notes to the Restated Financial Information

1 **CORPORATE INFORMATION**

Rudra Cottex Limited (Formaly known as Rudra Cottex Private Limited) was originally incorporated as a private limited Company on March 23, 2016 and is converted into a public limited Company on September 02, 2026 and consequently the name has been changed to Rudra Cottex Limited and a revised certificate of incorporation dated September 02, 2026, consequent to the aforementioned change, has been issued by the Ministry of Corporate Affairs. The registered office of the Company is located at 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, India, 380060 .The Corporate identification number (CIN) of the Company is U13111GJ2016PLC086570 The Company is primarily engaged in the business of manufacturing of cotton yarn.

2 Statement of compliance

2.1 Basis of Preparation

The Restated Financial Information of Rudra Cottex Limited (formerly known as Rudra Cottex Private Limited) (hereinafter referred to as the "Company") comprise the Restated Statement of Asset and Liabilities as at 31 March 2026, 31 March 2025 and 31 March 2024; the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of changes in equity, and the Restated Statement of Cash Flows for years ended 31 March 2026, 31 March 2025 and 31 March 2024, the material accounting policies and other explanatory information (collectively,the 'Restated Financial Information').

The Restated Financial Information have been prepared on a going concern basis. The accounting policies are applied Consistently to all the years presented in the Restated Financial Information.

These Restated Financial Information have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in, the Draft Red Herring Prospectus ('DRHP'), Red Herring Prospectus ('RHP') and Prospectus in connection with proposed issue of equity shares of the Company by an offer for sale of equity shares by the existing shareholders by way of initial public offer.

These Restated Financial Information have been prepared by the Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) The SEBI ICDR Regulations; and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note");

These Restated Financial Information have been prepared to comply in all material respects with the Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the Restated Financial Information and other relevant provisions of the Act.

The Restated Financial Information has been compiled by the Company from:

a) These Restated Financial statement for the year ended 31 March 2026, 31 March 2025 and 31 March 2024 have been prepared by the management as required under the ICDR Regulations issued by SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the DRHP, RHP and Prospectus in connection with proposed issue of equity shares of the Company by an offer for sale of equity shares by the existing shareholders by way of initial public offer.

b) Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2025 and March 31, 2024, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India along with the presentation requirements of Division II of Schedule III to the Act (IND AS Compliant Schedule III) as applicable, which were prepared by the Company after taking into consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their meeting held on 8th September 2026.

For the financial year ended March 31, 2025 and March 31, 2024, the company prepared its statutory financial statements in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021, as amended, specified under Section 133 of the Act ("Indian GAAP") due to which the special purpose financial statements were prepared to comply with the SEBI ICDR Regulations, the Guidance Note and SEBI E-mail.

The special purpose Ind AS financial statements have been prepared after making suitable adjustments to the audited Indian GAAP financial statements of the company as at and for the year ended March 31, 2025 and March 31, 2024 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").

c) The Audited Ind AS financial statements of the Company for the year ended 31 March 2026 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2024) which have been approved by the board of directors at their meeting held on 8th September 2026

The Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at year ended on March 31, 2026;
b) does not contain any qualifications requiring any adjustments; and
c) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note

The Restated Financial Information are approved for issue by the Company's Board of Directors on September 17, 2026.

The Restated Financial Information have been prepared in Indian Rupee (INR) which is the functional currency of the Company. All amounts disclosed in the restated financial information and notes have been rounded to the nearest Millions with two decimals unless otherwise stated.

3 Summary of Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these Restated Financial Information. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Rudra Cottex Limited.

The Restated Financial information has been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is treated as current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelvemonths after the reporting period.
- Current liabilities include the current portion of non-current financial liabilities.

All other liabilities as non-current. Deferred tax assets/ liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currency transactions

(i) Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's financial statements are presented in INR, which is the Company's functional and presentational currency.

(ii) Transaction and balances:

Transaction in currencies other than entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction. Monetary items denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the in other comprehensive income (FVOCI) or profit and loss are also recognised in FVOCI or profit and loss, respectively).

C. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Assumption and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.2 Summary of material accounting policies
The following are the material accounting policies applied by the Company in preparing its financial statements:

a. Revenue recognition
Revenue from contracts with customers
Revenue is measured based on the consideration specified in a contract with customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Amounts disclosed as revenue are net of Goods and Service Tax (GST).

Sales of goods

Revenue from sale of goods is recognised at the point in time when the related performance obligation is satisfied Which is generally on delivery of the goods. The normal credit term is 45 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount (like turnover discounts), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Significant financing component
Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115 Revenue from Contracts with Customers ("Ind AS 115"), the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of services
Income from services is recognised on the basis of time/work completed as per contract with the customers. The Company collects taxes on services (where applicable) on behalf of the government and, therefore, they are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest income
Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.
Interest income is included in the Other Income in the statement of Profit and Loss.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised if a payment is received from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e.,transfers control of the related goods or services to the customer).

b. Taxes
Tax expense comprises of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.
The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (in equity or other comprehensive income respectively). Current tax items are recognised in correlation to the underlying transaction either in FVOCI or directly in equity.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property is presumed to be recovered through sale. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old tax regime together with the other benefits available to the Companies. The company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to pay corporate income tax at 22% plus surcharge and cess (effective tax rate of 25.168%). Accordingly, the company has measured its current tax and deferred tax charge.

c. Property, plant and equipment and depreciation of property, plant and equipment

All items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met and directly attributable to bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met and if the amount is material.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognised at 1 April 2023, measured as per previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

Subsequent Expenditute

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company identifies and determines cost of each components/part of the asset separately, if the component/ part of the asset has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment under construction or installation as at balance sheet date is shown as capital work in progress and is stated at cost, net of accumulated impairment loss, if any. Further, the related advances are shown under non-current assets.

Depreciation on PPE and Useful Lives

Depreciation on property, plant and equipment is calculated on a Straight line Method over the estimated useful lives of the assets as determined by Schedule II the useful lives as below are believed to best represent the period over which the assets are expected to be used.

Property Plant and Equipment	**Year**
Buildings	30 Year
Plant and Equipment	15 Year
Furniture and Fixtures	10 Year
Vehicle	8 Year
Office Equipment	5 Year
Computer	3 Year
Windmill	22 Year

Residual Values

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition of PPE

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the differnce between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Gain and loss on disposal of item of PPE

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Capital work in progress and Capital advances

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

e. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful life of 3 years.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is recognised in profit or loss in the period in which the expenditure is incurred.

f. Leases

The Company assesses at contract inception whether a contract is or contains a lease per Ind AS 116 Leases ("Ind AS 116"). That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company's lease assets class primarily consists of lease of land.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets aremeasured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate,and amounts expected to be paid under residual value guarantees.The lease Payment also include the exercise price of a purchaseoption reasonably certain to be exercise by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After thecommencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced forthe lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-termleases ofmachinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain apurchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-termleases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

g. Inventories

Inventories which comprise raw materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, Weighted Average Method is used. In the case of manufactured inventories and work in progress, cost includes fixed production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

h. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a pastevent, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligationand a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of aprovision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in thestatement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted toreflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements unless the possibility of an outflow embodying economic benefits is remote.
remote.

Provisions, contingent liabilities and commitments are reviewed by management at each balance sheet date

i. Employee Benefits

(i) Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employe render the related service If the contribution payable to the scheme for service received before the balancesheet date exceed the contribution already paid,the deficit payable to the scheme recognized as a liability after deducting the contribution already
paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reductionin future payment or a cash refund.

(ii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through FVOCI in the period in which they occur.Remeasurements are not reclassified to profit or loss in subsequent periods. The Company does not have any planned assets.

Past service costs are recognised in profit or loss on the earlier of:
-The date of the plan amendment or curtailment, and
-The date that The Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the followingchanges in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income.

(iii) Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if theCompany has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j. Financial instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets (except trade receivable, measured at transaction cost) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

k. Financial assets

a) Recognition and initial measurement

All Financial assets are initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets:

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions:

• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A financial asset is measured through Other Comprehensive Income (FVOCI) if it meets both of the following conditions:

• The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss.Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

A financial asset is measured through Profit and Loss account (FVTPL) if it meets both of the following conditions:

• The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL is a residual category for debt instruments and default category for equity instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

c) De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

d) Loans to Employee:

Loans given to the employees are repayable on demand and hence are carried at cost in the Financial Statements.

e) Impairment of financial assets:

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'Simplified Approach' for recognition of impairment loss allowance on all trade receivables or contractual receivables.

Under the simplified approach the Company does not track changes in credit risk, but it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss.

f) Effective Interest Method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.
Interest income is recognized in the statement of profit and loss and is included in the 'Other income' line item.

Financial Liabilities & Equity Instruments

a) Recognition and initial measurement:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

• It has been incurred principally for the purpose of repurchasing it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
• the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
• It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

l. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets,until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

n. Earning per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company(after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired andis written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount,nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a re-valued amount, in which case the reversal is treated as a revaluation increase.

p. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

There are no unfulfilled conditions attached to the government grant.

q. Events occurring after the balance sheet date

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events other than those reported in Note No. 45 annexed to these restated financial statements.

r. Insurance Claims

The Company accounts for insurance claims as under:
In case of total loss of asset by transferring, either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable – Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.
In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable – Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.
As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable – Insurance and claim received is adjusted to Profit and Loss Account.

s. Segment reporting

The Company is engaged in the business of producing Cotton yarn, as well as trading in cotton bales and Cotton yarn. The board of directors of the Company allocate resources and assess the performance of the Company, and hence board of directors are considered as the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed. None of the Company's assets are located out of India.

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
Annexure VII - Notes to Restated Financial Information
(All amount in Rs. millions, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
Gross carrying amount								
Balance at the 01 April 2023	5.47	228.07	1,077.75	3.21	7.21	3.67	3.50	1,328.88
Additions	-	-	1.12	-	0.18	-	-	1.30
Disposals / adjustments	-	-	-	-	-	-	-	-
Balance at the 31 March 2024	**5.47**	**228.07**	**1,078.87**	**3.21**	**7.39**	**3.67**	**3.50**	**1,330.17**
Additions	-	-	43.99	-	0.01	0.06	-	44.06
Disposals / adjustments	-	-	-	-	-	-	-	-
Balance at the 31 March 2025	**5.47**	**228.07**	**1,122.86**	**3.21**	**7.40**	**3.73**	**3.50**	**1,374.23**
Additions	-	-	-	-	0.03	0.50	-	0.53
Disposals / adjustments	-	-	-	-	-	-	-	-
Balance at the 31 March 2026	**5.47**	**228.07**	**1,122.86**	**3.21**	**7.43**	**4.23**	**3.50**	**1,374.76**
Accumulated Depreciation								
Balance at the 01 April 2023	-	30.19	307.17	1.32	4.44	3.23	2.25	348.60
Depreciation for the year	-	6.39	63.38	0.29	0.77	0.13	0.42	71.38
Accumulated Depreciation on disposal	-	-	-	-	-	-	-	-
Balance at the 31 March 2024	**-**	**36.58**	**370.55**	**1.62**	**5.21**	**3.36**	**2.67**	**419.99**
Depreciation for the year	-	6.39	63.52	0.29	0.61	0.14	0.38	71.33
Accumulated Depreciation on disposal	-	-	-	-	-	-	-	-
Balance at the 31 March 2025	**-**	**42.97**	**434.07**	**1.91**	**5.82**	**3.50**	**3.05**	**491.32**
Depreciation for the year	-	6.39	66.14	0.29	0.59	0.07	0.16	73.63
Accumulated Depreciation on disposal	-	-	-	-	-	-	-	-
Balance at the 31 March 2026	**-**	**49.35**	**500.21**	**2.21**	**6.41**	**3.57**	**3.20**	**564.95**
Net Block								-
Balance at the 31 March 2024	**5.47**	**191.49**	**708.32**	**1.60**	**2.17**	**0.31**	**0.83**	**910.19**
Balance at the 31 March 2025	**5.47**	**185.10**	**688.80**	**1.30**	**1.58**	**0.23**	**0.45**	**882.92**
Balance at the 31 March 2026	**5.47**	**178.71**	**622.66**	**1.01**	**1.02**	**0.66**	**0.30**	**809.81**

Notes:

(i) On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment, right-of-use assets and other intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

(ii) The Company has not revalued its property, plant and equipment, right-of-use assets and other intangible assets during financial year beginning from April 01, 2023 to March 31, 2026.

(iii) There are no temporarily idle property, plant and equipment.

(vi) The useful life of property, plant and equipment has been defined in the material accounting policies.

(v) For security/hypothecation, Refer Note No. 18

(vi) For details of capital commitments, Refer Note No. 40

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
Annexure VII - Notes to Restated Financial Information
(All amount in Rs. millions, unless otherwise stated)

4 Capital work in progress

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Opening Balance	-	-	-
Add: Addition during the year	48.96	-	-
Less: Capitalised during the year	-	-	-
Closing Balance	**48.96**	**-**	**-**

CWIP ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	48.96	-	-	-	48.96
Projects temporarily suspended	-	-	-	-	-

Notes:

(i) The company has undertaken the development of a Ground Mounted Solar Power Project, which is currently under construction. The project is under implementation stage once the same is completed the entire cost will be transferred to property, plant and equipment.

(ii) There are no projects for which completion is overdue compared to original plan and no costs exceeding budgeted cost for the above period

5 Other Intangible Assets -

Particulars	Firewall Sophos
Gross Carrying Amount	
Balance as at 01 April 2023	
Addition during the year	-
Balance as at 31 March 2024	**-**
Addition during the year	-
Balance as at 31 March 2025	-
Addition during the year	0.16
Balance as at 31 March 2026	**0.16**
Accumalated Amortisation	
Balance as at 01 April 2023	
Amortisation during the year	-
Balance as at 01 April 2024	-
Amortisation during the year	-
Balance as at 31 March 2025	-
Amortisation during the year	0.02
Balance as at 31 March 2026	**0.02**
Net Carrying Amount	
Balance as at 31 March 2024	-
Balance as at 31 March 2025	-
Balance as at 31 March 2026	**0.13**

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(All amount in Rs. millions, unless otherwise stated)

6 Right-of-use Assets

Particulars	Land
Gross Carrying Amount	
Balance as at 01 April 2023	**-**
Addition during the year	-
Balance as at 31 March 2024	-
Balance as at 01 April 2024	**-**
Addition during the year	-
Balance as at 31 March 2025	-
Addition during the year	9.85
Balance as at 31 March 2026	**9.85**
Accumalated Amortisation	
Balance as at 01 April 2024	-
Amortisation during the year	-
Balance as at 31 March 2025	-
Amortisation during the year	0.25
Balance as at 31 March 2026	**0.25**
Net Carrying Amount	
Balance as at 31 March 2024	-
Balance as at 31 March 2025	-
Balance as at 31 March 2026	**9.60**

For details on Leases, refer note 42.

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7 Other financial assets - non current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Security deposit	11.76	3.85	2.80
Bank deposits with more than 12 months maturity	25.54	26.19	23.28
Total	**37.30**	**30.04**	**26.08**

Notes:

1 Fixed Deposits maintained with MUCB Bank amounting to Rs. 0.89 million as on date, against the Export Promotion Capital Goods (EPCG) Licence.

2 Fixed Deposits maintained State Bank of India amounting to Rs. 7.14 Million as on date, against Bank Guarantee issued to UGVCL.

3 Fixed Deposits maintained State Bank of India amounting to Rs. 14.37 Million as on date, against Debt Service Reserve Account (DSRA) requirement for loans.

4 Fixed Deposits maintained State Bank of India amounting to Rs. 3.14 Million as on date,against winmill requirement for loans.

8 Other non current assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Capital advances	184.71	10.00	0.11
Total	**184.71**	**10.00**	**0.11**

9 Inventories

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Raw materials	588.61	526.73	511.13
Work-in-progress	81.56	63.42	79.35
Finished goods	122.56	202.61	243.28
Stores and spare	31.64	25.78	19.25
Packing Materials	8.30	4.86	2.15
Total	**832.67**	**823.40**	**855.16**

10 Investments

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Investment in Unquoted Equity Shares at cost	9.00	9.00	9.00
Investment in Mutual Funds carried at fair value through profit or loss	6.68	6.32	5.77
Total	**15.68**	**15.32**	**14.77**

10.1 Details of Investments

Name of Entity	Quoted/Unquoted	Measured as at Cost/Amortised Cost / FVTOCI /FVTPL	No of Shares/Units	31 March 2026	No of Shares/Units	31 March 2025	No of Shares/Units	31 March 2024
Mehsana Urban Co-Operative Bank	Unquoted	Cost	3,60,000	9.00	3,60,000	9.00	3,60,000	9.00
Mutual Funds With SBI Foli No.18612466	Quoted	FVTPL	1,40,095	6.68	1,40,095	6.32	1,40,095	5.77

11 Trade receivables - current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	822.89	349.72	47.92
Total	**822.89**	**349.72**	**47.92**

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Trade Receivable ageing schedule for March 31, 2026

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Goods	35.01	608.44	168.72	10.72	-	-	822.89
(i) Undisputed Trade receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	**35.01**	**608.44**	**168.72**	**10.72**	**-**	**-**	**822.89**
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	-
Total							**822.89**

Trade Receivable ageing schedule for March 31, 2025

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Goods	25.13	324.35	0.02	0.23	-	-	349.72
(i) Undisputed Trade receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	**25.13**	**324.35**	**0.02**	**0.23**	**-**	**-**	**349.72**
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	-
Total							**349.72**

Trade Receivable ageing schedule for March 31, 2024

Particulars	Undue	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Goods	30.97	16.75	0.20	-	-	-	47.92
(i) Undisputed Trade receivables - significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Sub Total	**30.97**	**16.75**	**0.20**	**-**	**-**	**-**	**47.92**
Less: Provision for Expected Credit Loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total							**47.92**

Notes:
1 Trade receivables are non-interest bearing and generally on terms of 45- 60 days.
2 For the Company's exposure to credit and currency risk, and loss allowances related to trade receivables, refer note 37.
3 For amount due from related parties, refer note 47.
4 There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

12 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Cash on hand	0.93	2.09	1.44
Balances with Banks	10.23	-	-
Total	**11.16**	**2.09**	**1.44**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025	As at 01 April 2024
Bank deposits with original maturity of 3-12 months	4.66	-	-
Total	**4.66**	**-**	**-**

Notes:
1 Fixed Deposits maintained Suryoday Small Finance Bank amounting to Rs. 4.66 Milloin as on date, against financing facility availed from Aditya Birla Limited.

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14 Other financial assets - current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Subsidy Receivable	71.63	58.74	39.05
Security deposits	30.18	3.42	0.31
Interest accured on bank deposit	0.88	0.65	0.36
Other receivables	3.87	0.95	-
Advance Salary	0.89	0.70	0.51
Insurance claim receivable	0.73	-	-
Total	**108.18**	**64.46**	**40.23**

Notes:

1 Other Receivables represent the excess amount paid to NBFCs, being the amount equivalent to TDS. Although interest payments were made to the NBFCs at the gross amount, the corresponding TDS has also been deposited with the Government. The excess amount paid is recoverable from the NBFCs and is expected to be adjusted or recovered

2 Subsidy receivable includes amounts receivable from the Government of Gujarat under the Gujarat Textile Policy, 2012 towards SGST reimbursement, electricity duty benefit and Interest subsidy.

15 Other current assets

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Balances with government authorities	15.05	46.66	104.14
Advances to suppliers	5.64	0.45	0.46
Prepaid expenses	3.75	3.63	4.40
Other Advances	0.88	1.53	1.55
Total	**25.32**	**52.27**	**110.55**

16 Equity Share Capital

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Authorised Share Capital			
3,10,00,000 equity shares of Rs. 10 each Fully paid up	310.00	310.00	310.00
Issued, subscribed & fully paid up			
3,10,00,000 equity shares of Rs. 10 each Fully paid up	310.00	310.00	310.00
Total	**310.00**	**310.00**	**310.00**

Subsequent to the reporting date and before the date of this Auditor's Report, pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting held on 11 May 2026, the Authorized Share Capital of the Company was increased from ₹310 Millions (3,10,00,000 equity shares of ₹10 each) to ₹510 Millions (5,10,00,000 equity shares of ₹10 each). The Company has made the necessary filings in this regard with the Registrar of Companies.

Subsequent to the reporting period, the Company allotted 55,15,000 equity shares on a preferential basis at an issue price of ₹34 per equity share, aggregating to ₹187.51 Millions. As the allotment was completed after the respective reporting date(s), no adjustment has been made to the Restated Financial Statements. The allotment has been disclosed as a material subsequent event.

Reconciliation of Share Capital

Particulars	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Opening Balance	3,10,00,000.00	310.00	3,10,00,000.00	310.00	3,10,00,000.00	310.00
Issued during the year	-	-	-	-	-	-
Deletion	-	-	-	-	-	-
Closing balance	**3,10,00,000.00**	**310.00**	**3,10,00,000.00**	**310.00**	**3,10,00,000.00**	**310.00**

Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Equity Share holder holding more than 5%

Name of Share Holder	As at 31 March 2026		As at 31 March 2025		As at 31 March 2024	
	No of Shares	% of Shareholding	No of Shares	% of Shareholding	No of Shares	% of Shareholding
Radheshyam Parsottambhai Pokar	21,70,000	7.00%	21,70,000	7.00%	21,70,000	7.00%
Rahul Abjibhai Dholu	23,25,000	7.50%	23,25,000	7.50%	23,25,000	7.50%
Kalpeshbhai Abjibhai Dholu	23,25,000	7.50%	23,25,000	7.50%	23,25,000	7.50%

Shares held by promoters for the year ended March 31, 2026

Name of Promotor	Class of Shares Equity/Preference	No. of Shares	% of total shares	% Change during the year
Radheshyam Parsottambhai Pokar	Equity	21,70,000	7.00%	0.00%
Rahul Abjibhai Dholu	Equity	23,25,000	7.50%	0.00%
Nilesh Babulal Ramani	Equity	7,75,000	2.50%	0.00%

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Shares held by promoters for the year ended March 31, 2025

Name of Promotor	Class of Shares Equity/Preference	No. of Shares	% of total shares	% Change during the year
Radheshyam Parsottambhai Pokar	Equity	21,70,000	7.00%	0.00%
Rahul Abjibhai Dholu	Equity	23,25,000	7.50%	0.00%
Nilesh Babulal Ramani	Equity	7,75,000	2.50%	0.00%

Shares held by promoters for the year ended March 31, 2024

Name of Promotor	Class of Shares Equity/Preference	No. of Shares	% of total shares	% Change during the year
Radheshyam Parsottambhai Pokar	Equity	21,70,000	7.00%	0.00%
Rahul Abjibhai Dholu	Equity	23,25,000	7.50%	0.00%
Nilesh Babulal Ramani	Equity	7,75,000	2.50%	0.00%

17 Other Equity

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Retained earnings	975.76	645.87	406.91
Other Comprehensive Income	1.94	0.93	1.49
Total	**977.70**	**646.80**	**408.41**

Movement of Other Equity

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Retained earnings:			
Opening Balance - Retained Earnings	645.87	406.91	306.94
Add:			
Profit during the period	329.89	238.95	99.97
Closing balance - Retained Earnings	**975.76**	**645.87**	**406.91**
Other comprehensive income:			
Opening Balance - Other Comprehensive Income	0.93	1.49	0.63
Other comprehensive income, net of tax	1.01	(0.56)	0.86
Closing balance - Other comprehensive income	**1.94**	**0.93**	**1.49**

Nature and Purpose of Reserves

1 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

2 Other comprehensive income

Other comprehensive income comprises actuarial gains and losses on defined benefit obligation.

18 Borrowings (at amortised cost)

(a) Non Current Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Secured			
Secured Term loans from Bank	332.22	349.99	507.97
Less: Current Maturities of non current borrowings	121.10	170.57	198.77
Total Secured borrowings (A)	**211.12**	**179.42**	**309.20**
Unsecured			
Unsecured Term loans from other parties	28.15	39.65	49.40
Less: Current Maturities of long term borrowings	13.57	11.50	9.53
Total Unsecured borrowings (B)	**14.58**	**28.15**	**39.87**
Total Non - current borrowings (A+B)	**225.70**	**207.57**	**349.07**

(b) Current Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Secured			
Secured Current maturities of Long term borrowing	121.10	170.57	198.77
Secured Loans repayable on demand from Banks	367.24	306.59	306.96
Secured Loans repayable on demand from other parties	175.00	-	29.87
Total Secured borrowings (A)	**663.34**	**477.16**	**535.60**
Unsecured			
Unsecured Loans from related parties	91.23	91.23	91.23
Unsecured Current maturities of Long term borrowing	13.57	11.50	9.53
Unsecured Term loans from other parties	149.39	79.66	-
Total Unsecured borrowings (B)	**254.19**	**182.39**	**100.76**
Total current borrowings (A+B)	**917.53**	**659.55**	**636.36**

18.1 Security Clause for Non Current Borrowings

A. Secured Term Loan from Banks

(i) Term Loan from State Bank of India (SBI) and The Mehsana Urban Co-operative Bank Limited (MUCB) under Consortium Arrangement

- The Company has availed secured term loans from The Mehsana Urban Co-operative Bank Limited (MUCB) under a consortium arrangement led by State Bank of India (SBI) having sanction limit aggregating to ₹780 million.

Details of Security:

a) Equitable Mortgage of Factory land and building situated at Survey No. 837P (422P), situated at Kadjodra, Dehgam, Gandhinagar, 382305, admeasuring Total Area: 13137 sq. mtr.
b) Hypothecation of plant & machinery for spinning unit.
c) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
d) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

(ii) Term Loan for Wind Mill availed from State Bank of India (SBI)

- The Company obtained a Term Loan of ₹127 million from State Bank of India for setting up Wind Mill Project.

Details of Security:

a) Hypothecation on the 2.7 MW GE- Make Wind Mill
b) Mortgage of lease hold rights over (Windmill Land) All that piece or parcel or portion of the Government waste land admeasuring 10000 Sq. mtrs. Situate lying and being at Village Verad, Ta: Bhanvad, Part of Govt Land Survey No.705 (Old Survey No.To 780) of Mouje:Verad,Ta:Bhanvad in the registration district of Dev Bhumi Dwarka.
c) Second charge over current assets including inventories, receivables, packing materials and other current assets of the Company.
d) Second pari passu charge over Factory land and building situated at Survey No. 837P (422P), situated at Kadjodra, Dehgam, Gandhinagar, 382305, admeasuring Total Area: 13137 sq. mtr.
e) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
f) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

(iii) Term Loan for Rooftop solar plant availed from State Bank of India (SBI)

- The Company had availed a Term Loan of ₹40.5 million under SBI's Solar Financing Scheme for installation of a rooftop solar project at its manufacturing facility.

Details of Security:

a) First charge by way of hypothecation of rooftop solar plant and equipment installed at the Company's factory premises situated at Survey No. 837 (Old Survey No. 422), Kadjodra, Dehgam, Gandhinagar.
b) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
c) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

(iv) Term Loan for Ground Mounted Solar availed from State Bank of India (SBI)

- The Company has availed term loan for installation of a Ground Mounted Solar Power Project for ₹152.8 million from SBI.

Details of Security:

a) Exclusive Charge by way of hypothecation of 5 MWp Open Access Ground Mount Solar PV Project .
b) Exclusive Charge by way of Mortgage of Leasehold rights of Ground Mounted Project Land at Survey No. 47/3, 47/4, 47/5P1, 47/5P2, 47/7, 47/8P1, 47/2P1, 47/2P2, 218P2 Village - Vanasan, Taluka- Sidhpur, Distrjct-Patan, Gujarat admeasuring 34,903 sq. meters owned by Ms. Bhagvatiben Pravinbhai Patel & Mr. Jeminkumar Patel (leased for a period of 26 years w.e.f. 01.06.2025)
c) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
d) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

(v) Guaranteed Emergency Credit Line (GECL 2.0) from State Bank of India (SBI)

- The Company availed a Guaranteed Emergency Credit Line (GECL 2.0) from State Bank of India (SBI) under the Government of India's Emergency Credit Line Guarantee Scheme (ECLGS 2.0) having sanctioned amount of ₹107.3 million for working capital requirements and operational liabilities arising from the Impact of COVID-19.

Details of Security:

a) Pari passu second charge on the hypothecation of existing primary and collateral securities of the Company already created in favor of SBI.
b) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
c) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

(vi) Guaranteed Emergency Credit Line (GECL 2.0 Extn) from State Bank of India (SBI)

- The Company availed a Working Capital Term Loan (WCTL) of ₹83.6 million from State Bank of India (SBI) under the Guaranteed Emergency Credit Line (GECL 2.0 Extension Scheme) introduced by the Government of India for providing liquidity support to businesses affected by the COVID-19 pandemic.

Details of Security:

a) Pari passu second charge on the hypothecation of existing primary and collateral securities of the Company already created in favor of SBI.
b) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
c) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

B. Unsecured Term Loans from NBFCs

- The company has availed unsecured term loan from IKF Enterprise Limited (NBFC) for the purpose of working capital amounting to ₹50 Million.

18.2 Security Clause for Current Borrowings

C. Cash Credit Facilities

(vii) Cash Credit From SBI

The Company has availed Cash Credit facility from State bank of India having sanction limit of ₹370 million for meeting working capital requirements which is repayable on demand, subject to annual review by the Bank.

Details of Security:

a) Hypothecation pari-passu first charge on stocks, receivables and entire other current assets of the company.
b) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.
c) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

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(viii) Cash Credit From MUCB

The Company had availed Cash Credit facility The Mehsana Urban Co-operative Bank Limited (MUCB), Gandhinagar Branch under a consortium banking arrangement led by State Bank of India having sanction limit of ₹60 million for meeting working capital requirements, which has been repaid in full during the Financial year ending 31 March 2026.

Details of Security:

a) Hypothecation pari-passu first charge on stocks, receivables and entire other current assets of the company.

b) Equitable mortgage of various residential, commercial and industrial properties owned by company, promoters, directors and related parties - Refer Note 18.3 for details of properties.

c) For the details of personal guarantees and corporate guarantee, refer Note 18.6 Below

D. Bill Discounting

(ix) Ratnaafin Capital Private Limited

- Purchase invoice discounting Facility from Ratnafin Capital Private Limited of ₹40 million.

` **Details of Security:**

a) Non Interest bearing Security Deposit equivalent to 10% of each disbursement tranche

b) UDCs, NACH mandates and other security documents as stipulated under the financing arrangement.

c) Personal Guarantee of Mr. Patel Nileskumar Babulal, Mr. Radheshyam Pokar and Mr. Rahulkumar Abji Dholu

(x) Shri Ram Finance Limited

- Purchase invoice discounting Facility from Shri Ram Finance of ₹70 million

Details of Security:

a) Security Deposit equivalent to 10% of sanctioned amount bearing interest at the rate of 6%

b) Personal Guarantee of Mr. Patel Nileskumar Babulal, Mr. Radheshyam Pokar and Mr. Rahulkumar Abji Dholu

c) UDC's for entire program sanction amount from the company and personal guarantee holders

(xi) Receivable Exchange of India Ltd

- Purchase invoice discounting Facility from Receivable Exchange of India Limited

E. Working Capital Loan

(xii) Aditya Birla Finance Limited

- Availed loan for Supply chain finance purpose form Aditya Birla Finance Limited amounting to ₹30 million.

Details of Security:

a) interest bearing Fixed deposit amounting to ₹4.5 Million to be maintained with Suryoday Small Finance Bank.

(xiii) Incred Financial Services Limited

- Availed loan for working capital purposes from Incred Financial Services Limited amounting to ₹30 million.

Details of Security:

a) 10% non-interest bearing Cash Collateral of the facility amount to be placed with Incred

(xiv) Bajaj Finance Limited

- Availed loan for working capital purposes from Bajaj Finance Limited amounting to ₹200 million.

Details of Security:

a) Security Deposit equivalent to 15% of sanctioned amount bearing interest at the rate of 6%

b) Pari Passu charge on Current assets of the Company

c) Pari Passu charge on Movable fixed assets of the Co. (excluding those funded exclusively by other FI/Bank) located at 808, 836, 837,838-843, Dehgam Bayad road, Kadjodra, Gandhinagar, Gujarat, 382315

d) Personal Guarantee of Mr. Patel Nileskumar Babulal, Mr. Radheshyam Pokar and Mr. Rahulkumar Abji Dholu

18.3 Details of Collateral Security:

Property Details	Owner(s)	Loan Facility	Security Type
NA Land Survey No.808, Kadjodra, Area 10,948 sq mtrs	Radheshyam Pokar	All facilities availed from State Bank of India and Mehsana Urban Co-operative Bank	First pari passu charge by way of Equitable mortgage
NA Land Survey No.836, Area 20,806 sq mtrs	Radheshyam Pokar; Chandulal Makani; Pravinbhai Patel; Mukesh Patel		
NA Land Survey No.837, Area 21,402 sq mtrs	Nileshbhai Patel; Radheshyam Pokar; Rahulbhai Dholu		
NA Land Survey No.838, Area 3,930 sq mtrs	Nileshbhai Patel		
NA Land Survey No.839, Area 3,537 sq mtrs	Chandubhai Makani		
NA Land Survey No.840, Area 9,337 sq mtrs	Radheshyam Pokar & Chandulal Makani		
NA Land Survey No.841, Area 3,941 sq mtrs	Mukesh Patel		
NA Land Survey No.843, Area 4,502 sq mtrs	Rahulbhai Dholu		
Gokul Apartment Flats (Flat No. 001, 002, 103, 104, 201-204 of Wing A and 002, 204 of Wing B) located at Survey 357/1/paiki 5, Nakhatrana Bus Stand, Kutch 370615	Nileshbhai Patel		
Flats 601 & 602, Mahalaxmi Apartment, Kudasan, Gandhinagar	Pinalben Dholu		
Murlidhar Building Flats (Flat No.201-203, 205-208) located at Survey 356/2, Nakhatrana Bus Stand, Kutch 370615	Gokuldham Developers	State Bank Of India	
Madhusudhan Building Flats (Flat No. 202-204) located at Survey 356/2, Nakhatrana Bus Stand,			
NA Plots 9-20 (12 Plots) & 27-32 (6 Plots) located at Survey 356/2, Nakhatrana Bus Stand, Kutch			
House No 4748 located at Plot 18, Survey 358, Nakhtrana Bhuj Road, opposite forest office, besides golkuldham society, nakhtrana- 370615			
NA Plot 19 located at Survey 357/1/P2, Nakhatrana Bus Stand, Kutch 370615	Nileshbhai Patel		

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18.4 Details of Repayment and Other terms:

Name of bank and facility availed	No. of Monthly Installments	Sanctioned Limit (₹ In Millions)	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024	Interest rate p.a
MUCB Term Loan	84	300.00	-	27.31	83.57	12.00% + Monthly rests
SBI Term Loan	90	112.64 (Original Sanction Amount - 480)(1)	56.87	138.93	215.71	1.00%+ EBR (Effective 9.15%)
SBI Wind Mill Term Loan	75	62.70 (Original Sanction Amount - 127.00) (1)	50.89	68.60	86.24	5.30% + EBLR (Effective 9.90%)
SBI Rooftop Solar Loan	114	38.96 (Original Sanction Amount - 40.50) (1)	34.41	40.80	-	6 Months MCLR (Effective 8.15%)
SBI Ground Solar Mount	94	152.8	152.80	-	-	2.70% above EBR (Effective 10.85%)
SBI (GECL 2.0)	48	107.3	-	16.01	79.40	1.00% + EBR (Effective 9.25%)
SBI (WCTL)	48	58.30 (Original Sanction Amount - 83.60) (1)	37.25	58.34	43.05	1.00% + EBR (Effective 9.25%)
IKF Enterprise Limited	47	50	28.26	39.65	49.40	16.25%
SBI Cash Credit	-	370.00 (Original Sanction Amount - 250) (1)	367.24	247.10	249.95	1.00% + EBR (Effective 9.15%)
MUCB Cash Credit	-	60	-	59.49	57.01	11.50% + Monthly rests
Ratnafin Capital Private Limited	-	40	-	-	29.87	12.85%
Shri Ram Finance Limited	-	70	-	-	-	13.50%
Bajaj Finance Limited	-	200	175.00	-	-	0.40% + BFRR (Effective 8.75%)
Receivable Exchange of India Ltd	-	172.5(2)	149.39	79.66	-	9.40% - 9.85%
Aditya Birla Limited	-	30	-	-	-	12.60%
Incred Financial Services Limited	-	30	-	-	-	13.50%
Total			**1,052.11**	**775.91**	**894.20**	

(1) The original sanctioned amount is revised to the outstanding principal amount as of the date of the revised sanction letter
(2) The sanction limit of receivable exchnage of India limited undergoes frequent renewals accordingly the sanction limit has been mentioned as per the latest details available.

18.5 Unsecured loan taken from directors and their related parties are repayable on demand.

18.6 All the faciities are secured by way of personal guarantee given by:
(i) Mr. Mukesh Patel
(ii) Mr. Pravinbhai Patel
(iii) Mr. Radheshyam Pokar
(iv) Mr. Chandulal Makani
(v) Mr. Rahul Dholu
(vi) Mr. Pinal Dholu
(vii) Mr. Nileshkumar Patel

Corporate Guarantee:
(vii) Gokuldham Developers

19 Lease Liability

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Non Current Lease Liabilities	8.32	-	-
Total	**8.32**	**-**	**-**
Current Lease Liabilities	0.79	-	-
Total	**0.79**	**-**	**-**

For details on Leases, refer note 42.

(All amount in Rs. millions, unless otherwise stated)

20 Provisions - non current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Provision for Gratuity	6.37	5.85	3.52
Provision for Others	3.64	-	-
Provision for decommissioning	0.34	-	-
Total	**10.35**	**5.85**	**3.52**

Notes:

(i) Provision for others

Provision for others represents a provision created towards a VAT demand for which an order has been passed. As no further action has been taken by the Company against the said order, the amount has been provided for and is payable.

(ii) Provision for decommissioning and restoration

Provision for decommissioning and restoration is towards the legal obligation to dismantle and restore the land taken on lease for ground mounted solar. The provision is made based on the management best estimate of the restoration cost at the end of lease period.

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
At the beginning of the year	-	-	-
Add: Provision made during the year, including increase in existing provision	0.32	-	-
Less: Amounts used during the period	-	-	-
Less: Unused amounts reversed during the period	-	-	-
Add: Unwinding of discount on the provision	0.03	-	-
At the end of the year	**0.34**	**-**	**-**

21 Deferred tax liabilities, net

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment and intangible assets	(105.21)	(103.75)	(99.09)
Employee Benefits - Gratuity	1.65	1.51	0.91
Fair Value Gain/(Loss) : Investments measured through fair value through profit & loss	(0.72)	(0.63)	(0.49)
Disallowance U/s 43B(h)	7.39	2.92	6.66
Provision for expenses	0.25	0.17	0.30
Security Deposit	0.01	0.01	0.00
Right of Use Assets (Net)	(0.17)	-	-
Provision for decommissioning	0.09	-	-
Borrowings	(0.03)	(0.05)	-
Total	**96.74**	**99.82**	**91.70**

(a) Deferred tax balances and movement for the year ended March 31, 2026:

Particulars	Balance as on April 01, 2025	Recognised in profit or loss	Recognised in OCI	Balance as on March 31,2026
Deferred Tax Assets / (Liabilities):				
Property, plant and equipment and intangible assets	(103.75)	(1.46)	-	(105.21)
Employee Benefits - Gratuity	1.51	0.48	(0.34)	1.65
Fair Value Gain/(Loss) : Investments measured through fair value through profit & loss	(0.63)	(0.09)	-	(0.72)
Disallowance U/s 43B(h)	2.92	4.47	-	7.39
Provision for expenses	0.17	0.08	-	0.25
Security Deposit	0.01	(0.00)	-	0.01
Right of Use Assets (Net)	-	(0.17)	-	(0.17)
Provision for decommissioning	-	0.09	-	0.09
Borrowings (at amortised cost)	(0.05)	0.03	-	(0.03)
Total	**(99.82)**	**3.42**	**(0.34)**	**(96.74)**

(b) Deferred tax balances and movement for the year ended March 31, 2025:

Particulars	Balance as on April 01, 2024	Recognised in profit or loss	Recognised in OCI	Balance as on March 31,2025
Deferred Tax Assets / (Liabilities):				
Property, plant and equipment and intangible assets	(99.09)	(4.66)	-	(103.75)
Employee Benefits - Gratuity	0.91	0.41	0.19	1.51
Fair Value Gain/(Loss) : Investments measured through fair value through profit & loss	(0.49)	(0.14)	-	(0.63)
Disallowance U/s 43B(h)	6.66	(3.74)	-	2.92
Provision for expenses	0.30	(0.13)	-	0.17
Security Deposit	0.00	0.01	-	0.01
Borrowings (at amortised cost)	-	(0.05)	-	(0.05)
Total	**(91.70)**	**(8.31)**	**0.19**	**(99.82)**

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(c) Deferred tax balances and movement for the year ended March 31, 2024:

Particulars	Balance as on April 01, 2023	Recognised in profit or loss	Recognised in OCI	Balance as on March 31,2024
Deferred Tax Assets / (Liabilities):				
Property, plant and equipment and intangible assets	(90.91)	(8.18)	-	(99.09)
Employee Benefits - Gratuity	0.92	0.28	(0.29)	0.91
Fair Value Gain/(Loss) : Investments measured through fair value through profit & loss	(0.37)	(0.12)	-	(0.49)
Disallowance U/s 43B(h)	-	6.66	-	6.66
Provision for expenses	0.19	0.11	-	0.30
Security Deposit	-	0.00	-	0.00
Total	**(90.17)**	**(1.24)**	**(0.29)**	**(91.70)**

22 Trade Payables - current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of Micro Enterprise and small enterprise	47.34	29.92	53.18
Total outstanding dues of Creditor of other than Micro Enterprise and small enterprise	160.26	165.24	108.06
Total	**207.60**	**195.16**	**161.24**

Notes:
1 Trade payables comprise both interest-bearing and non-interest-bearing balances and are generally settled within 45–60 days.
2 For amounts due to related parties refer note 47.

Trade Payables ageing schedule for March 31, 2026

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	4.20	43.14	-	-	-	47.34
(ii) Others	-	6.54	152.77	0.85	-	0.10	160.26
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-
Total							**207.60**

Trade Payables ageing schedule for March 31, 2025

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	14.57	15.32	0.03	-	-	29.92
Others	-	44.01	121.06	-	0.17	-	165.24
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total							**195.16**

Trade Payables ageing schedule for March 31, 2024

Particulars	Unbilled	Undue	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	29.31	23.87	-	-	-	53.18
Others	-	57.36	50.32	0.38	-	-	108.06
Disputed dues- MSME	-	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-	-
Total							**161.24**

22.1 Details of dues to Micro and Small Enterprises

The information regarding principal and interest pertaining to micro and small enterprises based on available details (as per Section 22 of the Micro, Small and Medium Enterprises Development Act 2006) is as under:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
a) Principal amount remaining unpaid to any supplier as at the end of the accounting period/year	47.34	29.92	53.18
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting period/year	-	-	-
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day			
i) Principal	-	-	-
ii) Interest Amount	-	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed	-	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting period/year	-	-	-
f) The amount of further interest due and payable even in the succeeding period/year, until such date when the interest dues as above	-	-	-
Total	**47.34**	**29.92**	**53.18**

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23 Other financial liabilities - current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Salary and Wages Payable	5.42	5.31	4.52
Leave Encashment Payable	0.82	0.75	0.61
Bonus Payable	0.28	0.20	0.10
Interest Payable	1.16	-	-
Total	**7.68**	**6.26**	**5.23**

24 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	1.99	3.35	1.44
Advance received from customers	3.50	3.55	-
Retention Deposit Payable	-	-	0.86
Total	**5.49**	**6.90**	**2.30**

25 Provisions - current

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Provision for Income Tax	129.37	86.61	31.07
Provision for Expenses	13.61	5.53	7.44
Provision for Gratuity	0.20	0.17	0.11
Total	**143.18**	**92.31**	**38.62**

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26 Revenue From Operations

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Sales of Goods			
Bales			
Bales Trading	1,003.04	437.32	937.38
Yarn			
Yarn Trading	283.85	226.28	-
Yarn Manufacturing	2,062.50	1,946.91	1,124.77
Yarn Waste	52.51	101.50	106.63
Other operating revenues	51.43	49.82	54.76
Total	**3,453.33**	**2,761.83**	**2,223.54**

Notes:

(i) Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of goods. The normal credit is 45 to 60 days upon delivery.

(ii) All revenue from contracts with customers has been generated from customers located within India

(iii) **Reconciliation of revenue recognised with the contract price is as follows:**	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Contract Price	3,453.76	2,762.75	2,227.78
Less: Adjustments for discounts and rebates	0.43	0.92	4.24
Revenue recognised	**3,453.33**	**2,761.83**	**2,223.54**

(iv) **Contract Balances**	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Trade Receivables (Refer Note No. 11)	822.89	349.72	47.92
Less: Provision for expected credit losses	-	-	-
	822.89	**349.72**	**47.92**
Contract Liabilities	3.50	3.55	-

a) Contract liabilities are on account of upfront revenue received from customers (advance from customer) for which performance obligation has not yet completed.

b) The performance obligation in satisfied and revenue is recognsied when the control of goods or services are transferred to the customers based on the contractual terms.

(v) Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.

27 Other Income

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Interest Income			
Interest on Fixed Deposits	2.40	1.57	1.41
Interest on Security Deposits	0.48	0.23	-
Interest on unwinding of deposit	0.43	0.30	0.04
Interest on Income tax refund	-	-	0.21
Dividend income	-	1.35	1.35
Net gain on foreign currency translation	0.01	-	-
Fair Value Gain/(Loss) on Mutual Fund	0.36	0.55	0.47
Income From Insurance Claim	0.73	-	-
Total	**4.41**	**4.00**	**3.48**

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28 Cost of materials consumed

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Raw Material consumed			
Opening stock (RM)	526.73	511.13	427.86
Purchases (RM)	1,389.75	1,341.33	904.01
Direct Expenses (RM)	10.15	9.60	2.24
Less: Closing stock (RM)	588.61	526.73	511.13
Total	**1,338.01**	**1,335.33**	**822.98**
Stores and Spares consumed			
Opening stock (SS)	25.78	19.25	22.03
Purchases (SS)	23.07	20.79	12.95
Less: Closing stock (SS)	31.64	25.78	19.25
Total	**17.21**	**14.26**	**15.73**
Packing Material consumed			
Opening stock (PM)	4.86	2.15	3.09
Purchases (PM)	15.17	17.67	12.32
Direct Expenses (PM)	-	0.04	0.49
Less: Closing stock (PM)	8.30	4.86	2.15
Total	**11.73**	**15.00**	**13.75**
Total	**1,366.95**	**1,364.59**	**852.46**

29 Purchases of Stock-in-Trade

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Cotton Bales	958.58	409.68	921.22
Cotton Yarn	246.85	221.70	-
Total	**1,205.43**	**631.38**	**921.22**

30 Changes in inventories of finished goods, Stock in Trade and work in progress

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Opening stock			
Finished Goods	202.61	243.28	196.74
WIP	63.42	79.35	93.46
Less: Closing Stock			
Finished Goods	122.56	202.61	243.28
WIP	81.56	63.42	79.35
Total	**61.90**	**56.60**	**(32.43)**

31 Employee benefits expense

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Salaries and wages	49.85	44.23	43.60
Contribution to provident and other fund	2.08	1.26	2.38
Staff welfare expenses	3.19	4.43	1.19
Gratuity and Leave Encashment	3.24	2.84	2.31
Total	**58.36**	**52.76**	**49.48**

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32 Finance costs

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Interest expenses			
Interest on Cash Credit	34.62	29.88	29.42
Interest on Loan from NBFCs	34.69	17.24	1.51
Interest on Term Loan	23.54	39.70	57.41
Interest on delayed payment	12.41	24.02	22.16
Interest on Income Tax	11.80	6.49	3.09
Unwinding of Discount on deposit	0.42	0.32	0.05
Interest on Lease Liability	0.61	-	-
Unwinding of Discount on provision	0.03	-	-
Other borrowing costs	7.57	0.83	2.67
Total	**125.69**	**118.48**	**116.31**

33 Depreciation and amortization expense

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Depreciation on Property, Plant and Equipments	73.66	71.33	71.38
Amortisation on ROU Asset	0.25	-	-
Total	**73.91**	**71.33**	**71.38**

34 Other expenses

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Auditor's Remuneration	0.80	0.80	0.80
Administrative expenses	2.34	1.58	1.09
Commission	2.67	2.15	3.68
Conveyance expenses	2.37	1.52	1.43
Freight outward	0.06	0.89	0.77
Insurance	2.64	3.62	3.38
Power and fuel (Net of Energy Credit)	73.78	88.71	89.11
Professional fees	4.49	6.39	1.57
Rent	0.39	0.21	0.28
Repairs to buildings	2.98	0.37	0.03
Repairs to machinery	0.22	2.07	0.79
Repairs others	2.23	1.97	1.45
Rates and taxes	1.67	0.40	0.51
Telephone expenses	0.18	0.17	0.17
Travelling Expenses	0.09	0.25	0.17
CSR Expenses	3.82	2.19	2.03
Donation Expenses	0.05	0.07	0.11
Legal Expenses	0.15	0.02	0.08
Registration Charges	4.70	0.04	1.60
Security Expenses	3.12	3.53	3.52
Internet Expenses	0.08	0.11	0.11
Bank Charges	0.05	0.04	-
VAT Demand	3.64	-	-
Total	**112.52**	**117.10**	**112.68**

Note (i): Payment to Auditors

- For Statutory Audit	0.80	0.80	0.80
- For Tax Audit	-	-	-
- For Certification	-	-	-
- For Consultancy	-	-	-

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35 Tax expenses

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Current tax	126.50	106.33	34.71
Deferred tax	(3.42)	8.31	1.24
Total	**123.08**	**114.64**	**35.95**

35.1 Reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Accounting Profit before income tax expense	452.97	353.59	135.92
Tax at the rate of	25.168%	25.168%	25.168%
Tax Expense	114.00	88.99	34.21
Tax effect of amounts which are not deductible in calculating taxable income			
Adjustments relating to:			
Tax effect of expenses that are not deductible in determining taxable profit	8.09	0.40	6.05
Tax effect of expenses that are deductible / Income not chargeable in determining taxable profit	(1.66)	(8.47)	(7.91)
Impact of permanent differences	6.06	25.41	1.36
Deferred Tax Recognised on temporary differences	(3.42)	8.31	1.24
Tax effect of amounts which are not taxable in calculating taxable income	9.07	25.64	0.74
Tax Expenses recognised in Statement of Profit and Loss	123.08	114.64	34.95
At the effective income tax rate	**27.17%**	**32.42%**	**25.71%**

36 Components of other comprehensive income

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
(A) Items that will not be reclassified to statement of Profit and Loss			
Remeasurement of Defined benefit plans	-	-	-
Acturial gains/ (loss)	1.35	(0.75)	1.15
Income Tax benefits / (Expense)	(0.34)	0.19	(0.29)
(B) Items that will be reclassified Subsequently to statement of Profit and Loss			
Cash Flow hedging reserve	-	-	-
Unrealised gains (losses)	-	-	-
Income Tax benefits / (Expense)	-	-	-

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37 Financial Instrument

37.1 Financial Instrument by category and Fair value Hierachy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

March 31, 2026	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost #	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
a) Investments								
- Current	15.68	-	-	15.68	6.68	-	9.00	15.68
b) Other Financial Assets								
- Non-Current	-	-	37.30	37.30		-		-
- Current	-	-	108.18	108.18	-	-	-	-
c) Trade Receivables	-	-	822.89	822.89	-	-	-	-
d) Cash & Bank balances	-	-	15.82	15.82	-	-	-	-
Total	**15.68**	**-**	**984.19**	**999.87**	**6.68**	**-**	**9.00**	**15.68**
Financial Liabilities								
a) Lease Liabilities								
- Non-Current	-	-	8.32	8.32	-	-	-	-
- Current	-	-	0.79	0.79	-	-	-	-
b) Other Financial Liabilities								
- Current	-	-	7.68	7.68	-	-	-	-
c) Trade payables	-	-	207.60	207.60	-	-	-	-
d) Borrowings								
- Non-Current	-	-	225.70	225.70	-	-	-	
- Current	-	-	917.53	917.53	-	-	-	
Total	**-**	**-**	**1,367.62**	**1,367.62**	**-**	**-**	**-**	**-**

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March 31, 2025	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost #	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
a) Investments								
- Current	15.32	-	-	15.32	6.32	-	9.00	15.32
b) Other Financial Assets								
- Non-Current	-	-	30.04	30.04				
- Current	-	-	64.46	64.46	-	-	-	-
c) Trade Receivables	-	-	349.72	349.72	-	-	-	-
d) Cash & Bank balances	-	-	2.09	2.09	-	-	-	-
Total	**15.32**	**-**	**446.31**	**461.63**	**6.32**	**-**	**9.00**	**15.32**
Financial Liabilities								
a) Lease Liabilities								
- Non-Current	-	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-	-
b) Other Financial Liabilities	-	-	-					
- Current	-	-	6.26	6.26	-	-	-	-
c) Trade payables	-	-	195.16	195.16	-	-	-	-
d) Borrowings	-	-						
- Non-Current	-	-	207.57	207.57				
- Current	-	-	659.55	659.55				
Total	**-**	**-**	**1,068.54**	**1,068.54**	**-**	**-**	**-**	**-**

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March 31, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost #	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial Assets								
a) Investments								
- Current	14.77	-	-	14.77	5.77	-	9.00	14.77
b) Other Financial Assets								
- Non-Current	-	-	26.08	26.08				
- Current	-	-	40.23	40.23	-	-	-	-
c) Trade Receivables	-	-	47.92	47.92	-	-	-	-
d) Cash & Bank balances	-	-	1.44	1.44	-	-	-	-
Total	**14.77**	**-**	**115.67**	**130.44**	**5.77**	**-**	**9.00**	**14.77**
Financial Liabilities								
a) Lease Liabilities								
- Non-Current	-	-	-	-	-	-	-	-
- Current	-	-	-	-	-	-	-	-
b) Other Financial Liabilities								
- Current	-	-	5.23	5.23	-	-	-	-
c) Trade payables	-	-	161.24	161.24	-	-	-	-
d) Borrowings								
- Non-Current	-	-	349.07	349.07	-	-	-	-
- Current	-	-	636.36	636.36	-	-	-	-
Total	**-**	**-**	**1,151.90**	**1,151.90**	**-**	**-**	**-**	**-**

(All amount in Rs. millions, unless otherwise stated)

#Fair value of financial assets and liabilities which are measured at amortized cost approximtes their carrying amounts (i.e. amortized cost). Accordingly, the fair value has not been disclosed separately.
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique using:

Level 1: Quoted prices (unadjusted) in active market for identical assets and liabilties.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: : Inputs based on unobservable market data.

The following methods / assumptions were used to estimate the fair values:
a) The fair value of investment in quoted Equity Shares, Mutual Funds and, Alternate investment funds is measured at quoted price or NAV.
b) The fair value of Forward Foreign Exchange contracts is determined using observable forward exchange rates at the balance sheet date.

37.2 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of borrowings and equity.
The capital structure of the Company consists of net debt (borrowings as detailed in Note 18 which is off set by cash and bank balances as defined below) and Total Equity of the Company.
The Company's Net Debt to Total Equity ratio as at 31.03.2026 was as follows:

Particulars	**As at 31 March 2026**	**As at 31 March 2025**	**As at 31 March 2024**
Debt (Refer Note No. 18)	1,143.23	867.12	985.43
Less: Cash and Bank Balances (Refer Note No. 12 and 13)	15.82	2.09	1.44
Net Debt (A)	**1,127.41**	**865.03**	**983.99**
Equity Share Capital (Refer Note No.16)	310.00	310.00	310.00
Other Equity (Refer Note No.17)	977.70	646.80	408.41
Total Equity (B)	**1,287.70**	**956.80**	**718.41**
Net Debt to Equity Ratio (A/B)	**0.88**	**0.90**	**1.37**

37.3 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
(i) Market risk (see A below)
(ii) Credit risk (see B below)
(iii) Liquidity risk (see C below)

Risk Management Framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(All amount in Rs. millions, unless otherwise stated)

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board of Directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

A. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign Curreny Risk

Foreign currency risk is the risk that the fair value or future cashflows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company transacts business in local currency only. The Company does not have foreign currency trade payables and receivables and is therefore, not exposed to foreign exchange risk. The Company need not to use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

(ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. The exposure of the company’s borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Interest rate exposure:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Borrowings			
Fixed Rate	177.64	119.32	79.27
Floating Rate	874.47	656.59	814.93
Total	**1,052.11**	**775.91**	**894.20**

The Company has obtained an unsecured, interest-free loan from its directors, which is repayable on demand, accordingly the company has not considered that loan in table above.

Interest Rate Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax would be affected through the impact on floating-rate borrowings, as follows:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Increase by 100 basis points	(8.74)	(6.57)	(8.15)
Decrease by 100 basis points	8.74	6.57	8.15

(All amount in Rs. millions, unless otherwise stated)

(iii) Price Risk

a) Investment risk

The Company’s exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. The Company is mainly exposed to the price risk due to its investment in mutual funds measured at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. As at 31.03.2026, the investments in mutual funds amounts to ₹ 6.68 miliion (P.Y.: ₹ 6.31 million).

As regards Company's investments in unquoted equity instruments, the management contends that such investments do not expose the Company to price risks. In general, these securities are not held for trading purposes.

b) Commodity Price Risk

The Company is exposed to commodity price risk arising from fluctuations in cotton bale prices, which are the principal raw material used in the manufacture of cotton yarn. An increase in cotton prices may increase the Company's raw material costs and adversely impact margins, particularly in a competitive market where such increases may not be fully passed on to customers. Conversely, a decline in cotton prices may impact the realisable value of cotton inventory.

The Company manages this risk through regular monitoring of cotton and yarn prices, planned procurement based on production and sales requirements, appropriate inventory management and, where feasible, passing on changes in raw material costs to customers. Management monitors market conditions and procurement and selling prices on an ongoing basis to minimise the impact of cotton price fluctuations on profitability.

B. Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Company's trade receivables, loans, investments, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure:

(i) Trade Receivable:

Particulars	**As at 31 March 2026**	**As at 31 March 2025**	**As at 31 March,2024**
Gross Carrying amount	822.89	349.72	47.92
Less: Expected credit loss recognised during the year	-	-	-
Carrying of trade receivables	**822.89**	**349.72**	**47.92**

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Company constantly evaluates the quality of trade receivables and provides impairment loss on financial assets (trade receivables) based on expected credit loss model.

(All amount in Rs. millions, unless otherwise stated)

(ii) Investments:

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Company does not expect significant credit risks arising from these investments.

(iii) Cash and cash equivalents and Bank balances other than Cash and cash equivalents:

The Company held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

(iv) Other financial assets:

Other financial assets primarily consists of Subsidy receivable, Interest accrued on bank deposits and other deposits, security deposits and term deposit with Non-Banking Financial Companies. The Company does not expect any loss from non-performance by these counter-parties.

C. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

Exposure to liquidity risk
The table below provides details regarding the contractual maturities of significant financial liabilities as at reporting dates:

March 31, 2026	**Carrying amount**	**Undiscounted Contractual cash flows**				
		Less than 12 months	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Borrowings	1,143.23	917.53	74.27	93.31	58.12	1,143.23
Trade payables	207.60	207.60	-	-	-	207.60
Lease Liabilities	8.32	0.87	1.79	4.73	20.66	28.05
Other current financial liabilities	7.68	7.68	-	-	-	7.68
Total	**1,366.83**	**1,133.68**	**76.06**	**98.04**	**78.77**	**1,386.56**

March 31, 2025	**Carrying amount**	**Undiscounted Contractual cash flows**				
		Less than 12 months	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Borrowings	867.12	659.55	115.15	83.29	9.13	867.13
Trade payables	195.16	195.16	-	-	-	195.16
Lease Liabilities	-	-	-	-	-	-
Other current financial liabilities	6.26	6.26	-	-	-	6.26
Total	**1,068.54**	**860.97**	**115.15**	**83.29**	**9.13**	**1,068.55**

March 31, 2024	**Carrying amount**	**Undiscounted Contractual cash flows**				
		Less than 12 months	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Borrowings	985.43	636.36	175.80	173.27	-	985.43
Trade payables	161.24	161.24	-	-	-	161.24
Lease Liabilities	-	-	-	-	-	-
Other current financial liabilities	5.23	5.23	-	-	-	5.23
Total	**1,151.90**	**802.83**	**175.80**	**173.27**	**-**	**1,151.90**

(All amount in Rs. millions, unless otherwise stated)

38 Transition to Ind AS - First-time adoption

The Company has restated its financial information for the financial years ended 31 March 2026, 31 March 2025, and 31 March 2024 in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder. The restated financial information has been prepared after making appropriate adjustments to the previously reported financial information to align with the recognition, measurement, presentation, and disclosure requirements of Ind AS, including the accounting policies adopted by the Company and the exemptions and exceptions applied in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. The restated financial information has been prepared in the format and manner consistent with the financial statements for the year ended 31 March 2026 and in compliance with the applicable requirements of the Securities and Exchange Board of India (SEBI).

The Company has restated its financial information for the Period ended 01 April, 2023 in accordance with Ind AS and the applicable requirements of SEBI. The restatement reflects the impact of transition to Ind AS and the adoption of accounting policies, classifications and presentation principles applied consistently in the preparation of the Restated Financial Information.

Set out below are the applicable mandatory exceptions applied and the optional exemptions in the transition from previous GAAP to Ind AS.

Optional exemptions availed:

Ind AS 101 First Time Adoption of Indian Accounting ("Ind AS 101") allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS on transition date. The Company has applied the following exemptions :

1. The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as at 01 April 2023 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
2. The Company has elected to value ROU assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease immediately before the date of transition to Ind AS.

Mandatory Exceptions:

(a) Estimates: An entity's estimates in accordance with Ind AS at the transition date shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments made to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01 April 2023 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(b) Derecognition of Financial Assets and Financial liabilities: Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occuring on or after the date of transition to Ind AS. However Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 from the date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. Entity has elected to apply the derecognition provisions prospectively for transactions occuring on or after the date of transition to Ind AS.

(c) Classification and measuement of Financial Assets: Ind AS 101 requires entity to assess the classification and measurement of financial assets on the basis of facts and circumstances existed at the date of transition to Ind AS. Accordingly classification and measurement of financial assets have been made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

A Statement of reconciliation of total equity and profit and loss as per previous GAAP and Ind AS:

Reconciliation of total equity as at 31 March 2025, 31 March 2024 and 1 April 2023:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Total equity as per Audited Financials	**981.60**	**719.95**	**619.67**
Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]			
i) Change on account of fair value adjustment of financial instruments	2.67	1.93	1.47
ii) Impact of recognition of deferred taxes in accordance with Ind AS 12	1.65	2.23	2.57
iii) Prior Period Adjustements in accordance with Ind as 8	(5.62)	(5.32)	(6.13)
Total Ind-AS Adjustments	**(1.29)**	**(1.16)**	**(2.09)**
Total Equity as per Ind-AS	**980.32**	**718.79**	**617.58**

Reconciliation of total comprehensive income:

Particulars	As at 31 March 2025	As at 31 March 2024	As at 01 April 2023
Net profit after tax as per Audited Financials	**262.21**	**101.95**	**61.83**
Ind AS adjustments [Increase in profits / (decrease in profits)]			
i) Gratuity reclassification to OCI non-reclassifiable	0.75	(1.15)	(1.15)
ii) Impact of deferred taxes in accordance with Ind AS 12 on above	(0.57)	(0.34)	2.57
iii) Change on account of fair value adjustment of financial instruments	0.74	0.46	1.47
iv) Deferred taxes reclassification to OCI non-reclassifiable	(0.19)	0.29	0.30
v) Prior Period Adjustements in accordance with Ind as 8	(0.86)	(0.86)	0.01
Total Ind-AS Adjustments	**(0.13)**	**(1.60)**	**3.21**
Net profit after tax as per Ind AS	**262.08**	**100.36**	**65.04**
Other Comprehensive Income (net of taxes)	**(0.56)**	**0.86**	**0.85**
Total Comprehensive Income as per Ind-AS	**261.52**	**101.21**	**65.88**

*
The company has restated its financial statements from Indian GAAP (AS) to Ind AS for the year ended March 31, 2026, 2025, and 2024 to comply with the SEBI (ICDR) Regulations 2018.

Notes to reconciliations:

a. Estimates

As per Ind AS 101 - An entity's estimates in accordance with Ind ASs at the date of transition to Ind ASs shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
As per Ind AS 101 - where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per IndAS) The Company's estimates are consistent with the above requirements.

b. Other Comprehensive Income (OCI)

Ind AS requires preparation of statement of Other comprehensive Income in addition to statement of profit and loss. Re- measurement gain/loss on defined benefit plan earlier accounted for in statement of profit and loss under previous GAAP has been reclassified to OCI as required by Ind AS 19 - Employee benefits. However, this has no impact on the total comprehensive Income and total equity.

c. Deferred Taxes

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Deferred tax assets are recognised to the extent that it is probable (or 'more likely than not') that sufficient taxable profits will be available to utilise the deductible temporary differences or unused tax losses

d. Classification of financial assets and liabilities

Current and non-current assets/liabilities have been reclassified into financial and non-financial assets/liabilities as per the nature of assets/liabilities.

e. **Accounting for Loan processing fees**

Under the previous GAAP, loan acquisition cost is charged to profit & loss and does not impact the loan amount. Under Ind AS 109, for financial liabilities measured at amortised cost, interest is computed using the effective interest rate method, which amortises loan acquisition cost over the term of the borrowing.

f. Fair value adjustments on financial instruments

Under Ind AS, Investment in mutual funds in the nature of trade instruments are measured at fair value through profit and loss at each reporting date.

g. Regrouping and reclassifications

Appropriate regrouping/reclassification adjustments have been carried out for previous GAAP numbers wherever required to align them with the requirements of Ind AS.

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39 Restated Earning per share

The calculation of Restated basic and diluted earning per share has been based on the following profit attributable to equity shareholders and weighted average number of equity shares outstanding:

(₹ in Million, except share and per share data)

Particulars	**For Year ended 31 March 2026**	**For Year ended 31 March 2025**	**For Year ended 31 March 2024**
Profit attributable to equity shareholders In Rs.	329.89	238.95	99.97
Weighted average number of Equity Shares	3,10,00,000	3,10,00,000	3,10,00,000
Earnings per share basic (Rs)	10.64	7.71	3.22
Earnings per share diluted (Rs)	10.64	7.71	3.22
Face value per equity share (Rs)	10.00	10.00	10.00

Basic EPS amounts are calculated by dividing the profit for the period/year attributable to shareholders by the weighted average number of shares outstanding during the period/year. Diluted EPS amounts are calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the period/year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into share capital.

Subsequent to the reporting date and before the date of this Auditor's Report, the Company allotted 55,15,000 equity shares on a preferential basis at an issue price of ₹34 per equity share on special resolution passed Extraordinary General Meeting held on 11 May 2026, aggregating to ₹187.51 million. As the allotment was completed after the respective reporting date(s), the event is a non- adjusting event and therefore no adjustment has been made to the weighted average number of equity shares considered for the computation of Basic and Diluted EPS, in accordance with Ind AS 33.

40 Contingent Liabilities and Capital Commitments

(₹ in Million)

Particulars	**As at 31 March 2026**	**As at 31 March 2025**	**As at 31 March 2024**
Contingent Liabilities			
VAT Demand	-	3.64	3.64
Outstanding Bank Guarantees	28.23	24.23	24.23
Includes Bank guarantee issued by State Bank of India			
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	218.00	40.39

Notes:

a) Contingent Liabilities

(i) VAT Demand of ₹3.64 Million pertaining to earlier years, previously disclosed as a contingent liability, has been provided for during the year ended 31 March 2026 based on management's reassessment of the probability of outflow of resources.

(ii) The Company has initiated proceedings for compounding of certain non-compliances of the Companies Act, 2013 with the Registrar of Companies. The outcome and amount payable, if any, towards compounding/penalty are presently not determinable.

b) Outstanding Bank Guarantees

The Company has outstanding bank guarantees amounting to ₹28.23 million as at 31 March 2026 (31 March 2025: ₹24.23 million; 31 March 2024: ₹24.23 million), including a bank guarantee issued by State Bank of India.

c) Capital Commitments

The Company has outstanding capital commitments of ₹ Nil as at 31 March 2026 (31 March 2025: ₹218.00 million; 31 March 2024: ₹40.39 million), representing the estimated amount of contracts remaining to be executed on capital account and not provided for, net of capital advances.

41 Defined Benefit Plan (Gratuity)

- The company has made a provision in the Accounts for Gratuity based on Actuarial valuation. The particulars under Ind AS 19 "Employee Benefits" furnished below are those which are relevant and available to the Company for respective periods
- The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Parent company.
- The present value of defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuations being carried out at each balance sheet date
- Gratuity is paid from entity as and when it becomes due and is paid as per the entity scheme for Gratuity.
- Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: Interest rate risk, salary risk, investment risk and longevity risk

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1 **Interest risk**: A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

2 **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

3 **Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

4 **Longevity Risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Particulars	**As at 31 March 2026**	**As at 31 March 2025**	**As at 31 March 2024**
I. Components of Employer Expense recognised in Statement of Profit & Loss			
a) Current Service Cost	1.47	1.40	0.85
b) Net Interest Cost	0.44	0.25	0.26
Total Expense recognised in Statement of Profit and Loss	1.90	1.64	1.11
II. Net Asset / (Liability) recognised in Balance Sheet			
a) Present value of Defined Benefit Obligation	6.57	6.02	3.63
b) Fair Value of Plan Assets	-	-	-
Net Asset / (Liability) recognised in Balance Sheet	6.57	6.02	3.63
Current	0.20	0.17	0.11
Non-Current	6.37	5.85	3.52
III. Changes in Defined Benefit Obligations (DBO) during the year			
a) Opening Present Value of Obligation	6.02	3.63	3.67
b) Current Service Cost	1.47	1.40	0.85
c) Interest Cost	0.44	0.25	0.26
d) Actuarial (Gain) / Loss	(1.35)	0.75	(1.15)
e) Benefit Paid	-	-	-
Present Value of Obligation at the year end	6.57	6.02	3.63
IV. Actuarial Assumptions			
a) Type of fund	Non-Funded	Non-Funded	Non-Funded
b) Discount Rate (per annum)	7.25%	6.75%	7.10%
c) Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
d) Withdrawal Rate (P.A.)	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
e) Retirement Age	58 years	58 years	58 years
f) Salary Escalation Rate	7.00%	7.00%	7.00%
V. Actuarial (gain) / loss recognised			
Actuarial (gain) / loss recognised on obligations:			
Due to Change in financial assumptions	(0.44)	0.28	0.14
Due to change in demographic assumption	-	-	-
Due to experience adjustments	(0.91)	0.46	(1.29)
Net Actuarial (gain) / loss recognised during the year	(1.35)	0.75	(1.15)

Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

For the Year ended 31 March 2026

Particulars	**Gratuity**	
	Increase	**Decrease**
Discount rate (- / +1%)	5.81	7.50
Salary growth rate (- / +1%)	7.49	5.80
Withdrawl rate (- / +1%)	6.59	6.55

(All amount in Rs. millions, unless otherwise stated)

For the Year ended 31 March 2025

Particulars	Gratuity	
	Increase	Decrease
Discount rate (- / +1%)	5.26	6.95
Salary growth rate (- / +1%)	6.94	5.25
Withdrawl rate (- / +1%)	6.00	6.04

For the Year ended 31 March 2024

Particulars	Gratuity	
	Increase	Decrease
Discount rate (- / +1%)	3.20	4.15
Salary growth rate (- / +1%)	4.15	3.19
Withdrawl rate (- / +1%)	3.63	3.63

-The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
-There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior.

42 Leases

42.1 Company as a lessee

The Company has agricultural land on lease at Vanasan, Taluka Sidhpur, District Patan, Gujarat, admeasuring approximately 8.62 acres (Lease Deed No. 2287),4.35 acres (Lease Deed No. 2288) and 2.93 acres (Lease Deed No.4334) , used for setting up a solar power project, with a lease term of 26 years and 10 months. The lease contract can be renewed with mutual consent and contains termination options. Such options are appropriately considered in determination of the lease term based on the management's judgement. The Company is restricted from assigning and subletting the leased land without the lessor's consent. The lease deed also contains an obligation requiring the Company to restore/decommission the leased land to its original condition on expiry or termination of the lease, which has been recognised as a decommissioning provision under Ind AS 37.

For leases where the lease term is less than 12 months with no purchase option or the underlying leased assets are of low value, the Company has elected to apply the exemption for such leases and accordingly, right of use assets and lease liabilities for these contracts are not recognised.

Refer Note 6 for details relating to right of use assets.

42.2 Lease Liability movement

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Opening Balance		-	-
Add: Addition during the period	9.37	-	-
Less: Derecognition during the period	-	-	-
Add: Interest Expenses	0.61	-	-
Less: Payments	0.87	-	-
Closing Balance	**9.10**	**-**	**-**
Non-Current	8.32	-	-
Current	0.79	-	-

42.3 Amounts recognised in profit or loss

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on Lease Liabilities	0.61	-	-
Amortisation of right of use assets	0.25	-	-
Expenses related to Short Term Lease	0.39	0.21	0.28

42.4 Amounts recognised in statement of cash flows

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Total cash outflow for leases	0.87	-	-

42.5 Maturity Analysis of lease liabilities (undiscounted cashflows):

Particulars	Carrying amount	Less than 1 Year	1-2 Years	2-5 Years	More than 5 Years	Total Undiscounted cashflow
As at March 31, 2026	9.10	0.87	1.79	4.73	20.66	28.05
As at March 31, 2025	-	-	-	-	-	-
As at March 31, 2024	-	-	-	-	-	-

(All amount in Rs. millions, unless otherwise stated)

43 Segment Reporting

The Company is engaged in the business of producing Cotton yarn, as well as trading in cotton bales and Cotton yarn. The board of directors of the Company allocate resources and assess the performance of the Company, and hence board of directors are considered as the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed. None of the Company's assets are located out of India.

44 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial year on corporate social responsibility (CSR) activities.

Particulars	**For Year ended 31 March 2026**	**For Year ended 31 March 2025**	**For Year ended 31 March 2024**
(a) Gross Amount required to be spent by the Company during the period/year	3.82	2.19	3.94
(b) Amount approved by the Board to be spent during the year	3.82	2.19	3.94
(c) Amount spent during the period/year			
- Construction/acquisition of any asset			-
- On purposes other than (a) above	3.82	2.19	3.94
(d) Shortfall/ (Surplus) at the end of the year	-	-	-
Total amount spent during the year	**3.82**	**2.19**	**3.94**
d) Nature of Activities	For Women's enpowerment and child Developement	For Health & Education activities	For Health & Education activities

45 Subsequent Event

a) Subsequent to the reporting date and before the date of this Auditor's Report, pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting held on 11 May 2026, the Authorized Share Capital of the Company was increased from ₹ 310.00 million (3,10,00,000 equity shares of ₹10 each) to ₹ 510.00 million (5,10,00,000 equity shares of ₹10 each). The Company has made the necessary filings in this regard with the Registrar of Companies.

b) Subsequent to the reporting date and before the date of this Auditor's Report, the Company allotted 55,15,000 equity shares on a preferential basis at an issue price of ₹34 per equity share on special resolution passed Extraordinary General Meeting held on 11 May 2026, aggregating to ₹ 187.51 million. As the allotment was completed after the respective reporting date(s), no adjustment has been made to the Restated Financial Statements. The allotment has been disclosed as a material subsequent event.

46 Other Statutory Disclosures as per the Companies Act, 2013

1) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami Property.

2) Basis the information available with the Company as on the reporting date and as on the date on which financial statements are approved and authorised for issue, the Company does not have any transactions with the companies struck off. Further, the Company has not been declared as a wilful defaulter by any Bank / Financial Institution / any other lender.

3) The Company in respect of the loan availed from Bajaj Finance Limited has not created or registered a charge in favour of Bajaj Finance Limited with the Registrar of Companies (ROC).

4) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.

5) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

6) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

8) Immovable Properties owned by the compnay on its name, and further for immovable properties taken on lease, lease agreements are executed with Lessor.

9) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

10) The Company did not have any scheme of arrangement / amalgamation executed in past wherein the accounting is not in compliance with the applicable accounting principles.

11) The Company has given loan and advances to employees with the terms being repayable on demand or without repayment terms.

12) The off balance sheet items comprise an outstanding bank guarantee of ₹28.23 Million (31 March 2025: ₹24.23 Million; 31 March 2024: ₹24.23 Million) issued by SBI, a VAT demand of ₹3.64 Million previously disclosed as contingent (31 March 2025 and 2024) now provided as provision during the year ended 31 March 2026; capital commitments towards the Solar project stood at ₹Nil as at 31 March 2026 (31 March 2025: ₹218 Million; 31 March 2024: ₹40.39), and there were no contingent assets as at any of the reporting dates.

13) The Company has not revalued any of its property, plant and equipment (including right-of-use assets), intangible assets, or investments during the year, except for financial instruments measured at fair value through profit or loss (FVTPL) in accordance with Ind AS 109.

14) Previous years’ figures have been regrouped and rearranged wherever necessary to comply with requirement of IND AS.

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
Annexure VII - Notes to Restated Financial Information
(All amount in Rs. millions, unless otherwise stated)

47 Related Party Disclosure

(i) List of Related Parties

List of Related Parties	Relationship
Radheshyam Purshottambhai Pokar	Director
Rahul Abjibhai Dholu	Director
Nilesh Babulal Patel	Director
Divya Goswami	Company Secretary (Up to January 01, 2025)
Archana Pokar	Relative of Director
Pinalben Dholu	Relative of Director
Sheelaben Patel	Relative of Director
Surya Future Tradewing LLP	Common Director/ Partner

Notes:

1 The Company has by the Resolution Passed in the board meeting dated September 05, 2026 identified Mr. Rahul Abjibhai Dholu as a Managing Director (Executive) of the company w.e.f September 05, 2026.

2 The Company has by the Resolution passed in the Board Meeting of the Company August 10, 2026 approved the appointment of Mr. Sahul Jotaniya as the Company Secretary and Compliance officer of the company w.e.f August 10, 2026.

3 The Company has by the Resolution passed in the Board Meeting of the Company September 05, 2026 approved the appointment of Mr. Utsav Patel as a Chief Financial officer (CFO) of the Company w.e.f September 05, 2026.

4 The Company has by the Resolution Passed in the board meeting September 02, 2026 approved the appointment of Ms. Meeta Prajapati, Ms. Dharaben Patel and Ms. Shweta Panelia as an Additional Independent Director (Non-Executive) of the company September 02, 2026.

(ii) Related Party Transactions

Particulars	Relationship	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Salary:				
- Radheshyam Purshottambhai Pokar	Director	1.26	1.16	1.16
- Archana Pokar	Relative of Director	0.80	0.71	0.71
- Pinalben Dholu	Relative of Director	0.80	0.71	0.76
- Nilesh Babulal Patel	Director	1.26	1.16	1.16
- Sheelaben Patel	Relative of Director	0.80	0.71	0.71
- Divya Goswami	Company Secretary	-	0.19	0.25
Purchase of Raw Materials				
- Surya Future Tradewing LLP	Common Director/ Partner	258.08	82.65	129.78
Sale of Raw Materials				
- Surya Future Tradewing LLP	Common Director/ Partner	-	373.41	173.44

(iii) Related Party Balances

Particulars	Relationship	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Unsecured Loan Taken				
- Nilesh Babulal Patel	Director	14.23	14.23	14.23
- Rahul Abjibhai Dholu	Director	37.10	37.10	37.10
- Radheshyam Purshottambhai Pokar	Director	39.90	39.90	39.90
Salary Payable				
- Radheshyam Purshottambhai Pokar	Director	0.10	0.08	0.08
- Archana Pokar	Relative of Director	0.06	0.05	0.05
- Pinalben Dholu	Relative of Director	0.06	0.05	0.05
- Nilesh Babulal Patel	Director	0.10	0.09	0.09
- Sheelaben Patel	Relative of Director	0.06	0.05	0.05
- Divya Goswami	Company Secretary	-	-	0.02

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(All amount in Rs. millions, unless otherwise stated)

48 Financial ratio

Remark - Any change in the ratio by more than 25% as compared to the preceding year.

Particulars	Numerator/Denominator	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024	Change in % March 2025 to March 2026	Change in % March 2024 to March 2025	March 2025 to March 2026	March 2024 to March 2025
(a) Current Ratio	Current Assets / Current Liabilities	1.42	1.36	1.27	4.28%	7.35%	-	-
(b) Debt-Equity Ratio	Total Debts / Equity	0.89	0.91	1.37	-2.04%	-33.93%	-	Due to substantial decrease in overall debt and growth in revenue and profits led to increase in total equity
(c) Debt Service Coverage Ratio	Earning available for Debt Service / Interest + Installments + Lease Payment	2.72	1.83	0.61	49.04%	198.13%	The Debt Service Coverage Ratio Increased during the year as a result of higher Increase in earnings on account of growth in Profitability year on year available for debt service during the year.	The Debt Service Coverage Ratio Increased during the year as a result of higher Increase in earnings on account of growth in Profitability year on year available for debt service during the year.
(d) Return on Equity Ratio	Profit after Tax / Closing Shareholder's Equity	29.40%	28.53%	14.93%	3.05%	91.09%	-	Return on equity has substantially increased on account of higher profits as compared to previous year
(e) Inventory turnover ratio	Total Turnover / Closing Inventories	4.15	3.35	2.60	23.65%	29.00%	Increase driven by higher turnover indicating improved inventory management/faster stock rotation.	Increase driven by higher turnover indicating improved inventory management/faster stock rotation.
(f) Trade receivables turnover ratio	Net Credit Sales / Closing Trade Receivables	4.20	7.90	46.40	-46.86%	-82.98%	Decline driven by a steep rise in average trade receivables reflecting extended credit terms/growth in credit sales.	Decline driven by a steep rise in average trade receivables reflecting extended credit terms/growth in credit sales.
(g) Trade payables turnover ratio	Total Purchases / Closing Trade Payable	12.39	10.23	11.00	21.16%	-7.03%	Increase driven by higher purchases combined with a reduction in average trade payables	-
(h) Net capital turnover ratio	Total Turnover / Closing Working Capital	6.42	7.96	9.82	-19.38%	-19.01%	-	-
(i) Net profit ratio	Net Profit / Total Turnover	9.55%	8.65%	4.50%	10.41%	92.44%	-	Due to higher growth in net profit compared to the increase in revenue from operations.
(j) Return on Capital employed	Earning before interest and taxes / Closing Capital Employed	25.80%	25.17%	13.97%	2.50%	80.17%	-	Due to significant improvement in EBIT (Interest excluding lease) relative to the growth in capital employed.
(k) Return on investment	Return on Investment / Total Investment	2.30%	12.40%	12.32%	-81.49%	0.65%	Due to decline in Investment Income in comprison of total investment.	-

Rudra Cottex Limited
(Formerly known as "Rudra Cottex Private Limited")
Annexure VII - Notes to Restated Financial Information
(All amount in Rs. millions, unless otherwise stated)

48.1 Accounting ratio

The accounting ratios of our Company as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations as derived from the Restated Financial Information, are given below:

Particulars	For Year ended 31 March 2026	For Year ended 31 March 2025	For Year ended 31 March 2024
Basic earnings per Equity Share (in₹)	10.64	7.71	3.22
Diluted earnings per Equity Share(in ₹)	10.64	7.71	3.22
Return on net worth (in %)	25.62%	24.97%	13.92%
Net asset value per equity share(₹)	41.54	30.86	23.17
Profit/(loss)after tax	329.89	238.95	99.97
EBITDA	648.16	539.40	320.13

Notes:

1 Basic EPS (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding at end of year/period in accordance with the principles of Ind AS 33.

2 Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding at end of year/period, in accordance with the principles of Ind AS 33.

3 Return on Net Worth (RoNW) = Restated net profit after tax for the years attributable to the owners of the Company (equity attributable to the owners of the Company) divided by net worth as at end of the relevant year period.

4 Net asset value per share= Net Asset Value per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Outstanding Equity Shares outstanding at the end of the period/year.

5 Profit after tax for the Year / Period- Profit After Tax is as reported in the financial statements.

6 EBITDA = profit / (loss) before tax for the period / year plus finance costs (including interest on lease liability) and depreciation & amortization expenses minus Other Income.

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

CA Ketan Mistry
Partner
Membership No: 112112

Place: Ahmedabad
Date: 17 September, 2026

For and on behalf of Board of Directors,
Rudra Cottex Limited
(CIN: U13111GJ2016PLC086570)

Radheshyam Pokar	Nilesh Patel	Rahul Dholu	Utsav Patel	Sahul Jotaniya
Director	Director	Managing Director	Chief Financial Officer	Company Secretary
DIN: 03613602	DIN: 07353395	DIN: 07327045		

Place: Ahmedabad
Date: 17 September, 2026

OTHER FINANCIAL INFORMATION

In accordance with the with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited financial information of our Company for the year ended March 31, 2026, March 31, 2025, and March 31, 2024 (collectively, the "**Audited Financial Information**") is available on our website at https://rudracottex.com/investor-relations/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. Except as disclosed in this Draft Red Herring Prospectus, the Audited Financial Information and reports thereon, do not and will not constitute, (i) a part of this Draft Red Herring Prospectus; (ii) the Red Herring Prospectus or (iii) the 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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. Except as disclosed in this Draft Red Herring Prospectus, the Audited Financial Information and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain.

None of our Company or any of its advisors, nor the 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 Information, or the opinions expressed therein.

The accounting ratios of our Company as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations as derived from the Restated Financial Information, are given below:

(₹ in million, unless otherwise mentioned)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per Equity Share (in ₹) [(1)]	10.64	7.71	3.22
Diluted earnings per Equity Share (in ₹) [(2)]	10.64	7.71	3.22
Return on Net Worth (in %) [(3)]	25.62%	24.97%	13.92%
Net asset value per equity share (in ₹) [(4)]	41.54	30.86	23.17
Profit/(loss) after Tax [(5)]	329.89	238.95	99.97
EBITDA [(6)]	648.16	539.40	320.13

Notes:

1. *Basic EPS (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding at end of year/period in accordance with the principles of Ind AS 33.*
2. *Diluted EPS (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding at end of year/period, in accordance with the principles of Ind AS 33.*
3. *Return on Net Worth (RoNW) = Restated net profit after tax for the years attributable to the owners of the Company (equity attributable to the owners of the Company) divided by net worth as at and of the relevant year period.*
4. *Net asset value per share= Net Asset Value per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Outstanding Equity Shares outstanding at the end of the period/year.*
5. *Profit after tax for the Year / Period - Profit After Tax is as reported in the financial statements.*
6. *EBITDA = Profit / (loss) before tax for the period / year plus finance costs (including interest on lease liability) and depreciation & amortization expenses minus Other Income.*

The Non-GAAP Measures presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the year/period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not a standardized term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company's operating performance. For the risks relating to our Non-GAAP Measures, see *"Risk Factor 59 – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the textile industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies."* on page 60.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2026, derived from Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with the "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 307 and 365, respectively.

(in ₹ million unless otherwise specified)

Particulars	Pre-Issue (As at March 31, 2026)	Post-Issue as adjusted^
Current Borrowing:		
Secured	542.24	[●]
Unsecured	240.62	[●]
Non-current borrowing (including current maturity)		
Secured	332.22	[●]
Unsecured	28.15	[●]
Total Borrowing (a)	**1,143.23**	[●]
Shareholders' funds:		
Share capital	310.00	[●]
Securities premium	-	[●]
Reserves and surplus (excluding securities premium)	977.70	[●]
Shareholders' funds (b)	**1,287.70**	[●]
Total Capitalization (a + b)	**2,430.93**	[●]
Current Borrowing / Shareholders Funds (Ratio)	**60.80%**	[●]
Non-current Borrowings / Shareholders Funds (Ratio)	**27.99%**	[●]
Total Borrowing / Shareholders Funds (Ratio)	**88.78%**	[●]

^Post Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

There has been no change in Equity Share capital of our Company since March 31, 2026 till the date of filing of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our Company has availed credit facilities and entered into other financing arrangements in the ordinary course of business, typically for the purposes of capital expenditure and working capital requirement. For the purposes of the Issue, we have obtained the necessary consents required under the relevant documentation for its borrowings in relation to the Issue.

For details regarding the borrowing powers of our Board, see "*Our Management—Borrowing Powers*" also see "*Risk Factor 20 - We have indebtedness which requires cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, cash flows and credit rating*." on page 38.

Set forth below is a brief summary of our aggregate outstanding borrowings as at July 31, 2026.

(in ₹ million)

Category of borrowings	**Sanctioned amount as on July 31, 2026** (1)	**Amount outstanding as on July 31, 2026**
Fund based borrowings		
Secured Term loans		
From Banks	418.40	280.91
Secured loans repayable on demand - cash credit / working capital demand loan facilities		
From Banks (1)	370.00	363.25
From other financial institution	200.00	172.50
Unsecured loans		
From banks	-	-
From other financial institution (3)	120.00	93.95
From body corporates and others	91.23	91.23
Unsecured Suppliers financing arrangement		
From other financial institution	172.50 (3)	133.36
Sub Total (A)	1,372.13	1,135.20
Non-fund based borrowings		
Bank Guarantee (2)	25.00	28.23 (2)
Sub Total (B)	25.00	28.23
Total (A+B)	**1,397.13**	**1,163.43**

** As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.*

(1) *The sanction limit has been considered as per the latest sanction letters.*

(2) *The amount outstanding in excess of the sanctioned limit includes the fixed deposits held as margin*

(3) *The sanction limit of Receivable Exchange of India Limited undergoes frequent renewals accordingly the sanction limit has been mentioned as per the latest details available.*

Principal terms of the secured borrowings availed by the Company are disclosed below:

- ***Tenure***: Ranges from 47 to 114 monthly instalments for term loans; cash credit, working capital and invoice/receivable discounting facilities are repayable on demand or linked to the tenor of the underlying invoice, and are subject to annual review/renewal by the respective lender.

- ***Interest rate***: Term loans from State Bank of India are linked to the External Benchmark Lending Rate (EBLR) or Marginal Cost of Funds based Lending Rate (MCLR), as applicable, plus an agreed spread; the term loan from MUCB and cash credit facilities bear interest with monthly rests; facilities from NBFCs/other financial institutions carry fixed rates ranging from approximately 9.40% to 16.25% p.a.

- ***Security***: Facilities from banks are secured, inter alia, by equitable mortgage of the Company's factory land and building, hypothecation of specific plant & machinery (including the wind mill, rooftop solar and ground-mounted solar assets) and/or a first/pari passu charge on current assets (stock, receivables and other current assets), together with equitable mortgage of certain residential, commercial and industrial properties owned by the Company, its promoters, directors and related parties. Facilities from certain NBFCs are secured by way of an interest-bearing/non-interest-bearing security deposit or cash collateral (ranging from approximately 10% to 15% of the sanctioned/disbursed amount) in lieu of asset-based security. The term loan from IKF Enterprise Limited and the loans from directors are unsecured.

- ***Repayment***: Term loans are repayable in structured monthly instalments over the tenure. Cash credit and working capital demand facilities are repayable on demand and are subject to renewal, typically on an annual basis, at the lender's discretion.

- ***Prepayment:*** Under the SBI facilities, prepayment of term loan facilities attracts a charge of 2.00% of the amount prepaid, and pre-closure of fund-based facilities (other than term loans) attracts a charge of 2% of the outstanding amount taken over, subject to specified exemptions (including where the loan is prepaid from internal accruals or an equity infusion); under the Bajaj Finance facility, 2% of the amount outstanding is payable on prepayment in all events.

- ***Penal interest:*** In the event of any delay or default in payment of principal, interest or any other amounts due, or upon the occurrence of any breach of the terms and conditions of the financing documents, the lenders shall be entitled to levy penal interest and/or penal charges in accordance with the applicable terms of the respective financing arrangements.

- ***Restrictive Covenants:*** The financing documents contain customary affirmative and negative covenants, including requirements relating to maintenance of specified financial ratios, periodic submission of financial and operational information, restrictions on incurrence of additional indebtedness, creation of further encumbrances, disposal of secured assets and undertaking certain corporate actions without the prior approval of the lenders.

- ***Events of Default:*** Events of default under the financing documents generally include, among others, failure to make payments when due, breach of representations, warranties or covenants, cross-default under other financing arrangements, insolvency or winding-up proceedings, occurrence of a material adverse effect and failure to create or maintain the stipulated security interests.

- ***Consequences of occurrence of events of default:*** Upon the occurrence of an event of default, the lenders may, subject to the terms of the financing documents and applicable law, accelerate repayment of all outstanding obligations, suspend or cancel the available credit facilities, enforce the security created in their favour and invoke guarantees and other credit enhancement mechanisms.

The details provided above are indicative and there may be additional terms, conditions, and requirements under the various outstanding borrowing arrangements that may require the consent of the relevant lenders, the breach of which may amount to an event of default under various borrowing arrangements entered into by us and the same may lead to consequences other than those stated above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2026, 2025, and 2024. This section should be read together with "Risk Factors", "Industry Overview", "Our Business", and "Restated Financial Information" on pages 24, *170, 242 and 307, respectively. Unless otherwise stated or the context requires otherwise, the financial information in this section has been derived from the Restated Financial Information. Our financial year commences on April 1 and ends on March 31 of each year. Accordingly, references to "Fiscal 2026", "Fiscal 2025" and "Fiscal 2024" are to the 12-month period ended March 31 of the relevant year.*

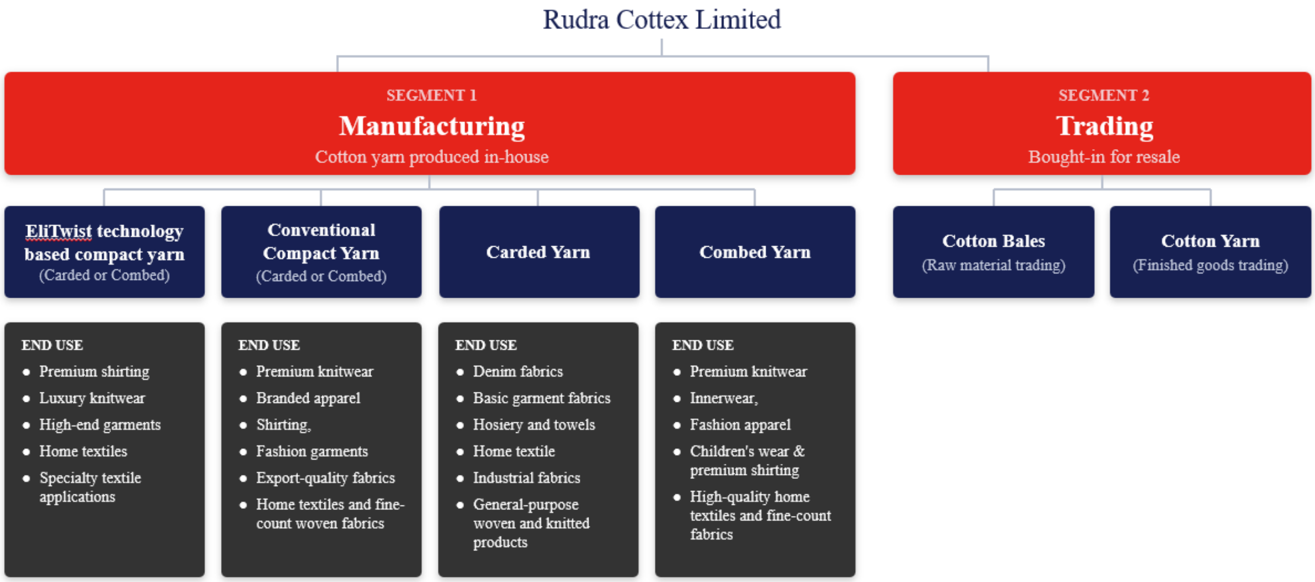
This section contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements because of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 24 and 23, respectively. The Restated Financial Information is prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS), specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and the other accounting principles generally accepted in India. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factor 65 – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition." on page 62.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Industry Report on Cotton Yarn Industry in India" of September, 2026, prepared and issued by Dun & Bradstreet Information Services India Private Limited ("**D&B Report**"), which has been commissioned and paid for by us exclusively in connection with the Issue for the purposes of understanding the industry in which we operate. The D&B Report will form part of the material documents for inspection, and a copy of the D&B Report is available on the website of the Company at https://rudracottex.com/investor-relations/. The data included herein include excerpts from the D&B Report and such excerpts may have been re-ordered by us for the purposes of presentation. There are no parts, data or information which may be relevant for the proposed Issue, from the D&B Report, that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. For further details, see "Risk Factor 42 - Certain sections of this Draft Red Herring Prospectus disclose information from the Industry Report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks. Information relating to the yarn industry in this Draft Red Herring Prospectus has been obtained from this D&B Report. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" and "Industry Overview" on pages* 51 *and 170, respectively.*

Overview

We are engaged in the manufacturing of cotton yarn and the trading of cotton bales and cotton yarn. Our cotton yarn product portfolio comprises of (i) EliTwist technology based compact yarn, (ii) conventional compact yarn, (iii) carded yarn and (iv) combed yarn. Our EliTwist technology based compact yarn and conventional compact yarn are offered in both carded and combed form, and we accordingly manufacture a variety of yarn variants in aggregate. We regard our EliTwist technology based compact yarn as a value-added product by reason of its technical characteristics, being superior yarn strength as compared to conventional compact yarn, lower hairiness, enhanced abrasion resistance, improved fabric appearance and surface smoothness, reduced pilling technology and better dimensional stability. Further, as per *D&B report* the EliTwist technology based compact yarn commands a price premium over conventional carded yarn. Our yarn is supplied as an intermediate input across a variety of downstream textile segments, including garment, knitwear, denim, home textiles, premium fabrics and other textile products. In addition to manufacturing, we also undertake the trading of cotton bales and cotton yarn on an opportunity basis which draws upon the same procurement network, quality assessment infrastructure and storage capacity that support our spinning operations. The trading activities in cotton bales and cotton yarn are undertaken by us when prevailing market conditions present a favourable differential between procurement and sale prices, and not as a regular or committed line of business.

Over the years, we have diversified our product offerings and their applications. As on the date of this Draft Red Herring Prospectus, we operate through two principal business activities, being the manufacture of cotton yarn and the trading of cotton bales and cotton yarn. Set out below is the graphical representation of our product categories and their end use:



Within the textile value chain, which extends through multiple stages, including cotton cultivation, ginning, spinning, weaving, processing, garment manufacturing and distribution to the end consumer, our Company operates at the spinning stage. We procure cotton bales from ginners, traders and a government corporation, based in Gujarat and other suppliers and process them into finished yarn, which is subsequently supplied to our customers.

We operate a semi-automated manufacturing facility situated at Village – Kadjodara, Taluka - Dehgam, District - Gandhinagar, Gujarat, India. Our total installed capacity, as of March 31, 2026, was 27,360 spindles, translating to an installed cotton yarn production capacity of approximately 9307.50 MT per annum. Our installed machinery is capable of producing cotton yarn in single counts ranging from Ne 16 to Ne 40, (*"Ne" refers to the English Cotton Count System, a standard way to measure the fineness or thickness of yarn. The higher the Ne, the finer the yarn*). Our EliTwist technology based compact yarn is presently offered in 2/20, 2/30, 2/32 and 2/40 counts.

For more details, see - "*Our Business - Overview*" on page 242.

Principal Factors Affecting our Financial Condition and Results of Operations

Our results of operations are affected by various factors, including the prevailing conditions in the domestic and global textile industry, availability and prices of cotton bales, demand for cotton yarn, yarn selling prices, product mix, capacity utilisation, power and other manufacturing costs, operating efficiency, competition, working capital requirements and broader macroeconomic conditions. The following are the key factors that have materially affected, and may continue to affect, our results of operations:

Cotton prices, availability of raw materials and yarn realizations

Cotton bales constitute the principal raw materials for our spinning operations and represent a significant component of our overall cost of production. Accordingly, the availability, quality and prices of cotton and cotton bales have a direct bearing on our cost structure, inventory valuation, EBITDA margins and profitability. Cotton prices are subject to significant fluctuations and are influenced by various factors, including domestic and international production and consumption, acreage under cultivation, crop yields, weather conditions, pest attacks, inventory levels, domestic and international demand, government policies, minimum support prices, import and export regulations and global commodity price movements.

Our results of operations are also influenced by prevailing selling prices and realisations of cotton yarn. Yarn prices are determined by market conditions and are influenced by cotton prices, demand and supply dynamics, yarn counts and specifications, quality, prevailing prices offered by competitors, downstream textile demand and customer requirements. Changes in raw material prices and changes in yarn selling prices may not occur simultaneously or in the same proportion. Accordingly, there may be periods during which an increase in cotton prices is not accompanied by a corresponding increase in yarn realisations, which may adversely affect our EBITDA margins and profitability. Conversely, a decline in cotton prices may adversely affect our profitability where we hold higher-cost raw material or finished goods inventories and are required to sell such inventory at lower prevailing market prices.

The availability of cotton of suitable quality is also important for maintaining consistent production and product quality. Any shortage in availability of cotton, deterioration in quality, adverse crop conditions or significant increase in procurement prices may require us to procure alternative grades or from alternate suppliers, which may increase our procurement and production costs. The availability and price of cotton are subject to a number of factors beyond our control, including the size and quality of the domestic cotton crop, seasonal and weather conditions, pest infestation, prevailing domestic and international cotton prices and changes in Government policies and regulations. Our procurement is concentrated in the cotton season, typically October to March, and we maintain a stock-holding period of approximately three to four months, representing our normal forward cover, which may be extended where market conditions warrant. We are consequently exposed to movements in cotton prices between the date of procurement and the date of sale of the corresponding yarn or cotton bales. Further, an adverse crop season affecting the State of Gujarat, where our procurement is concentrated, may require us to source a greater proportion of our requirement from other states, which attracts incremental market committee fees, levies of the relevant Agricultural Produce Market Committee and additional transportation charges.

In addition, our operating performance is affected by the product mix sold by us. Different yarn counts, specifications and qualities may command different selling prices and margins. Accordingly, changes in the mix of products sold during a particular period may result in variations in average realisations and profitability. Our ability to manufacture yarn meeting customer specifications and maintain consistent quality also affects customer retention, repeat orders, realisations and operating performance.

Further, the extent to which we are able to pass increases in cotton and other input costs to our customers depends on prevailing market conditions, competitive intensity and demand for cotton yarn. Any inability to adequately pass on increases in raw material costs, together with adverse movements in yarn prices, may materially and adversely affect our revenue, EBITDA margins, profitability, cash flows and financial condition.

Capacity utilisation

We seek to capitalize on the growth opportunities in the yarn industry considering our current scale of operations, number of customers that we cater to and headed by an experienced management team. As on March 31, 2026, our manufacturing facility situated at Village – Kadjodara, Taluka – Dehgam, District – Gandhinagar, Gujarat, India (the "**Manufacturing Facility**") had an installed capacity of 27,360 spindle**s** with installed production capacity of 9307.5 MTPA. We propose to increase our scale of operations in all our single yarn as well as value added yan verticals to cater to the increase in demand. The actual installed and capacity utilization of our Manufacturing Facility for the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024, were as follows:

Particulars	**Installed spindles**	**Installed production capacity (in kg/day)**	**Installed production capacity (approx. MTPA)**	**Utilised production capacity (approx. MTPA)**	**Capacity utilisation (in %)**
As of March 31, 2026	27,360	25,500	9,307.50	8,819.90	94.76%
As of March 31, 2025	27,360	25,500	9,307.50	8,644.51	92.88%
As of March 31, 2024	27,360	25,500	9,307.50	5,269.12	56.61%

Our results of operations and financial performance will depend on our ability to maximise our capacity utilisation at our Manufacturing Facility. For further details, see '*Our Business - Manufacturing capabilities*' on page 257.

Loss of our suppliers or a failure by our suppliers to deliver some of our raw materials

We do not procure raw cotton directly from farmers, and our principal raw material, cotton bales are sourced from ginners, traders, agents and from a government corporation, based in Gujarat. During the last three Fiscals, we procured cotton bales from more than 344 suppliers, of which our top ten suppliers contributed ₹1,590.71 million, ₹914.32 million and ₹1,067.46 million, constituting 60.40%, 45.46% and 57.68%, respectively, of our total purchases, our top ten suppliers having constituted more than 50% of our total purchases for Fiscal 2026.

We do not enter into long-term supply contracts or agreements with our suppliers and our purchases are made on a purchase order basis at prices prevailing at the time of procurement. Our manufacturing facility operates on a continuous, round-the-clock basis throughout the year, except for a limited number of days of factory closure for annual maintenance. The loss of one or more of our significant suppliers, or a failure or delay by our suppliers in delivering cotton conforming to our specifications, may require us to procure raw material from alternative sources at short notice and on less favourable terms, which may increase our cost of materials consumed and disrupt our production, and may consequently adversely affect our results of operations and financial condition.

Competition

We operate in the cotton yarn industry in India, which is highly competitive and fragmented and comprises a mix of organised and unorganised players at both the regional and the national level. We compete with other spinning units located in Gujarat and elsewhere in India, several of which operate at a greater scale or with greater financial resources than our Company, and which may therefore be able to market or develop products more effectively or at a lower cost than ours. Competition in our industry is influenced principally by the consistency and quality of yarn supplied, price, the count range and product mix offered, reliability of delivery and the ability to service repeat orders. Competitive pressures could accordingly affect the pricing of our products and, as our sales are conducted on an order-by-order basis and we do not have long-term supply or offtake agreements with our customers, may adversely affect our margins, profitability and financial condition.

Government policies

Our business and results of operations are dependent on policies and regulations applicable to manufacturing activities and to the textile sector. We have availed certain government incentives under the Government of Gujarat Textile Policy 2012, under which we were entitle to receive ₹51.32 million, ₹49.17 million and ₹28.18 million in Fiscals 2026, 2025 and 2024, respectively, and which have supported our operations by reducing our taxation costs. Any adverse change in such policies, subsidies and benefits could materially and adversely affect our financing, capital expenditure, revenues and our existing operations, as well as our proposed expansion of manufacturing capacity. Further, policies not limited to our products but largely affecting India could also affect the manner in which we carry out and intend to carry out our operations.

Revenue from value added yarns and our ability to upgrade our existing products and introduce new products

Our results of operations are influenced by our ability to manufacture and sell value added yarns and continuously upgrade our existing product portfolio in line with evolving customer requirements and textile industry trends. Value added yarns may generally command higher realizations as compared to conventional yarns, subject to prevailing market conditions, raw material prices, product mix and manufacturing costs. Accordingly, changes in the proportion of value-added yarns in our overall sales mix may impact our revenue, average realizations and profitability.

The demand for our products is influenced by changing consumer preferences, fashion trends, quality and performance requirements and the requirements of downstream textile manufacturers. Our ability to modify existing products and introduce new or customized yarns depends on our manufacturing capabilities, technology, technical expertise, quality control systems and ability to optimize production processes. The development and commercialization of new products may also involve product development, trials and testing, and there can be no assurance that such products will achieve the expected level of market acceptance or sales.

Our product mix may vary from period to period depending upon customer orders, market demand, production capacity and prevailing prices. We intend to continue to focus on enhancing our existing products and developing new products to cater to evolving customer requirements and increase the contribution of value added yarns. Our inability to successfully develop, upgrade or commercialize products, maintain consistent quality or achieve adequate customer acceptance may adversely affect our sales volumes, realizations, margins, profitability and results of operations.

Demand conditions in the textile industry, capacity utilization and operating efficiency

The demand for our cotton yarn is closely linked to the performance of the domestic and international textile and apparel industries. Our yarn is supplied as an intermediate input across a variety of by downstream textile segments, including engaged in garment, knitwear, denim, home textiles, premium fabrics and other textile products. Consequently, demand for our products is influenced by macroeconomic conditions, consumer spending, disposable incomes, inflation, interest rates, economic growth, export demand and overall demand for textile and apparel products.

Any slowdown in economic activity, reduction in consumer spending, weak demand in downstream textile segments or adverse changes in global textile consumption may reduce demand for cotton yarn. In international markets, demand may additionally be affected by geopolitical developments, trade restrictions, tariffs and non-tariff barriers, changes in sourcing patterns, exchange rate movements and competitive conditions in major textile-producing countries. Further, changes in customer preferences towards man-made fibres or other substitute products may also affect the demand for cotton yarn.

The impact of changes in demand is also reflected in our capacity utilisation. Spinning is a capital-intensive manufacturing activity with a significant portion of fixed costs relating to plant and machinery, employee costs and other manufacturing overheads. Higher utilisation of our installed capacity enables us to absorb such fixed costs over a larger volume of production and may improve operating margins. Conversely, lower capacity utilisation resulting from weak demand, shortage of raw materials, machinery breakdowns, maintenance requirements or other operational constraints may increase fixed costs on a per-unit basis and adversely affect our profitability.

Our results of operations are also influenced by manufacturing efficiency, including machine utilisation, spindle productivity, production yield, wastage levels, power consumption, labour productivity, machine downtime and maintenance costs. Improvements in operating efficiency may reduce the cost of production and improve margins, whereas deterioration in these parameters may increase manufacturing costs and adversely affect profitability.

Power and labour costs are significant components of the operating costs of spinning operations. Any increase in electricity tariffs, other utility costs, wages or employee-related expenses may increase our cost of production. Similarly, unplanned machinery breakdowns, higher maintenance costs, shortages of skilled manpower or labour-related disruptions may adversely affect production volumes, capacity utilisation and operating margins.

The textile industry is also competitive, with manufacturers competing on the basis of pricing, quality, product specifications, delivery capabilities and customer relationships. Increased competition, excess industry capacity or aggressive pricing by competitors may place pressure on our selling prices and margins. Our ability to maintain product quality, improve operational efficiency and offer products at competitive prices is therefore important to our financial performance.

Accordingly, sustained weakness in textile demand, lower capacity utilisation, increased competition or deterioration in operating efficiency may materially and adversely affect our sales volumes, revenue, operating margins, profitability and cash flows.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our financial results determined in accordance with Ind AS, we consider and use those certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative to the Restated Financial Information. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures and key performance indicators, when taken collectively with the Restated Financial Information, prepared in accordance with Ind AS, may be helpful to investors as an additional tool to evaluate our ongoing operating results and trends and to compare our financial results to prior periods.

Non-GAAP financial information is not recognized under Ind AS and do not have standardized meanings prescribed by Ind AS. In addition, non-GAAP financial measures and key performance indicators used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business. Other companies may calculate non-GAAP metrics differently from the way we calculate these metrics. See "*Risk Factor 59 – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the textile industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*" on page 60.

Set forth below are certain GAAP non-GAAP measures derived from our Restated Financial Information for the fiscal years ended March 31, 2026, March 31, 2025 and March 31, 2024.

Below are the reconciliations for the non-GAAP measures used to derive the values shown in the table above.

PAT Margin

The following table sets forth our PAT Margin, including a reconciliation of such financial measure to the Restated Financial Information, for Fiscal 2026, Fiscal 2025 and Fiscal 2024. PAT Margin is calculated as profit for the year/period divided by revenue from operations.

(₹ in million, except percentages)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Profit for the year/period (A)	329.89	238.95	99.97
Revenue from Operations (B)	3,453.33	2,761.83	2,223.54
PAT Margin (C=A/B*100)	**9.55%**	**8.65%**	**4.50%**

Our profit after tax margins ("**PAT Margin**") were 9.55%, 8.65% and 4.50% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively.

EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses, less other income ("**EBITDA**") and EBITDA Margin, including a reconciliation of each such financial measure to the Restated Financial

Information for Fiscal 2026, Fiscal 2025 and Fiscal 2024.

(₹ in million, except percentages)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Revenue from Operations (A)	3,453.33	2,761.83	2,223.54
Profit before tax (B)	452.97	353.59	135.92
Add: Finance costs (including lease interest) (C)	125.69	118.48	116.31
Add: Depreciation and amortisation expense (D)	73.91	71.33	71.38
Less: Other Income (E)	4.41	4.00	3.48
EBITDA (F=B+C+D-E)	**648.16**	**539.40**	**320.13**
EBITDA Margin (G=F/A*100)	**18.77%**	**19.53%**	**14.40%**

Our EBITDA increased at a CAGR of approximately 42.29% from ₹320.13 million in Fiscal 2024 to ₹648.16 million in Fiscal 2026. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, our EBITDA was ₹648.16 million, ₹539.40 million and ₹320.13 million, respectively, with corresponding EBITDA margins of 18.77%, 19.53% and 14.40%. Profit for the year increased from ₹99.97 million in Fiscal 2024 to ₹329.89 million in Fiscal 2026.

EBIT and EBIT Margin

The table below presents our earnings before interest and taxes, less other income ("**EBIT**"), and EBIT margin. It includes reconciliations of these measures to the Restated Financial Information for Fiscal 2026, Fiscal 2025 and Fiscal 2024.

(₹ in million, except percentages)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Revenue from Operations (A)	3,453.33	2,761.83	2,223.54
Profit before tax (B)	452.97	353.59	135.92
Add: Finance costs (including lease interest) (C)	125.69	118.48	116.31
Less: Other Income (D)	4.41	4.00	3.48
EBIT (E=B+C-D)	**574.25**	**468.07**	**248.75**
EBIT Margin (F=E/A*100)	**16.63%**	**16.95%**	**11.19%**

Our EBIT increased at a CAGR of approximately 51.94% from ₹248.75 million in Fiscal 2024 to ₹574.25 million in Fiscal 2026. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, our EBIT was ₹574.25 million, ₹468.07 million and ₹248.75 million, respectively, with corresponding EBIT margins of 16.63%, 16.95% and 11.19%. Profit for the year increased from ₹99.97 million in Fiscal 2024 to ₹329.89 million in Fiscal 2026.

Return on Equity

The following table sets forth our Return on Equity, including a reconciliation of such financial measure to the Restated Financial Information, for Fiscal 2026, Fiscal 2025 and Fiscal 2024. Return on Equity is calculated as profit for the year/period divided by Average Equity for the year/period. Average Equity is calculated as the average of the total equity at the beginning of the year/period and at the end of the year/period.

(₹ in million, except percentages)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Profit for the year/period (A)	329.89	238.95	99.97
Total equity at the beginning of the year/period (1)	956.80	718.41	617.58
Total equity at the end of the year/period (2)	1,287.70	956.80	718.41
Average Equity (B = ((1) + (2))/2)	**1,122.25**	**837.60**	**667.99**
Return on Equity (C=A/B*100)	**29.40%**	**28.53%**	**14.93%**

Our Return on Equity was 29.40%, 28.53% and 14.93% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively.

Return on Capital Employed

The following table sets forth our Return on Capital Employed, including a reconciliation of such financial measure to the Restated Financial Information, for Fiscal 2026, Fiscal 2025 and Fiscal 2024. Return on Capital Employed is calculated as Earnings before interest and tax divided by Average Capital Employed. Capital Employed is calculated as the sum of total equity, non-current borrowings, current borrowings and deferred tax liability/(asset).

(₹ in million, except percentages)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
EBITDA (A)	648.16	539.40	320.13
Less: Depreciation and amortisation & Impairment Expenses (B)	73.91	71.33	71.38
Operating EBIT (C = A–B)	**574.25**	**468.07**	**248.75**
Shareholders Fund (D)	1,287.70	956.80	718.41
Less: Intangible assets (E)	0.13	0.00	0.00
Add/(Less): Deferred tax Liability / (Asset) (F)	96.74	99.82	91.70
Add: Long Term Borrowing (G)	225.70	207.57	349.07
Add: Short Term Borrowing (H)	917.53	659.55	636.36
Capital Employed (G=D-E+F+G+H)	**2,527.80**	**1,923.74**	**1,795.54**
Average capital employed	2,225.77	1,859.64	1,780.57
Return on capital employed ("ROCE")	**25.80%**	**25.17%**	**13.97%**

Our Return on Capital Employed was 25.80%, 25.17% and 13.97% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively.

Debt/Equity Ratio

The following table sets forth our Debt/Equity Ratio, including a reconciliation of such financial measure to the Restated Financial Information, for Fiscal 2026, Fiscal 2025 and Fiscal 2024. Debt/Equity Ratio is calculated as Total Debt divided by total equity. Debt is calculated as total non-current and current borrowings (including lease liabilities) at the end of the period/year.

(₹ in million, except ratios)

Particulars	For the fiscal year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Non-current borrowings (1)	225.70	207.57	349.07
Current borrowings (2)	917.53	659.55	636.36
Total Debt (A=(1)+(2))	**1,143.23**	**867.12**	**985.43**
Equity share capital (i)	310.00	310.00	310.00
Other equity (ii)	977.70	646.80	408.41
Total equity (B=(i)+(ii))	**1,287.70**	**956.80**	**718.41**
Debt/Equity Ratio (C=A/B)	**0.89**	**0.91**	**1.37**

In Fiscal 2026, Fiscal 2025 and Fiscal 2024, our Debt/Equity Ratio was 0.89, 0.91 and 1.37, respectively.

MATERIAL ACCOUNTING POLICIES

Set forth below is a summary of our material accounting policies adopted in preparation of the Restated Financial Information

The Restated financial information of the company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 were approved for issue by the Board of Directors on September 17, 2026.

1. CORPORATE INFORMATION

Rudra Cottex Limited (formerly known as Rudra Cottex Private Limited) was originally incorporated as a private limited Company on March 23, 2016 and is converted into a public limited company on September 02, 2026 and consequently the name has been changed to Rudra Cottex Limited and a revised certificate of incorporation dated September 02, 2026, consequent to the aforementioned change, has been issued by the Ministry of Corporate Affairs. The registered office of the Company is located at 403, Satyamev Eminence, B/S. Saptak Bungalows, Science City Road, Sola, Ahmedabad, Gujarat, India, 380060. The Corporate identification number (CIN) of the Company is U13111GJ2016PLC086570. The Company is primarily engaged in the business of manufacturing of cotton yarn.

2. Statement of Compliance

2.1 Basis of Preparation

The Restated Financial Information of Rudra Cottex Limited (formerly known as Rudra Cottex Private Limited) (hereinafter referred to as the "Company") comprise the Restated Statement of Asset and Liabilities as at 31 March 2026, 31 March 2025 and 31 March 2024; the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of changes in equity, and the Restated Statement of Cash Flows for years ended 31 March 2026, 31 March 2025 and 31 March 2024, the material accounting policies and other explanatory information (collectively, the 'Restated Financial Information').

The Restated Financial Information have been prepared on a going concern basis. The accounting policies are applied Consistently to all the years presented in the Restated Financial Information.

These Restated Financial Information have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India (‘SEBI’), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the, Draft Red Herring Prospectus (‘DRHP’), Red Herring Prospectus (‘RHP’) and Prospectus in connection with proposed issue of equity shares of the Company by an offer for sale of equity shares by the existing shareholders by way of initial public offer.

These Restated Financial Information have been prepared by the Company in terms of the requirements of:

a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act");
b. The SEBI ICDR Regulations;
c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) (the “Guidance Note”); and
d. E-mail dated October 28, 2021 from Securities and Exchange Board of India (“SEBI”) to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide financial statements prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (hereinafter referred to as the “the SEBI e-mail”).

These Restated Financial Information have been prepared to comply in all material respects with the Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the Restated Financial Information and other relevant provisions of the Act.

The Restated Financial Information has been compiled by the Company from:

These Restated Financial statement for the year ended 31 March 2026, 31 March 2025 and 31 March 2024 have been prepared by the management as required under the ICDR Regulations issued by the SEBI, in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the DRHP, RHP and Prospectus in connection with proposed issue of equity shares of the Company by an offer for sale of equity shares by the existing shareholders by way of initial public offer.

Audited Financial Statements of the Company for year ended 31 March 2025 and 31 March 2024 prepared in accordance with the Accounting Standards (referred to as “AS”) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on July 25, 2025 and September 28, 2024.

Audited special purpose Ind AS financial statements of the Company as at and for the years ended March 31, 2025 and March 31, 2024, prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India along with the presentation requirements of Division II of Schedule III to the Act (IND AS Compliant Schedule III) as applicable, which were prepared by the Company after taking into consideration the requirements of the SEBI e-mail and were approved by the Board of Directors at their meeting held on September 8, 2026.

The Audited Ind AS financial statements of the Company for the year ended 31 March 2026 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2024).

The Restated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended 31 March 2026, 31 March 2025 and 31 March 2024.
b. does not contain any qualifications requiring adjustments, Moreover, matters in the Auditor’s report, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Part B of Annexure VI of the Restated Financial Information and
c. have been prepared in accordance with the Act, ICDR Regulations and Guidance Note

The Restated Financial Information are approved for issue by the Company’s Board of Directors on September 17, 2026.

The Restated Financial Information have been prepared in Indian Rupee (INR) which is the functional currency of the Company. All amounts disclosed in the restated financial information and notes have been rounded to the nearest Million with two decimals unless otherwise stated.

3. Summary of Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these Restated Financial Information. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for Rudra Cottex Limited.

The Restated Financial information has been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is treated as current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- Current liabilities include the current portion of non-current financial liabilities.

All other liabilities as non-current. Deferred tax assets/ liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currency transactions

i. Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Company's financial statements are presented in INR, which is the Company's functional and presentational currency.

ii. Transaction and balances:

Transaction in currencies other than entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transaction. Monetary items denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the in other comprehensive income (FVOCI) or profit and loss are also recognised in FVOCI or profit and loss, respectively).

C. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

i. Assumption and estimation uncertainties
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its financial statements:

a. Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Amounts disclosed as revenue are net of Goods and Service Tax (GST).

Sales of goods

Revenue from sale of goods is recognised at the point in time when the related performance obligation is satisfied Which is generally on delivery of the goods. The normal credit term is 45 to 60 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount (like turnover discounts), the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The estimate of variable consideration for expected future volume rebates/incentives, cash discounts etc. are made on the most likely amount method. Revenue is disclosed net of such amounts.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115 Revenue from Contracts with Customers ("Ind AS 115"), the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sale of services

Income from services is recognised on the basis of time/work completed as per contract with the customers. The Company collects taxes on services (where applicable) on behalf of the government and, therefore, they are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest income

Interest income is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income is included in the Other Income in the statement of Profit and Loss.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised if a payment is received from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e.,transfers control of the related goods or services to the customer).

b. Taxes

Tax expense comprises of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
temporary differences on the initial recognition of assets or liabilities in a transaction that:
- is not a business combination; and
- at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property is presumed to be recovered through sale. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Pursuant to the announcement of the changes in the corporate tax regime, the Companies have an option to either opt for the new tax regime or continue to pay taxes as per the old tax regime together with the other benefits available to the Companies. The company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to pay corporate income tax at 22% plus surcharge and cess (effective tax rate of 25.168%). Accordingly, the company has measured its current tax and deferred tax charge.

c. Property, plant and equipment and depreciation of property, plant and equipment

All items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met and directly attributable to bringing the asset to its location and condition necessary for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met and if the amount is material.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognized at 1 April 2023, measured as per previous GAAP and use that carrying value as the deemed cost of such property, plant and equipment.

Subsequent Expenditure

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including routine repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company identifies and determines cost of each components/part of the asset separately, if the component/ part of the asset has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment under construction or installation as at balance sheet date is shown as capital work in progress and is stated at cost, net of accumulated impairment loss, if any. Further, the related advances are shown under non-current assets.

Depreciation on PPE and Useful Lives

Depreciation on property, plant and equipment is calculated on a Straight line Method over the estimated useful lives of the assets as determined by Schedule II the useful lives as below are believed to best represent the period over which the assets are expected to be used. Hence the useful life for these assets are different from the useful lives as prescribed under Part C of Schedule II of The Companies Act 2013.

Property Plant and Equipment	Year
Buildings	30 Year
Plant and Equipment	15 Year
Furniture and Fixtures	10 Year
Vehicle	8 Year
Office Equipment	5 Year
Computer	3 Year
Windmill	22 Year

Residual Values

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition of PPE

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the differnce between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Gain and loss on disposal of item of PPE

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Capital work in progress and Capital advances

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels, revenue (net of cost) generated from production during the trial period is capitalised.

e. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

f. Leases

The Company assesses at contract inception whether a contract is or contains a lease per Ind AS 116 Leases ("Ind AS 116"). That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company's lease assets class primarily consists of lease of land.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate,and amounts expected to be paid under residual value guarantees. The lease Payment also include the exercise price of a purchase option reasonably certain to be exercise by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

g. Inventories

Inventories which comprise raw materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, Weighted Average Method is used. In the case of manufactured inventories and work in progress, cost includes fixed production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

h. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements unless the possibility of an outflow embodying economic benefits is remote.

Provisions, contingent liabilities and commitments are reviewed by management at each balance sheet date.

i. Employee Benefits

i. Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employe render the related service If the contribution payable to the scheme for service received before the balance sheet date exceed the contribution already paid, the deficit payable to the scheme recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through FVOCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company does not have any planned assets.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that The Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

iii. Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

j. Financial instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets (except trade receivable, measured at transaction cost) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

k. Financial assets

a. Recognition and initial measurement

All Financial assets are initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b. Classification of financial assets:

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

A financial asset is measured through Other Comprehensive Income (FVOCI) if it meets both of the following conditions:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.
- A financial asset is measured through Profit and Loss account (FVTPL) if it meets both of the following conditions:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- FVTPL is a residual category for debt instruments and default category for equity instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.
- In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL.

c. De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable, the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

d. Loans to Employee:

Loans given to the employees are repayable on demand and hence are carried at cost in the Financial Statements.

e. Impairment of financial assets:

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'Simplified Approach’ for recognition of impairment loss allowance on all trade receivables or contractual receivables.

Under the simplified approach the Company does not track changes in credit risk, but it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss.

f. Effective Interest Method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognized in the statement of profit and loss and is included in the 'Other income' line item.

Financial Liabilities & Equity Instruments

a. Recognition and initial measurement:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

l. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

n. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired andis written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a re-valued amount, in which case the reversal is treated as a revaluation increase.

p. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant.

The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

There are no unfulfilled conditions attached to the government grant.

q. Events occurring after the balance sheet date

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events other than those reported in Note No. 45 annexed to these restated financial statements.

r. Insurance Claims

The Company accounts for insurance claims as under:

In case of total loss of asset by transferring, either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable – Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.

In case of partial or other losses, expenditure incurred / payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable – Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable – Insurance and claim received is adjusted to Profit and Loss Account.

s. Segment reporting

The Company is engaged in the business of ginning of raw cotton and spinning of cotton yarn, and related businesses. The entire business has been considered as one single segment and hence there are no separate reportable segments as per Ind AS 108.

KEY COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Total Income
Total income consists of revenue from operations and other income.

Revenue from operations
Revenue from operations comprises revenue from sale of Manufacturing Income (including sale of yarn waste), revenue from sale of stock-in-trade. Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.

Set forth below is a breakdown of our revenue from operations for the Fiscals/periods indicated as per the Restated Financial Information.

(₹ in million)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Manufacturing Income (including sale of yarn waste)	2,115.01	61.25%	2,048.41	74.17%	1,231.40	55.38%
Revenue from Sale of Stock-in-Trade	1,286.89	37.27%	663.60	24.03%	937.38	42.16%
Other Operating Revenue*	51.43	1.49%	49.82	1.80%	54.76	2.46%
Total revenue from operations	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**	**2,223.54**	**100.00%**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

Other income
Other income primarily comprises interest income, Dividend income, Net gain on foreign currency translation, Fair Value Gain/(Loss) on Mutual Fund, Income from Insurance Claim.

Expenses
Total Expenses consist of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expenses, depreciation expense, finance cost and other expenses. The principal components of our expenses are described below.

Cost of materials consumed
Cost of materials consumed comprises raw materials, stores and spares and packing materials consumed during the year. Cost of material consumed is determined after adjusting purchases and direct expenses for changes in opening and closing inventory of raw materials, stores and spares and packing material.

Purchases of stock-in-trade
Purchases of stock-in-trade comprise purchases of cotton bales and cotton yarn for trading purposes.

Changes in inventories of finished goods, stock-in-trade and work-in-progress
Changes in inventories comprise changes in the opening and closing inventories of finished goods and work-in-progress.

Employee Benefit Expenses

Employee benefits expense comprises salaries and wages, contribution to provident and other funds, staff welfare expenses, and gratuity and leave encashment.

Finance costs

Finance costs comprise interest on cash credit, loans from NBFCs, term loans, delayed payments, income tax and lease liabilities, unwinding of discount on deposits and provisions, and other borrowing costs.

Depreciation expense

Depreciation and amortisation expense comprises depreciation on property, plant and equipment and amortisation on right-of-use assets.

Other expenses

Other expenses primarily comprise auditor's remuneration, administrative expenses, commission, conveyance expenses, freight outward, insurance, power and fuel, professional fees, rent, repairs and maintenance, rates and taxes, telephone and travelling expenses, CSR expenses, donation expenses, legal expenses, registration charges, security expenses, internet expenses, bank charges and VAT demand.

Set forth below is a breakdown of our total expenses as percentage of our revenue from operations for the Fiscals/periods indicated, as per the Restated Financial Information.

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ million)	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**
Cost of materials consumed	1,366.95	39.53%	1,364.59	49.34%	852.46	38.28%
Purchases of Stock-in-Trade	1,205.43	34.86%	631.38	22.83%	921.22	41.37%
Changes in inventories of finished goods, Stock in Trade and work in progress	61.90	1.79%	56.60	2.05%	-32.43	-1.46%
Employee benefits expense	58.36	1.69%	52.76	1.91%	49.48	2.22%
Finance costs	125.69	3.64%	118.48	4.28%	116.31	5.22%
Depreciation and amortization expense	73.91	2.14%	71.33	2.58%	71.38	3.21%
Other expenses	112.52	3.25%	117.10	4.23%	112.68	5.06%
Total Expenses	**3,004.77**	**86.90%**	**2,412.24**	**87.22%**	**2,091.10**	**93.90%**

Tax Expense

Our tax expense represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

RESULTS OF OPERATIONS AS PER THE RESTATED FINANCIAL INFORMATION

The following table sets forth selected financial data from our Restated Statement of Profit and Loss for Fiscals 2026, 2025 and 2024, the components of which are also expressed as a percentage of total income for such Fiscals.

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount (₹ in million)	**% of total income**	**Amount (₹ in million)**	**% of total income**	**Amount (₹ in million)**	**% of total income**
Income						
Revenue from operations	3,453.33	99.87%	2,761.83	99.86%	2,223.54	99.84%
Other income	4.41	0.13%	4.00	0.14%	3.48	0.16%
Total income	**3,457.74**	**100.00%**	**2,765.83**	**100.00%**	**2,227.02**	**100.00%**
Expenses						
Cost of materials consumed	1,366.95	39.53%	1,364.59	49.34%	852.46	38.28%
Purchases of Stock-in-Trade	1,205.43	34.86%	631.38	22.83%	921.22	41.37%
Changes in inventories of finished goods, Stock in Trade and work in progress	61.90	1.79%	56.60	2.05%	(32.43)	(1.46%)
Employee benefits expense	58.36	1.69%	52.76	1.91%	49.48	2.22%
Finance costs	125.69	3.64%	118.48	4.28%	116.31	5.22%
Depreciation and amortization expense	73.91	2.14%	71.33	2.58%	71.38	3.21%
Other expenses	112.52	3.25%	117.10	4.23%	112.68	5.06%
Total Expenses	**3,004.77**	**86.90%**	**2,412.24**	**87.22%**	**2,091.10**	**93.90%**

Profit before tax	**452.97**	**13.10%**	**353.59**	**12.78%**	**135.92**	**6.10%**
Tax expenses						
Current Tax	126.50	3.66%	106.33	3.84%	34.71	1.56%
Deferred tax	(3.42)	(0.10%)	8.31	0.30%	1.24	0.06%
Total tax expense	**123.08**	**3.56%**	**114.64**	**4.14%**	**35.95**	**1.61%**
Profit after tax for the period/year	**329.89**	**9.54%**	**238.95**	**8.64%**	**99.97**	**4.49%**

Fiscal 2026 compared to Fiscal 2025

Income
Total income increased by 25.02% to ₹3,457.74 million in Fiscal 2026 from ₹2,765.83 million in Fiscal 2025, which increase was primarily due to a 25.04% increase in revenue from operations to ₹3,453.33 million in Fiscal 2026 from ₹2,761.83 million in Fiscal 2025.

Revenue from operations
Our revenue from operations increased by 25.04% from ₹2,761.83 million in Fiscal 2025 to ₹3,453.33 million in Fiscal 2026. The increase was primarily attributable to higher revenue from trading of cotton bales and sale of manufactured yarn. Revenue from trading of cotton bales increased from ₹437.32 million in Fiscal 2025 to ₹1,003.04 million in Fiscal 2026, primarily on account of an increase in quantity sold from 2,683.06 MT to 6,362.43 MT. Revenue from sale of manufactured yarn increased by 5.94% from ₹1,946.91 million in Fiscal 2025 to ₹2,062.50 million in Fiscal 2026, primarily due to an increase in quantity sold from 8,745.52 MT to 9,330.35 MT.

The increase in revenue from operations was partially offset by a decline in revenue from sale of yarn waste, which decreased from ₹101.50 million in Fiscal 2025 to ₹52.50 million in Fiscal 2026, primarily due to a decrease in quantity sold from 1,615.57 MT to 866.87 MT. Revenue from trading of cotton yarn increased by 25.43% from ₹226.28 million in Fiscal 2025 to ₹283.85 million in Fiscal 2026. The increase in revenue from trading of cotton bales was primarily attributable to the stabilisation of raw material requirements following achievement of optimum capacity utilisation, enabling us to undertake trading activities in cotton bales during Fiscal 2026.

Other income
Other income increased by 10.25% from ₹4.00 million in Fiscal 2025 to ₹4.41 million in Fiscal 2026. The increase was primarily attributable to higher interest income and claims received under workmen insurance policies, partially offset by a decrease in dividend income and changes in fair value gains.

Expenses
Total expenses increased by 24.56%, from ₹2,412.24 million in Fiscal 2025 to ₹ 3,004.77 million in Fiscal 2026, in line with the increase in scale of operations. As a result, total expenses as a percentage of total income reduced from 87.22% in Fiscal 2025 to 86.90% in Fiscal 2026, reflecting improved operating leverage.

Cost of material consumed, purchases of stock in trade and change in inventories
The table below sets forth details of our cost of materials consumed, purchases of stock-in-trade and changes in inventories, along with such amounts as a percentage of our revenue from operations, for the Fiscal years indicated.

(₹ in million)

Particulars	Fiscal 2026	Fiscal 2025
Cost of materials consumed	1,366.95	1,364.59
Purchase of stock-in-trade	1,205.43	631.38
Change in inventories	61.90	56.60
Total of cost of material consumed, purchases of stock in trade and changes in inventories [A]	**2,634.29**	**2,052.57**
Revenue from operations [B]	3,453.33	2,761.83
Total cost of material consumed, purchases of stock in trade and changes in inventories as a percentage of revenue from operations [C=A/B]	**76.28%**	**74.32%**

Our cost of materials consumed, purchases of stock-in-trade and changes in inventories increased from ₹2,052.57 million in Fiscal 2025 to ₹2,634.29 million in Fiscal 2026. As a percentage of revenue from operations, the aggregate cost increased by 1.96 percentage points from 74.32% in Fiscal 2025 to 76.28% in Fiscal 2026. This increase was primarily attributable to the higher contribution of trading activities of cotton bales and cotton yarn to our revenue mix.

The break-up of category-wise revenue from operations is as below:

Particulars	Fiscal 2026		Fiscal 2025	
	Amount (₹ in million)	% of total revenue	Amount (₹ in million)	% of total revenue

Manufacturing Income (including sale of yarn waste)	2,115.01	61.25%	2,048.41	74.17%
Revenue from Sale of Stock-in-Trade	1,286.89	37.27%	663.60	24.03%
Other Operating Revenue*	51.43	1.49%	49.82	1.80%
Total revenue from operations	**3,453.33**	**100.00%**	**2,761.83**	**100.00%**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

The increase in the contribution of trading activities to the company's revenue mix impacted our overall EBITDA margins, as trading activities inherently generate lower EBITDA margins as compared to the company's manufacturing activities. Consequently, the higher proportion of trading income in our revenue mix during Fiscal 2026 resulted in a decrease in our overall EBITDA margins and increased Cost of Goods sold.

Employee Benefits Expense

Employee benefits expense increased by 10.61% to ₹58.36 million in Fiscal 2026 from ₹52.76 million in Fiscal 2025. This increase was primarily attributable to higher salaries and wages, which increased to ₹49.85 million in Fiscal 2026 from ₹44.23 million in Fiscal 2025.

The number of employees remained broadly stable, increasing marginally from 177 as of March 31, 2025 to 178 as of March 31, 2026. The increase in employee benefits expense was primarily driven by higher employee compensation rather than an increase in the number of employees.

Finance Costs

Finance costs increased by 6.09% from ₹118.48 million in Fiscal 2025 to ₹125.69 million in Fiscal 2026. The increase was primarily attributable to higher interest expense on borrowings availed to fund the Company's working capital requirements and support its operational expansion. The increase was partially offset by lower interest expense on term loans, following the repayment of long-term borrowings amounting to ₹113.22 million, as well as lower interest expense on delayed payments to creditors due to the timely servicing of creditor obligations.

The overall increase in finance costs was further attributable to higher other borrowing costs, primarily comprising processing fees incurred in connection with additional borrowings availed by the Company during Fiscal 2026.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 3.62%, from ₹71.33 million in Fiscal 2025 to ₹73.91 million in Fiscal 2026. The increase was primarily attributable to additions to property, plant and equipment, intangible assets and right-of-use ("ROU") assets amounting to ₹10.54 million during Fiscal 2026.

Other Expenses

Other expenses decreased by 3.91% from ₹117.10 million in Fiscal 2025 to ₹112.52 million in Fiscal 2026. The decrease was primarily attributable to a reduction in power and fuel expense (net of Energy Credit), which declined to ₹73.78 million in Fiscal 2026 from ₹88.71 million in Fiscal 2025. The decrease was further supported by a 29.73% reduction in professional fees, which declined from ₹6.39 million in Fiscal 2025 to ₹4.49 million in Fiscal 2026, and a reduction in security expenses from ₹3.53 million in Fiscal 2025 to ₹3.12 million in Fiscal 2026.

The decrease in other expenses was partially offset by an increase in registration charges from ₹0.04 million in Fiscal 2025 to ₹4.70 million in Fiscal 2026, CSR expenses from ₹2.19 million to ₹3.82 million and VAT demand of ₹3.64 million incurred in Fiscal 2026. The remaining other expenses, comprising various other non-operating expenses, increased to ₹18.97 million in Fiscal 2026 from ₹16.24 million in Fiscal 2025.

Profit Before Tax

For the various reasons discussed above, restated profit before tax increased by 28.11% from ₹353.59 million in Fiscal 2025 to ₹ 452.97 million in Fiscal 2026.

Income Tax Expenses

Tax expense increased by 7.37% from ₹114.64 million in Fiscal 2025 to ₹123.08 million in Fiscal 2026. The increase was primarily attributable to higher current tax expense, which increased to ₹126.50 million in Fiscal 2026 from ₹106.33 million in Fiscal 2025, in line with the increase in taxable profits during the year.

The increase in current tax expense was partially offset by a reduction of ₹11.73 million in deferred tax expense, primarily due to changes in temporary differences arising between the carrying amounts of assets and liabilities for accounting purposes and their corresponding tax bases.

Profit for the Year

As a result of the factors mentioned above, our profit for the year increased by 38.06% to ₹329.89 million for Fiscal 2026 from ₹ 238.95 million for Fiscal 2025.

Fiscal 2025 compared to Fiscal 2024

Income
Total income increased by 24.19% to ₹2,765.83 million in Fiscal 2025 from ₹2,227.02 million in Fiscal 2024, which increase was primarily due to a 24.21% increase in revenue from operations to ₹2,761.83 million in Fiscal 2025 from ₹2,223.54 million in Fiscal 2025.

Revenue from operations
Our revenue from operations increased by 24.21% from ₹2,223.54 million in Fiscal 2024 to ₹2,761.83 million in Fiscal 2025. The increase was primarily attributable to higher revenue from sale of manufactured yarn, partially offset by a decline in revenue from trading of cotton bales. Revenue from sale of manufactured yarn increased by 73.09% from ₹1,124.77 million in Fiscal 2024 to ₹1,946.91 million in Fiscal 2025, primarily on account of an increase in quantity sold from 4,945.21 MT to 8,745.52 MT which was supported by increase in utilisation capacity from 56.61% in Fiscal 2024 to 92.88% in Fiscal 2025. Revenue from trading of cotton bales decreased from ₹937.38 million in Fiscal 2024 to ₹437.32 million in Fiscal 2025, primarily due to a decrease in quantity sold from 5,721.67 MT to 2,683.06 MT. The decrease in revenue from trading of cotton bales was primarily attributable to the higher requirement of cotton bales as raw material for our manufacturing operations, resulting from increased capacity utilisation from 56.61% in Fiscal 2024 to 92.88% in Fiscal 2025 and the corresponding increase in manufacturing activity.

The increase in revenue from operations was partially offset by a marginal decline in revenue from sale of yarn waste, which decreased from ₹106.63 million in Fiscal 2024 to ₹101.50 million in Fiscal 2025, despite an increase in quantity sold from 1,329.07 MT to 1,615.57 MT. Revenue from trading of cotton yarn was ₹226.28 million in Fiscal 2025, with a quantity sold of 1,468.00 MT, whereas there was no revenue from trading of cotton yarn in Fiscal 2024. Other operating revenues decreased from ₹54.76 million in Fiscal 2024 to ₹49.82 million in Fiscal 2025.

Other income
Other income increased by 14.94% from ₹3.48 million in Fiscal 2024 to ₹4.00 million in Fiscal 2025. The increase was primarily attributable to higher interest income and changes in fair value gains.

Expenses
Total expenses increased by 15.36%, from ₹2,091.10 million in Fiscal 2024 to ₹ 2,412.24 million in Fiscal 2025, in line with the increase in scale of operations. As a result, total expenses as a percentage of total income reduced from 93.90% in Fiscal 2024 to 87.22% in Fiscal 2025, reflecting improved operating leverage.

Cost of material consumed, purchases of stock in trade and change in inventories
The table below sets forth details of our cost of materials consumed, purchases of stock-in-trade and changes in inventories, along with such amounts as a percentage of our revenue from operations, for the Fiscal years indicated.

Particulars	Fiscal 2025	Fiscal 2024
Cost of materials consumed	1,364.59	852.46
Purchase of stock-in-trade	631.38	921.22
Change in inventories	56.60	-32.43
Total of cost of material consumed, purchases of stock in trade and changes in inventories [A]	**2,052.57**	**1,741.25**
Revenue from operations [B]	2,761.83	2,223.54
Total cost of material consumed, purchases of stock in trade and changes in inventories as a percentage of revenue from operations [C=A/B]	**74.32%**	**78.31%**

Our cost of materials consumed, purchases of stock-in-trade and changes in inventories increased by 17.88% from ₹1,741.25 million in Fiscal 2024 to ₹2,052.57 million in Fiscal 2025. As a percentage of revenue from operations, the aggregate cost decreased by 3.99 percentage points from 78.31% in Fiscal 2024 to 74.32% in Fiscal 2025. This decrease was primarily attributable to the higher contribution of manufacturing activities to our revenue mix.

This increase was primarily attributable to the increase in cost of materials consumed, including the change in inventories, which increased from ₹820.03 million in Fiscal 2024 (₹852.46 million of cost of materials consumed, adjusted for a negative change in inventories of ₹32.43 million) to ₹1,421.19 million in Fiscal 2025 (₹1,364.59 million of cost of materials consumed, adjusted for a change in inventories of ₹56.60 million), representing an increase of 73.31%., in line with the increase in manufacturing activity and capacity utilisation. This increase was partially offset by a decrease in purchases of stock-in-trade from ₹921.22 million in Fiscal 2024 to ₹631.38 million in Fiscal 2025, primarily due to the lower contribution of trading activities to our revenue mix.

The break-up of category-wise revenue from operations is as below:

Particulars	Fiscal 2025		Fiscal 2024	
	Amount (₹ in million)	% of total revenue	Amount (₹ in million)	% of total revenue
Manufacturing Income (including sale of yarn waste)	2,048.41	74.17%	1,231.40	55.38%
Revenue from Sale of Stock-in-Trade	663.60	24.03%	937.38	42.16%
Other Operating Revenue*	49.82	1.80%	54.76	2.46%
Total revenue from operations	**2,761.83**	**100.00%**	**2,223.54**	**100.00%**

**Other operating revenue includes GST Subsidy Income, Insurance claim, Loading and Unloading Income and sale of services.*

The decrease in the proportion of trading income in our revenue mix, from 42.16% in Fiscal 2024 to 24.03% in Fiscal 2025, and the corresponding increase in the contribution of manufacturing income from 55.38% to 74.17%, resulted in an improvement in the overall EBITDA margin during Fiscal 2025, as manufacturing activities inherently generates higher EBITDA margins than trading activity.

Employee Benefits Expense

Employee benefits expense increased by 6.63% to ₹52.76 million in Fiscal 2025 from ₹49.48 million in Fiscal 2024. This increase was primarily attributable to higher salaries and wages, which increased to ₹44.23 million in Fiscal 2025 from ₹43.60 million in Fiscal 2025. The increase in employee benefits expense was primarily driven by the addition of employees in the Quality Control and Production departments, which was necessitated by the increase in the Company's production levels.

The number of employees increased significantly to 177 as of March 31, 2025 from 135 as of March 31, 2024, reflecting an increase of 42 employees during the period.

Finance Costs

Finance costs increased marginally by 1.87% from ₹116.31 million in Fiscal 2024 to ₹118.48 million in Fiscal 2025. The increase was primarily attributable to higher interest expense on borrowings availed from NBFCs to fund the Company's working capital requirements and support its operational expansion. This increase was partially offset by a reduction in interest expense on term loans, which decreased from ₹57.41 million in Fiscal 2024 to ₹39.70 million in Fiscal 2025.

Overall, finance costs remained broadly stable in Fiscal 2025 as compared to Fiscal 2024, with the increase in interest expense on NBFC borrowings largely offset by the reduction in interest expense on term loans.

Depreciation and Amortisation Expense

Depreciation and amortisation expense remained broadly stable at ₹71.33 million in Fiscal 2025 as compared to ₹71.38 million in Fiscal 2024.

Other Expenses

Other expenses increased by 3.92% from ₹112.68 million in Fiscal 2024 to ₹117.10 million in Fiscal 2025. The increase was primarily attributable to a significant increase in professional fees, which rose from ₹1.57 million in Fiscal 2024 to ₹6.39 million in Fiscal 2025. The further increase was on account of higher CSR expenses, which increased from ₹2.03 million to ₹2.19 million during the same period.

The increase in other expenses was partially offset by a reduction in registration charges, which declined from ₹1.60 million in Fiscal 2024 to ₹0.04 million in Fiscal 2025. Power and fuel (net of Energy Credits) expenses remained broadly stable at ₹88.71 million in Fiscal 2025 as compared to ₹89.11 million in Fiscal 2024, while security expenses remained stable at ₹3.53 million in Fiscal 2025 as compared to ₹3.52 million in Fiscal 2024.

The remaining other expenses, comprising various other non-operating expenses, increased to ₹16.24 million in Fiscal 2025 from ₹14.85 million in Fiscal 2024.

Profit Before Tax

For the various reasons discussed above, restated profit before tax increased from ₹135.92 in Fiscal 2024 to ₹353.59 million in Fiscal 2025.

Income Tax Expenses

The increase in the overall tax expense was primarily attributable to the higher profit before tax earned by the Company during the year, resulting in a corresponding increase in taxable income and the related tax liability.

Profit for the Year

As a result of the factors mentioned above, our profit for the year increased to ₹238.95 million for Fiscal 2025 from ₹ 99.97 million for Fiscal 2024.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated cash flow statements, for the Fiscals indicated:

(₹ in million)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net cash flow from/(used in) operating activities	83.38	287.92	180.87
Net cash flow from/(used in) investing activities	(221.21)	(50.50)	2.05
Net cash flow from financing activities	151.55	(236.76)	(182.60)
Net increase /(decrease) in cash and cash equivalents	13.72	0.66	0.32
Cash and cash equivalents at the beginning of the year	2.09	1.44	1.12
Cash and cash equivalents at the end of the year	15.81	2.09	1.44

Cash flows from operating activities

Fiscal 2026

Net cash generated by operating activities for Fiscal 2026 was ₹83.38 million. Profit before tax for the year was ₹452.97 million. Adjustments for non-cash and other items included depreciation and amortisation expense of ₹73.91 million, finance costs of ₹125.08 million, interest income of ₹(3.31) million, gain on investments measured at fair value through profit and loss of ₹(0.36) million, gratuity expenses of ₹1.90 million, interest on lease liabilities of ₹0.61 million and insurance claim receivable of ₹(0.73) million.

Operating profit before working capital changes amounted to ₹650.07 million. Changes in working capital included an increase in trade receivables of ₹(473.17) million, an increase in other financial assets of ₹(50.98) million and an increase in inventories of ₹(9.27) million, partially offset by an increase in other current assets of ₹26.95 million, trade payables of ₹12.44 million, provisions of ₹17.94 million and other financial liabilities of ₹1.41 million. After accounting for income tax paid (net) of ₹90.61 million, net cash generated by operating activities stood at ₹83.38 million.

Fiscal 2025

Net cash generated by operating activities for Fiscal 2025 was ₹287.92 million. Profit before tax for the year was ₹353.59 million. Adjustments for non-cash and other items included depreciation and amortisation expense of ₹71.33 million, finance costs of ₹118.48 million, interest income of ₹(2.10) million, dividend income of ₹(1.35) million, gratuity expenses of ₹1.64 million and gain on investments measured at fair value through profit and loss of ₹(0.55) million.

Operating profit before working capital changes amounted to ₹541.04 million. Changes in working capital included an increase in trade receivables of ₹(301.80) million and other financial assets of ₹(28.19) million, partially offset by a decrease in inventories of ₹31.76 million, an increase in other current assets of ₹58.28 million, trade payables of ₹33.92 million, other current liabilities of ₹4.60 million, provisions of ₹1.85 million and other financial liabilities of ₹1.00 million. After accounting for income tax paid (net) of ₹54.55 million, net cash generated by operating activities stood at ₹287.92 million.

Fiscal 2024

Net cash generated by operating activities for Fiscal 2024 was ₹180.87 million. Profit before tax for the year was ₹135.92 million. Adjustments for non-cash and other items included depreciation and amortisation expense of ₹71.38 million, finance costs of ₹116.31 million, interest income of ₹(1.66) million, dividend income of ₹(1.35) million, gratuity expenses of ₹1.11 million and gain on investments measured at fair value through profit and loss of ₹(0.47) million.

Operating profit before working capital changes amounted to ₹321.24 million. Changes in working capital included an increase in other financial assets of ₹(44.14) million and inventories of ₹(111.98) million, and a decrease in trade payables of ₹(71.10) million and provisions of ₹(9.24) million, partially offset by a decrease in trade receivables of ₹2.21 million and an increase in other current assets of ₹92.43 million and other financial liabilities of ₹5.23 million. After accounting for income tax paid (net) of ₹4.10 million, net cash generated by operating activities stood at ₹180.87 million.

Cash used in investing activities

Fiscal 2026

Net cash used in investing activities for Fiscal 2026 was ₹221.21 million. This primarily comprised payments for the purchase of property, plant and equipment and capital work-in-progress, net of advances, of ₹224.20 million, purchase of intangible assets of ₹0.16 million and initial expenditure incurred on lease liability of ₹0.16 million, partially offset by interest received of ₹3.31 million.

Fiscal 2025

Net cash used in investing activities for Fiscal 2025 was ₹50.50 million, primarily comprising payments for the purchase of property, plant and equipment and capital work-in-progress, net of advances, of ₹53.95 million, partially offset by interest received of ₹2.10 million and dividend received of ₹1.35 million.

Fiscal 2024

Net cash generated by investing activities for Fiscal 2024 was ₹2.05 million. This primarily comprised interest received of ₹1.66 million and dividend received of ₹1.35 million, partially offset by payments for the purchase of property, plant and equipment and capital work-in-progress, net of advances, of ₹0.96 million.

Cash flow from/(used) in financing activities

Fiscal 2026

Net cash generated from financing activities for Fiscal 2026 was ₹151.55 million. This primarily comprised proceeds from long-term borrowings of ₹133.30 million and proceeds from short-term borrowings of ₹254.12 million, partially offset by repayment of long-term borrowings of ₹113.22 million, finance costs paid of ₹121.78 million and payment of lease liabilities of ₹0.87 million.

Fiscal 2025

Net cash used in financing activities for Fiscal 2025 was ₹236.76 million. This primarily comprised repayment of long-term borrowings of ₹179.11 million and finance costs paid of ₹118.17 million, partially offset by proceeds from long-term borrowings of ₹34.11 million and proceeds from short-term borrowings of ₹26.41 million.

Fiscal 2024

Net cash used in financing activities for Fiscal 2024 was ₹182.60 million. This primarily comprised repayment of long-term borrowings of ₹412.06 million and finance costs paid of ₹116.31 million, partially offset by proceeds from long-term borrowings of ₹253.16 million and proceeds from short-term borrowings of ₹92.61 million.

FINANCIAL INDEBTEDNESS

As of July 31, 2026, we had total fund-based borrowings of ₹ 1,135.20 million, comprising non-current, current, secured and unsecured borrowings. These loans were primarily used to fund our capital expenditure and working capital requirement. For more details on the agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 363. We intend to repay ₹ 370.00 million of debt with the proceeds of this Issue. For more details, see "*Objects of the Issue*" on page 119.

The table below provides a breakdown of our total borrowings of secured and unsecured debt as on July 31, 2026:

(in ₹ million)

Category of borrowings	Sanctioned amount as on July 31, 2026 (1)	Amount outstanding as on July 31, 2026
Fund based borrowings		
Secured Term loans		
- From Banks	418.40	280.91
Secured loans repayable on demand - cash credit / working capital demand loan facilities		
- From Banks (1)	370.00	363.25
- From other financial institution	200.00	172.50
Secured supplier financial arrangement		
- From other financial institution	-	-
Unsecured loans		
- From banks	-	-
- From other financial institution(2)	120.00	93.95
- From body corporates and others	91.23	91.23
Unsecured Suppliers financing arrangement		
- From other financial institution	172.50 (3)	133.36
Sub Total (A)	1,372.13	1,135.20
Non-fund based borrowings		
Bank Guarantee (3)	25.00	28.23
Sub Total (B)	25.00	28.23
Total (A+B)	**1,397.13**	**1,163.43**

** As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683) pursuant to certificate dated September 17, 2026.*

(1) *The sanction limit has been considered as per the latest sanction letters.*

(2) *The sanction limit of Receivable Exchange of India Limited undergoes frequent renewals accordingly the sanction limit has been mentioned as per the latest details available.*

(3) *The amount outstanding in excess of the sanctioned limit includes the fixed deposits held as margin*

See "*Financial Indebtedness*" for a description of broad terms of our indebtedness on page 363.

Contingent Liabilities, Capital Commitments and Off-Balance Sheet Items

The following table sets forth the principal components of our commitments and contingent liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Contingent Liabilities			
VAT Demand	-	3.64	3.64
Outstanding Bank Guarantees			
Includes Bank guarantee issued by State Bank of India	28.23	24.23	24.23
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	218.00	40.39

Notes:

a) Contingent Liabilities

(i) VAT Demand of ₹3.64 Million pertaining to earlier years, previously disclosed as a contingent liability, has been provided for during the year ended 31 March 2026 based on management's reassessment of the probability of outflow of resources.

(ii) The Company has initiated proceedings for compounding of certain non-compliances of the Companies Act, 2013 with the Registrar of Companies. The outcome and amount payable, if any, towards compounding/penalty are presently not determinable.

b) Outstanding Bank Guarantees

The Company has outstanding bank guarantees amounting to ₹28.23 million as at 31 March 2026 (31 March 2025: ₹24.23 million; 31 March 2024:

₹24.23 million), including a bank guarantee issued by State Bank of India.

c) Capital Commitments

The Company has outstanding capital commitments of ₹ Nil as at 31 March 2026 (31 March 2025: ₹218.00 million; 31 March 2024: ₹40.39 million), representing the estimated amount of contracts remaining to be executed on capital account and not provided for, net of capital advances.

For details, see "Restated Financial Statements – Contingent Liabilities and Capital Commitments – Note 40" on page 353.

Cash Outflow for Capital Expenditures

Our historical Cash Capex refers to the cash outflow towards expenditure for property, plant and equipment, capital work-in-progress and intangible assets, which amounted to ₹224.52 million, ₹53.95 million and ₹0.96 million as of March 31, 2026, March 31, 2025 and March 31, 2024, respectively.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, primarily in the form of purchase and sale of raw materials, salaries to directors, key managerial personnel, unsecured loans etc. For details of our related party transactions, see "*Restated Financial Information – Note 47- Related Party Transactions"* on page 358.

Quantitative and Qualitative Disclosures about Market Risks

The Company has exposure to the following risks arising from financial instruments:

(i) Market risk (see A below)
(ii) Credit risk (see B below)
(iii) Liquidity risk (see C below)

Risk Management Framework

The Company's corporate treasury function provides services to the business, co-ordinates access to domestic and International financial markets, monitors and manages the financial risk relating to the operation of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivatives financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board of Directors are assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of holding of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cashflows of an exposure will fluctuate because of changes in foreign exchange rates.

The Company transacts business in local currency only. The Company does not have foreign currency trade payables and receivables and is therefore, not exposed to foreign exchange risk. The Company need not to use currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate as per the risk management policy.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. For floating rates borrowings the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. The exposure of the company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Interest rate exposure:

Particulars	As at 31 March 2026	As at 31 March 2025	As at 31 March 2024
Borrowings			
Fixed Rate	177.64	119.32	79.27
Floating Rate	874.47	656.59	814.93
Total	**1,052.11**	**775.91**	**894.20**

The Company has obtained an unsecured, interest-free loan from its directors, which is repayable on demand, accordingly the company has not considered that loan in table above.

Interest Rate Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax would be affected through the impact on floating-rate borrowings, as follows:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Increase by 100 basis points	(8.74)	(6.57)	(8.15)
Decrease by 100 basis points	8.74	6.57	8.15

Price Risk

a. Investment risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. The Company is mainly exposed to the price risk due to its investment in mutual funds measured at fair value through profit or loss. The price risk arises due to uncertainties about the future market values of these investments. As at 31.03.2026, the investments in mutual funds amounts to ₹ 6.68 million (P.Y.: ₹ 6.31 million).

As regards Company's investments in unquoted equity instruments, the management contends that such investments do not expose the Company to price risks. In general, these securities are not held for trading purposes.

b. Commodity Price Risk

The Company is exposed to commodity price risk arising from fluctuations in cotton bale prices, which are the principal raw material used in the manufacture of cotton yarn. An increase in cotton prices may increase the Company's raw material costs and adversely impact margins, particularly in a competitive market where such increases may not be fully passed on to customers. Conversely, a decline in cotton prices may impact the realisable value of cotton inventory.

The Company manages this risk through regular monitoring of cotton and yarn prices, planned procurement based on production and sales requirements, appropriate inventory management and, where feasible, passing on changes in raw material costs to customers. Management monitors market conditions and procurement and selling prices on an ongoing basis to minimise the impact of cotton price fluctuations on profitability.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will not meet its contractual obligations, leading to a financial loss. Credit risk primarily arises from the Company's trade receivables, loans, investments, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure:

i. Trade Receivable

(₹ in million)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
Gross Carrying amount	822.89	349.72	47.92
Less: Expected credit loss recognised during the year	-	-	-
Carrying of trade receivables	**822.89**	**349.72**	**47.92**

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses.

Given that the macro-economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the management believes that unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company are not expected to be able to pay their outstanding dues, mainly due to economic circumstances.

The concentration of credit risk is limited due to the customer base being large and unrelated. Further, the Company constantly evaluates the quality of trade receivables and provides impairment loss on financial assets (trade receivables) based on expected credit loss model.

ii. Investments:

Investments of surplus funds are made only with approval of Board of Directors. This primarily include investments in equity instruments of an unlisted entity and mutual funds. The Company does not expect significant credit risks arising from these investments.

iii. Cash and cash equivalents and Bank balances other than cash and cash equivalents:

The Company held cash and cash equivalents and margin money deposits with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

iv. Other financial assets:

Other financial assets primarily consists of Subsidy receivable, Interest accrued on bank deposits and other deposits, security deposits and term deposit with Non-Banking Financial Companies. The Company does not expect any loss from non-performance by these counter-parties.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilized credit limits with banks.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of significant financial liabilities as at reporting dates:

March 31, 2026	Carrying amount	Contractual cash flows				
		Less than 12 months	1-2 years	2-5 years	More than 5 years	Total
Borrowings	1,143.23	917.53	74.27	93.31	58.12	1,143.23
Trade payables	207.60	207.60	-	-	-	207.60
Lease Liabilities	8.32	0.87	1.79	4.73	20.66	28.05
Other current financial liabilities	7.68	7.68	-	-	-	7.68
Total	**1,366.83**	**1,133.68**	**76.06**	**98.04**	**78.78**	**1,386.56**

March 31, 2025	Carrying amount	Contractual cash flows				
		Less than 12 months	1-2 years	2-5 years	More than 5 years	Total
Borrowings	867.12	659.55	115.15	83.29	9.13	867.13
Trade payables	195.16	195.16	-	-	-	195.16
Lease Liabilities	-	-	-	-	-	-
Other current financial liabilities	6.26	6.26	-	-	-	6.26
Total	**1,068.54**	**860.97**	**115.15**	**83.29**	**9.13**	**1,068.55**

March 31, 2024	Carrying amount	Contractual cash flows				
		Less than 12 months	1-2 years	2-5 years	More than 5 years	Total
Borrowings	985.43	636.36	175.80	173.27	-	985.43
Trade payables	161.24	161.24	-	-	-	161.24

March 31, 2024	Carrying amount	Contractual cash flows				
		Less than 12 months	1-2 years	2-5 years	More than 5 years	Total
Lease Liabilities	-	-	-	-	-	-
Other current financial liabilities	5.23	5.23	-	-	-	5.23
Total	**1,151.90**	**802.83**	**175.80**	**173.27**	**-**	**1,151.90**

Significant economic changes

Other than as described above under the "*Risk Factors*" on page 24 of this Draft Red Herring Prospectus, there are no other significant economic changes that materially affect or are likely to affect our income from continuing operations.

Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Known trends or uncertainties

Our business has been affected, and we expect will continue to be affected, by the trends identified above in the heading titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Principal Factors Affecting Our Financial Condition and Results of Operations"* on page 366 and the uncertainties described in "*Risk Factors*" on page 24. Except as described or anticipated in this Draft Red Herring Prospectus, there are no known trends or uncertainties which we expect will have a material adverse impact on our sales, revenues or income from continuing operations.

New products or business segments expected

Except as disclosed in "*Our Business*" on page 242, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition as of the date of this Draft Red Herring Prospectus.

Seasonality of business

While our business is not seasonal, our principal raw material cotton bales which is produced from raw cotton is a kharif crop and is available only during the cultivation season. Therefore, for seamless and non-stop production of cotton yarn, we purchase cotton bales in bulk during the cultivation season from our suppliers.

Significant dependence on few customers or suppliers

Our Company has a customer concentration. For details, see "*Risk Factors - 1. Our largest customer, top five customers, and our top ten customers contributed 42.26%,86.56% and 96.17%, respectively, of our revenue from operations for Fiscal 2026, 27.50%,75.43% and 89.58% respectively, for Fiscal 2025, and 27.40%, 66.65% and 73.60%, respectively, for Fiscal 2024. Any reduction in orders, loss of business, or adverse change in the relationship with one or more of these key customers could materially and adversely affect our business, financial condition, results of operations and cash flows.*

Our Company has a supplier concentration. For details, see '*Risk Factors - 3. We are primarily dependent upon our largest supplier and top ten suppliers for our principal raw material cotton bales, packing material, stores and spares and stock-in-trade. For Fiscal 2026, Fiscal 2025 and Fiscal 2024, these top ten suppliers contributed 60.40%, 45.46% and 57.68% respectively of our total purchases. Further, a majority of our purchases of cost of material consumed and stock-in-trade is made from suppliers based in Gujarat. Any disruption, delay, or inability of these suppliers to fulfil their commitments may materially and adversely affect our production, financial performance, and growth prospects.',* we are not dependent on a single or few suppliers or customers.

Future relationship between cost and revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 242 and 365, respectively, to the knowledge of our management, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Competitive conditions

We operate in a competitive environment and expect competition in our industry from existing and potential competitors to intensify. If we fail to compete effectively, it would have a material adverse effect on our business, financial condition, results of operations and cash flows. Please refer to 'Our Business, 'Industry Overview' and 'Risk Factors' on pages 242, 170 and 24, respectively for further information on our industry and competition.

Changes in accounting policies

There were no changes in the accounting policies Fiscals 2026, 2025 and 2024.

Summary of reservations or qualifications or adverse remarks or emphasis of matters of auditors

Except as stated below, there have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the Fiscals 2026, 2025 and 2024.

Period/Year	Nature of Adverse Observation (Reservations, qualifications, adverse remarks or matters of emphasis)	Details of Adverse Observations	Impact on the financial statements and financial position of the Company
Financial year ended March 31, 2026	Emphasis of Matter	We draw attention to Note No. 45 to the Financial Statements regarding the preferential allotment of shares after the balance sheet date, wherein the Company, pursuant to the special resolution passed at the Extraordinary General Meeting held on 11 May 2026, allotted 55,15,000 equity shares on a preferential basis at an issue price of ₹34 per equity share, aggregating to ₹18,75,10,000, after the reporting date but before the date of this Auditor's Report. Since the allotment occurred after the reporting date, no adjustment has been made to the Financial Statements in respect of this transaction. The event has been appropriately disclosed as a material non-adjusting event in accordance with the applicable financial reporting framework. Our opinion is not modified in respect of this matter.	There is no impact on the financial position of the company as it is a non-adjusting subsequent event.

Significant developments after March 31, 2026 that may affect our future results of operations

There have been no significant developments after March 31, 2026, the date of the last financial statements contained in this Draft Red Herring Prospectus, to the date of filing of this Draft Red Herring Prospectus, except as disclosed below;

Private Placement of Equity Shares

Since March 31,2026 till the date of certificate, the Company has undertaken a private placement of 55,15,000 equity shares of face value ₹10/- each, at an issue price of ₹34 per equity share (including a premium of ₹24 per equity share), aggregating to ₹ 18,75,10,000, to Ms. Amee D Shah, Shah Dhiren Mahendrakumar (HUF), Ms. Nirupamaben Mukeshkumar Shah, Ms. Shruti Vikas Shah, Mr. Bhaveshkumar Motilal Maniyar, Mr. Piyush Jashvantlal Shah, Mr. Amishi P Shah, and Fivex Capital VCC – Fivex Emerging Star Fund (being individual allottees, forming part of the promoter/promoter group, and a non-individual investor, as applicable), pursuant to a resolution passed by the Board of Directors on May, 11 2026 and by the shareholders on May 12, 2026 in accordance with Section 42 and Section 62(1)(c) of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014. The said allotment was made on May, 15 2026 and has resulted in an increase in the paid-up equity share capital of the Company from ₹31,00,00,000 to ₹36,51,50,000.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings (including matters which are at the FIR stage even if no cognizance has been taken by any court or judicial authority), (ii) actions (including all outstanding penalties and show cause notices) by regulatory authorities and/or statutory authorities, including notices issued by such authorities, (iii) claims related to direct or indirect taxation matters, and (iv) litigation proceedings (including arbitration or other civil proceedings) that are otherwise material, in each case, involving our Company, Promoters and Directors ("**Relevant Parties**"). Further, except as disclosed below, there are no disciplinary actions including any penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action; Further, there are no finding/ observations of any inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed and non-disclosure of which may have bearing on the investment decision. Further, except as disclosed below, there are no (a) outstanding criminal proceedings (including matters which are at the first information report stage even if no cognizance has been taken by any court or judicial authority); and (b) outstanding actions (including all outstanding penalties and show cause notices) by regulatory authorities and statutory authorities against our Key Managerial Personnel and members of Senior Management.*

As on the date of this Draft Red Herring prospectus, our Company does not have any Group Company.

For the purpose of identification of material litigation in (iii) and (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to their resolution dated September 02, 2026and is disclosed below:

a. *All outstanding civil litigation/ arbitration proceedings involving the Relevant Parties, in which the value or expected impact in terms of value or expected impact in terms of value of claim/dispute amount/liability involved, whether by or against the Relevant Parties exceeds of the lower of the following thresholds:(i) 2% of the turnover, as per the last annual restated standalone financial statements of the Company; (ii) 2% of the net worth, as per the last annual restated standalone financial statements of the Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of the absolute value of the profit or loss after tax, as per the last three annual restated financial statements of the Company being ₹ 11.15 million (i.e., lower of: (i) ₹ 69.07 million, being 2% of the turnover of the Company; (ii) ₹ 25.75 million, being 2% of the net worth of the Company, each as per the last annual standalone financial statements of the Company; and (iii) ₹ 11.15 million, being 5% of the average of the absolute value of the profit or loss after tax, as per the last three annual restated standalone financial statements of the Company) ("**Materiality Amount**"); or*

b. *where the monetary liability is not determinable or quantifiable or which does not exceed the Materiality Amount, for any other outstanding civil litigation or arbitration proceedings involving Relevant Parties, but the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the Materiality Amount.*

In the event any tax matters involve an amount exceeding the Material Amount in relation to any of the Relevant Party, individual disclosures of such tax matters have been included.

Pre-litigation notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall unless otherwise decided by the Board, not be considered as litigation until such time that the Relevant Parties are impleaded as defendants or respondents in proceedings before any judicial forum, arbitrator, tribunal or governmental authority.

Further, pursuant to a Board resolution dated September 02, 2026], our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all creditors of our Company to whom the amount due from our Company exceeds 5% of the total trade payables of the Company as per the latest Restated Standalone Financial Information disclosed in this Draft Red Herring Prospectus are material creditors (i.e., 5% of ₹ 207.60 million, which is ₹ 10.38 million based on the Restated Standalone Financial Information as at March 31, 2026).

*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.*

Unless otherwise specified, the terms defined in the description of a particular litigation matter pertain to such matter only. Unless otherwise specified, the information provided below is as of the date of this Draft Red Herring Prospectus.

1. Litigation involving our Company

a. Criminal proceedings against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

b. Criminal proceedings by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

c. Actions initiated by statutory/regulatory authorities involving our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory/regulatory authorities involving our Company.

d. Material civil litigation against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations against our Company

e. Material civil litigation by our Company

The Company has filed a petition before the Hon'ble High Court of Gujarat seeking refund of GST/IGST paid on import of capital goods under the Export Promotion Capital Goods ("EPCG") Scheme during the period from July 01, 2017 to October 12, 2017 ("Blackout Period"). The Company has claimed refund of ₹105.92 million and has challenged the non-refund of the said amount by the concerned authorities as illegal and arbitrary. The matter is currently pending before the High Court of Gujarat.

2. Litigation involving our Directors

a. Criminal proceedings against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

b. Criminal proceedings by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

c. Actions by statutory/regulatory authorities involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory/regulatory authorities involving our Directors.

d. Material civil litigation against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations against our Directors.

e. Material civil litigation by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

3. Litigation involving our Promoters

a. Criminal proceedings against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

b. Criminal proceedings by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

c. Actions by statutory/regulatory authorities involving our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory/regulatory authorities involving our Promoters.

d. Disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action.

As on the date of this DRHP, there are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges in the last 5 Fiscals against our Promoters.

e. Material civil litigation against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations against our Promoters.

f. Material civil litigation by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Promoters.

4. Litigation involving our Key Managerial Personnel

a. Criminal proceedings against our Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against our Key Managerial Personnel.

b. Criminal proceedings by our Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Key Managerial Personnel.

c. Actions initiated by statutory/regulatory authorities involving our Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory/regulatory authorities involving our Key Managerial Personnel

5. Litigation involving the members of our Senior Management

a. Criminal proceedings against the members of our Senior Management

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Senior Management.

b. Criminal proceedings by the members of our Senior Management

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Senior Management.

c. Actions and proceedings initiated by statutory/regulatory authorities involving the members of our Senior Management

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by statutory/regulatory authorities involving our Senior Management.

6. Tax claims involving our Company, Directors and Promoters

Details of outstanding tax claims involving our Company, Directors and Promoters as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of claims	Number of claims	Amount involved *(₹ in million)*
Direct Tax		
Company	Nil	Nil
Directors	Nil	Nil
Promoters	2	5.45
Sub-Total (A)	2	5.45
Indirect Tax		
Company	4	10.23
Directors	Nil	Nil
Promoters	Nil	Nil
Sub-Total (B)	**4**	**10.23**
TOTAL (A+B)	**6**	**15.68**

Outstanding Dues to Creditors

As per the policy of materiality for identification of material outstanding dues to creditors considered and adopted by our Board pursuant to a resolution dated September 02, 2026 of our Board, considers all creditors to whom the amount due by our Company exceeds 5% of the total trade payables as per the latest Restated Financial Information disclosed in this Draft Red Herring Prospectus as material creditors (*i.e.*, ₹10.38 million).

Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are disclosed below:

Type of creditor	No. of creditors ^	Amount outstanding (in ₹ million) ^
Dues to MSME Creditors	36	34.70
Dues to Material Creditor(s) (Including MSME)	6	100.24
Dues to Other Creditors	66	72.66
Total	**108**	**207.60**

Note: ^As certified by M/s Mistry & Shah LLP, Chartered Accountants (Firm Registration Number: 122702W/ W100683), pursuant to a certificate dated September 17, 2026.

The details of the outstanding dues to our material creditors are available on the website of our Company at **https://rudracottex.com/investor-relations/**. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments since the Last Balance Sheet

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 365, in the opinion of our Board, no circumstances have arisen subsequent to the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

(*Remainder of this page has been intentionally left blank*)

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities under applicable rules and regulations. Set out below is an indicative list of such consents, licenses, registrations, permissions, and approvals obtained by our Company which are considered material and necessary for the purposes of undertaking their respective businesses and operations ("Material Approvals") of our Company. In addition, certain Material Approvals may have lapsed or expired or may lapse in their ordinary course of business, from time to time, and we have either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications in accordance with applicable law and requirements and procedure. Unless otherwise stated, such Material Approvals are valid as of the date of this Draft Red Herring Prospectus.

For details of risks associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factor 28 — We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, any failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations may adversely affect our operations" on page 43. For further details in connection with the applicable regulatory and legal framework in India within which we operate, see *"Key Regulations and Policies" on page 271.*

I. Approvals in relation to the Issue

For details in relation to the approvals and authorizations in relation to the Issue, see "*Other Regulatory and Statutory Disclosures—Authority for the Issue*" on page 404.

A. Material approvals obtained by our Company

(a) *Corporate approvals*

1. Certificate of incorporation dated March 23, 2016, issued to our Company under the name "Rudra Cottex Private Limited", by the Assistant Registrar of Companies, Gujarat.

2. Certificate of incorporation consequent upon conversion to public company dated September 02, 2026, issued by the Registrar of Companies, Central Processing Centre.

3. The corporate identity number of our Company is U13111GJ2016PLC086570

4. The legal Entity identifier of our Company is 3358002GIEOIGR52L492

(b) *Tax registrations*

1. The Permanent Account Number of our Company is AAHCR7035E, issued by the Income Tax Department, Government of India.

2. The Tax Deduction Account Number of our Company is AHMR10022F, issued by the Income Tax Department, Government of India.

3. The goods and services tax registration number of our Company obtained under the Gujarat Goods and Services Tax Act, 2017 is 24AAHCR7035E1ZJ.

4. Professional Tax Enrolment certificate of our Company is 06040120002.

5. Professional Tax Registration certificate of our Company is 06040120003.

(c) *Material approvals in relation to our business and operations*

Sr. No.	Particulars	Issuing Authority	Reference/ Registration/License No.	Date of Issue/ Renewal	Validity
1.	Registration of micro, small or medium enterprise under Section 8 of the Micro, Small and Medium Enterprises Development Act, 2006, evidencing classification and registration on the Udyam portal	Ministry of Micro, Small and Medium Enterprises	UDYAM-GJ-01-0512953	May 17, 2025	Valid until cancelled or modified
2.	Importer–Exporter Code issued under the Foreign Trade	Directorate General of Foreign Trade,	0816913544	September 08, 2016	Valid until cancelled

Sr. No.	Particulars	Issuing Authority	Reference/ Registration/License No.	Date of Issue/ Renewal	Validity
	(Development and Regulation) Act, 1992 and Foreign Trade Policy.	Ministry of Commerce and Industry, Government of India			or modified
3.	Consolidated Consent and Authorization to establish issued under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974, Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 and Authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, permitting operations and waste handling.	Gujarat Pollution Control Board	AWH – 142380	April 28, 2025	March 12, 2035
4.	No Objection Certificate for Ground Water Abstraction	Central Ground Water Authority	NOC/IND/GJ/2024/185/R-2/2	June 10, 2025	January 17, 2027
5.	Certificate of verification/ registration under the Legal Metrology Act, 2009 and Legal Metrology (General) Rules, 2011 for weighing/ measure instruments as applicable to packaged commodities, subject to issuance.	Office of the Controller, Legal Metrology, Gujarat State	4012259/GNR/2026/01 4012209/GNR/2026/01	March 24, 2026	March 24, 2027
6.	Intimation for commencement of business for Dehgam.	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 ("Act"),	SI059001641	August 10, 2026	NA
7.	Intimation for commencement of business for Ahmedabad.	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 ("Act"),	II/SCIR/20016459/0011490 (SCIENCE CITY ROAD)	September 09, 2026	NA

(d) *Material labour/ employment related approvals*

Sr. No.	Particulars	Issuing Authority	Reference/ Registration/ License No.	Date of Issue/ Renewal	Validity
1.	Registration of establishment under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, evidencing allotment of Provident Fund code and enabling statutory PF compliance.	Employees' Provident Fund Organisation	GJAHD1764260000	August 22, 2018	Valid till cancelled.
2.	Code in terms of Employees State Insurance under Section 1(3) & (5) of the Employee State Insurance Act, 1948	Employees' State Insurance Corporation	37001475720000199	May 17, 2023	Valid till cancelled.
3.	Form 4 license to work a factory issued under (Prescribed under Rule 5) Factories Act, 1948 and the rules made thereunder for operations at the registered premises at land bearing survey number 808, 836 to 843, Kadjodra – Devkaran Na Muvada Road Degham – Bayad Road Village: Kadjodra Taluka: Degham District: Gandhinagar - 382315	Directorate Industrial Safety & Health, Gujarat State	**License No.:** 33517 **Registration No.:** 2246/13112/2018	February 01, 2018	December 31, 2028

(e) *Other licenses and approvals in relation our business*

Sr. No.	Particulars	Issuing Authority	Reference/ Registration/ License No.	Date of Issue/ Renewal	Validity
1.	ISO 9001:2015 (Quality Management System)	Royal Assessments Private Limited (a private certification body)	E20250728395	July 18, 2025	July 17, 2028
2.	The Cotton Textiles Export Promotion Council (TEXPROCIL)	The Cotton Textiles Export Promotion Council	MXC/MXY/MXP/33288(2017)-R	April 01, 2023	March 31, 2028
3.	Scope Certificate for Global Recycled Standard (GRS) (Version 4.0) Recycled Claim Standard (RCS) (Version 2.0)	Intertek	ITS-TE-00318306-MUL-0000508	November 27, 2025	November 26, 2026
4.	Scope Certificate for Global Organic Textile Standard (GOTS) Version 7.0	Intertek	SC-014774-0	September 29, 2025	September 28, 2026
5.	Scope Certificate for Organic Content Standard (3.0)	Intertek	ITS-TE-00318306-OCS-0000088	September 29, 2025	September 28, 2026

II. Material approvals or renewals applied for but not received

Sr. No.	Type of License/ Approvals	Issuing Authority	Date of Application	Registration/ Reference/ License Number / Application Number	Details of application
1.	Application for registration for establishment under Occupational Safety, Health and Working Conditions	Government of Gujarat (Labour, Skill Development & Employment Department)	September 14, 2026	REG/OSHWC/GJ/AHM /2026/001670	Applied for Registration

III. Material approvals expired and renewals yet to be applied for

NIL

IV. Material approvals required but yet to be obtained or applied for

NIL

V. Intellectual property rights

As on the date of this Draft Red Herring Prospectus, our Company has 01 registered trademark in its name and has filed applications for registration of 07 additional trademarks. For further details, see *"Our Business"* on page 242.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to resolution passed at its meeting dated September 05, 2026 and authorized by our Shareholders have pursuant to a special resolution passed at their meeting dated September 07, 2026, in accordance with Section 62(1)(c) of the Companies Act, 2013.

Our Board has approved this Draft Red Herring Prospectus and the Draft Abridged Prospectus for filing with SEBI and the Stock Exchanges by way to the resolution dated September 17, 2026.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of Equity Shares, as may be permitted under the applicable law, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the allotment of the Equity Shares issued pursuant to the Pre- IPO Placement will be done towards the Objects in compliance with requirements prescribed under the Companies Act and other applicable law. Prior to the completion of the Issue, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or that the Issue may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety). Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus.

In-principle listing approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Promoters, members of the Promoter Group and our Directors, are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

The companies with which our Promoters or Directors are or were associated as promoters or directors have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against them by the SEBI in the 5 years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters, Promoter Group or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters and members of the Promoter Group (to the extent applicable to them) are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to our Company, as of the date of this Draft Red Herring Prospectus.

Other Confirmations

Except as disclosed in "*History and Certain Corporate Matters – Other Confirmations*", as on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of our Company) and our Company, Group Companies, Promoters, Promoter Group, Directors and Key Managerial personnel.

Except as disclosed in "*History and Certain Corporate Matters – Other Confirmations*", as on the date of this Draft Red Herring Prospectus, there are no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Company, Group Companies, Promoters, Promoter Group, Directors and Key Managerial Personnel.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and standalone basis, in each of the preceding three full years (of 12 months each), i.e., as of and for the Fiscals 2026, 2025 and 2024, of which not more than 50% of the net tangible assets are held in monetary assets.
- Our Company has an average operating profit of ₹150 million, calculated on a restated and standalone basis, during the preceding three years (of 12 months each), i.e., Fiscals 2026, 2025 and 2024, with operating profit in each of these preceding three years.
- Our Company has a net worth of at least ₹10 million, calculated on a restated and standalone basis in each of the preceding three full years (of 12 months each), i.e., Fiscals 2026, 2025 and 202; and
- Our Company has not changed its name in the immediately preceding year other than for deletion of the word "private" consequent to the conversion from a private limited company to a public limited company.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Standalone Financial Information included in this Draft Red Herring Prospectus as of, and for the 3 immediately preceding Financial Years are disclosed below.

Derived from the Restated Standalone Financial Information

(₹ In millions, except percentage values)

Particulars	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Net tangible assets, as restated (1)	1287.57	956.80	718.41
Monetary assets, as restated (2)	11.16	2.09	1.44
Monetary assets as a percentage of Net tangible assets (in %), as restated (2/1)	0.87%	0.22%	0.20%
Operating Profit, as restated (3)	574.25	468.07	248.75
Average Operating Profit (5)	430.36		
Net Worth, as restated (4)	1287.70	956.80	718.41

1. *'Net tangible assets' means the sum of all net assets (Total Assets less Non-current and current liabilities) of the Company, as reduced by the intangible assets as defined in Indian Accounting Standard (Ind AS) 38*
2. *'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon but excluding any earmarked balances/ margin money held with the banks).*
3. *'Operating Profit' has been calculated as profit before tax add finance cost and less other income.*
4. *'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.*
5. *'Average operating profits' means the average of operating profits during the preceding three years (of twelve months each) calculated on a restated basis.*

Our Company has operating profit in each of the Fiscals 2026, 2025 and 2024 as indicated in the table above. Our average restated operating profit for Fiscals 2026, 2025 and 2024 is ₹ 430.36 million.

We are currently eligible to undertake the Issue as per Rule 19(2)(b) of the SCRR read with Regulation 6(1) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded in accordance with the SEBI ICDR Regulations and timelines specified under other applicable laws.

Our Company is in compliance with conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

a. None of our Company, our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI;
b. None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI;
c. Neither our Company nor our Promoters or Directors are categorised as a Wilful Defaulter or a Fraudulent Borrower;
d. Neither our Promoters nor our Directors have been declared a Fugitive Economic Offender;
e. There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;
f. Our Company, along with the Registrar to the Issue, has entered into tripartite agreements dated June 21, 2025 and June

04, 2025 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

g. The Equity Shares of our Company held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, members of Senior Management and employees (as defined in Regulation 7 of SEBI ICDR Regulations) are in dematerialised form;
h. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and
i. There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already been disclosed in the Issue document.
j. There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN 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 THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM, BEING BEELINE CAPITAL ADVISORS PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 17, 2026 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Caution - Disclaimer from our Company, Promoters, our Directors and the BRLM

Our Company, our Promoters, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, https://rudracottex.com/ or any website of any affiliates of our Company would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Issue, shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be made available by our Company and the BRLM for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the 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 the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters, the 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.

The BRLM and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoters, Promoter Group, the Group Companies and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, the Promoter Group, the Group Companies and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of jurisdiction

Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, Gujarat, India only.
The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to NBFC-SI registered with RBI, Eligible FPIs, AIFs, FVCIs (under Schedule I of the FEMA Rules), public financial institutions as specified in Section 2(72) of the Companies Act, 2013, accredited investors as defined in clause (ab) of sub- Regulation (1) of Regulation 2 of the SEBI AIF Regulations, for the limited purpose of their investment in angel funds registered with the SEBI, under the SEBI AIF Regulations, state industrial development corporations, registered multinational and bilateral development financial institutions, Eligible NRIs and other eligible foreign investors.

This Draft Red Herring Prospectus shall not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform themselves about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

The delivery of this Draft Red Herring Prospectus shall not, under any circumstances, create any implication that there has been no change in our affairs, since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer clause of the BSE

As required, a copy of this Draft Red Herring Prospectus along with the Draft Abridged Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus along with the Draft Abridged Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining listing and trading permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Issue. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the prescribed rate for the delayed period in accordance with applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:

"Any person who

1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
2. 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
3. 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 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount

Consents

Consents in writing of each of our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, the legal counsel to our Company as to Indian Law, the Bankers to our Company, the BRLM, the Statutory Auditors, the Registrar to the Issue, the Syndicate Members, industry report provider the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account Bank(s), the Sponsor Banks and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts to the Issue

Except as stated below, the Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

(i) Our Company has received written consent dated September 17, 2026, from Mistry & Shah LLP, our Statutory Auditor, Chartered Accountants, holding a valid peer review certificate from ICAI to include their name as required under Section 26(1) of the Companies Act read with SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) the examination report dated September 17, 2026 on the Restated Financial Information; and (ii) report dated September 17, 2026 on the statement of special tax benefits included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(ii) Our Company has received written consent dated September 17, 2026 from M/s. M Lalwani & Associates, practicing Company Secretary, holding a valid peer review certificate issued by Peer review board of The Institute of Company Secretaries of India to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by her in her capacity as the independent practicing company secretary to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

(iii) Our Company has received written consent dated September 16, 2026 from Babulal A Ughreja, Chartered Engineer to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in respect of the certificates issued by them in their capacity as the independent chartered engineer to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act

Particulars regarding public or rights issues during the last 5 years

Our Company has not made any public or rights issue, each as defined in the SEBI ICDR Regulations, during the 5 years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last 3 years

Except as disclosed in "*Capital Structure*" on page 80, our Company has not made any capital issues during the 3 years preceding the date of this Draft red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have a listed group, subsidiary or associate entities.

Commission and Brokerage paid on previous issues of the Equity Shares in the last 5 years

Since this is the initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the 5 years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Details of Public or Rights Issues by our Company

Our Company has not made public or rights issues during the last 5 years.

Performance vis-à-vis objects – Details of Public or Rights Issues by listed subsidiaries/listed promoter of our Company

Our Company does not have any listed subsidiaries or listed promoters.

Observations by regulatory authorities

There are no findings or observations pursuant to any inspections by SEBI or any other regulatory authority in India which are material and are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Issue.

Except as disclosed in "*Our Management*" on page 285, none of the Directors, Promoters or individuals forming part of the Promoter Group of our Company is appearing in the list of directors of struck-off companies.

Price Information of Past Issues Handled by the BRLM (during the current Financial Year and 2 Financial Years preceding the current Financial Year)

Beeline Capital Advisors Private Limited

SME IPO:

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Identixweb Limited	166.32	54.00	April 03, 2025	55.00	+15.70% (+5.51%)	+12.98 (+9.70)	+29.62% (+5.41%)
2.	Neptune Petrochemicals Limited	732.00	122	June 04, 2025	132.75	+17.54 (+3.19)	+14.63% (+0.019%)	+32.54% (+6.42%)
3.	Cryogenic OGS Limited	177.66	47	July 10, 2025	89.30	+157.34% (-4.00%)	+253.83% (-1.52%)	+277.66% (+2.70%)
4.	Monarch Surveyors And Engineering Consultants Limited	937.50	250	July 29, 2025	421.25	+12.62% (-0.68%)	+3.58% (+3.53%)	-25.7% (+0.24%)
5.	Blt Logistics Limited	97.20	75	August 11, 2025	90.95	-22.27% (+0.62%)	-36.00% (+3.24%)	-47.33% (+3.69%)
6.	Connplex Cinemas Limited	902.70	177	August 14, 2025	195.00	+11.41% (+1.96%)	+20.99 (+4.31%)	+45.17% (+5.02%)
7.	Jay Ambe Supermarkets Limited.	184.45	78	September 17, 2025	79.00	+89.17% (+0.93%)	+74.42% (+3.04%)	+156.28% (-9.83%)
8.	Apollo Techno Industries Limited.	479.57	130	December 31, 2025	145.00	-15.38% (-3.11%)	-37.81% (15.57%)	-32.92% (-9.53%)
9.	Modern Diagnostic & Research Centre Limited	368.93	90	January 07, 2026	99.50	-10.00% (-1.93%)	-30.55% (-12.78%)	-42.22% (8.47%)
10.	Kratikal Tech Limited	396.90	135	July 07, 2026	192.00	+19.11 (+0.99%)	N.A.	N.A.

MAIN BOARD IPO:

Sr. No.	Issue name	Designated Stock Exchange	Issue size (in ₹ Million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Mamata Machinery Limited	BSE	1,793.49	243.00	December 27, 2024	600.00	+72.74% (-3.19%)	+44.81% (-1.79%)	+74.14% (+4.26%)
2.	Borana Weaves Limited	BSE	1,448.93	216	May 27, 2025	243.00	+1.76 (+1.48)	+0.35% (-0.30%)	+36.89 (+4.51%)
3.	Shreeji Shipping	BSE	4,107.09	252	August 26,	271.85	-0.46 (+1.15)	+17.64%	+60.97%

Sr. No.	Issue name	Designated Stock Exchange	Issue size (in ₹ Million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
	Global Limited				2025			(+5.50%)	(+2.51%)
4.	Amanta Healthcare Limited.	NSE	1,260.00	126	September 09, 2025	135.00	+7.12% (+0.71%)	-18.06% (+5.29%)	-20.06% (-1.68%)
5.	Om Power Transmission Limited	BSE	1,500.63	175	April 17, 2026	186.00	+5.57% (-2.92%)	-0.62% (-1.13%)	N.A.

(1) A discount of ₹12 per Equity Share was offered to eligible employees bidding in the employee reservation portion of Mamta Machinery Limited's IPO.

Source: Price Information www.bseindia.com and www.nseindia.com, Issue Information from respective Prospectus. In case of Main Board IPO, opening price information as disclosed on the website of the Designated Stock Exchange, change in closing price over the issue/offer price as disclosed on Designated Stock Exchange, and for change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

Note:

1. *The S&P BSE Sensex and NSE Nifty are considered as the Benchmark.*
2. *"Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30th / 90th/180th Calendar days from listing.*
3. *"Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30th / 90th/180th Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.*
4. *In case 30th/ 90th/180th day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.*

Summary statement of price information of past issues

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Beeline Capital Advisors Private Limited

SME IPO:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-27	01	396.90	-	-	-	-	-	1	-	-	-	-	-	-
2025-26	09	4,046.23	-	-	3	2	-	4	-	4	-	2	3	-
2024-25	24	11,654.40	-	-	4	14	-	6	-	5	3	10	2	4

MAIN BOARD IPO:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2026-27	1	1,500.63	-	-	-	-	-	1	-	-	-	-	-	-
2025-26	3	6,816.03			**1**	**-**		**2**			**1**	**1**	**1**	**-**
2024-25	1	1,793.49	-	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**

Notes:

1. *Listing date is considered for calculation of total number of IPOs in the respective financial year.*
2. *In the event any day falls on a holiday, the price/index of the immediately 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.*
3. *Source: www.bseindia.com and www.nseindia.com*

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Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLM, as provided in the table below.

Sr. No.	Name of the BRLM	Website
1.	Beeline Capital Advisors Private Limited	https://beelinemb.com/

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular dated March 16, 2021, read with the SEBI circulars dated June 2, 2021 and April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular), the SEBI ICDR Master Circular and the SEBI RTA Master Circular, and 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 in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (to the extent rescinded by the SEBI RTA Master Circular) and the SEBI RTA Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted 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 the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLM shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount, in addition to the compensation paid by the respective SCSBs, for the period of such delay.
All Issue-related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted.

The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs and the Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Banks including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has also appointed Jotaniya Sahul Natvarbhai, Company Secretary of our Company, as the Compliance Officer for the Issue. For details, see "*General Information—Company Secretary and Compliance Officer*" on page 74.

Investors can contact our Company Secretary and 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Disposal of Investor Grievances by Our Company

In terms of SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, companies intending to get listed must submit a declaration that a draft red herring prospectus has been submitted to SEBI in order to obtain SCORES authentication. The Company has applied for obtaining authentication on the SCORES, to comply with the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, as amended by SEBI from time to time, in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary for the redressal of routine investor grievances shall be seven 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 not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there are no investor complaints pending as of the date of this Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders' Relationship Committee to review and redress shareholder and investor grievances. See "*Our Management—Committees of the Board– Stakeholders' Relationship Committee*" on page 294.

Disposal of investor grievances by listed group companies and listed subsidiaries

As of the date of this Draft Red Herring Prospectus, we do not have any listed group companies or listed subsidiaries

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

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

Other confirmations

No person connected with the Issue, shall offer in any manner whatsoever, any incentive, whether direct or indirect, 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.

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SECTION VII: ISSUE RELATED INFORMATION
TERMS OF THE ISSUE

The Equity Shares being offered and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Draft Abridged Prospectus, the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Issue

The Issue is through a fresh issue of Equity Shares by the Company. The expenses for the Issue shall be borne by our Company in the manner specified in the "*Objects of the Issue - Issue Related Expenses*" on page 148.

Ranking of the Equity Shares

The Equity Shares being offered and Allotted pursuant to the Issue shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Main Provisions of the Articles of Association*" on page 443.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association, our Articles of Association, our Dividend Policy and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment in the Issue, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Main Provisions of the Articles of Association*" on pages 306 and 443, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of each equity share of our Company is ₹10 each and the 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 Issue Price is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLM and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat 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 Exchanges for the purpose of uploading on their 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 websites of the Stock Exchanges. 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 the Book Building Process.
At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- 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 and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable law; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 443.

Allotment only in dematerialized form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- tripartite agreement dated June 21, 2025 among our Company, NSDL and the Registrar to the Issue; and
- tripartite agreement dated June 04, 2025 among our Company, CDSL and the Registrar to the Issue.

Market lot and trading lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share of face value of ₹10 each subject to a minimum Allotment of [●] Equity Shares of face value of ₹ 10 each. For further details, see "*Issue Procedure*" on page 425.

Joint Holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Gujarat, India.

Period of subscription list of the Issue

For details, see "*Issue Procedure - Bid/ Issue Period*" on page 418.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 and the relevant rules notified thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 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/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company. 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 our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Issue programme

BID/ISSUE OPENS ON	[●] (1)
BID/ISSUE CLOSES ON	[●] (2) (3)

(1) *Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Date shall be [●], i.e., one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *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.*

(3) *The UPI mandate end time and date shall be 5:00 p.m. on the Bid/Issue Closing Date, i.e., [●].*

An indicative timetable in respect of the Issue is disclosed below.

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Allotment of Equity Shares/ Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15 % per annum of the of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges 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 Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked until the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder 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 until the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the SCSB 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. The Bidder shall be compensated in the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs and relevant intermediaries, to the extent applicable.*

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or 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 Exchanges are taken within three Working Days from 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 Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in

accordance with the applicable laws.

Any circulars or notifications from the SEBI after the date of this Draft 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.

SEBI, through the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days had been made applicable mandatorily for all public issues opening on or after December 1, 2023. Accordingly, the Issue will be made under UPI Phase III on a mandatory T+3 days listing basis, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to the SEBI ICDR Master Circular.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with listing timelines and activities prescribed by the SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Issue Closing Date, 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 (other than Bids from Anchor Investors)

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 of electronic applications (online ASBA through 3-in- 1 accounts) – For RIBs	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non- individual applications of QIBs and NIBs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (direct bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non- individual applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. IST on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/ Issue Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs	Only between 10.00 a.m. IST on the Bid/Offer Opening Date and up to 5.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 p.m. on the Bid/Issue Closing Date.*
 # QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 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 Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges 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 Exchanges.

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 until 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, as per the format prescribed in the SEBI ICDR Master Circular.

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 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 and in any case no later than 12:00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of 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 and any revision in Bids will be accepted only during Working Days during the Bid/Issue Period and revision shall not be accepted on Saturdays, Sundays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period until 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the Bid information to the Registrar to the Issue for further processing. Further, as per letter no. list/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/bank holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

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 as the final data for the purpose of Allotment.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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. Further, the Cap price shall be at least 105% of the Floor Price. 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 in 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 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of one Working Day, 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 Exchanges, 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 and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Issue on the Bid/Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond the prescribed time after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI ICDR Master Circular.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Withdrawal of the Issue

The Issue shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue, in whole or in part thereof, after the Bid/ Issue Opening Date but before the Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue and price band advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares were proposed to be listed. The BRLMs, through the Registrar, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue and price band advertisements have appeared and the Stock Exchanges will also be informed promptly.

If the Company, in consultation with the BRLMs, withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, the Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment and within three Working Days of the Bid/ Issue Closing Date or such other time period as prescribed under applicable law; and (ii) filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue Equity Share capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 80 and as provided under our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 443.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

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ISSUE STRUCTURE

Initial public offering of up to 12,500,000 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) aggregating up to ₹[●] million by the Company.

The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Our Company may, in consultation with the BRLM, consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Issue. Prior to the completion of the Issue and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Issue or the Issue may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and Prospectus and intimate to the Stock Exchanges, in accordance with the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process and in compliance with Regulation 32(1) of the SEBI ICDR Regulations.

Particulars	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation*(2)	Not more than [●] Equity Shares of face value of ₹ 10 each	Not less than [●] Equity Shares of face value of ₹ 10 each available for allocation or the Issue less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares of face value of ₹ 10 each available for allocation or the Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/allocation	Not more than 50.00% of the Issue being available for allocation to QIB Bidders. However, up to 5.00% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the remaining Net QIB Portion.	Not less than 15.00% of the Issue, subject to the following: The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be available for allocation out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹0.2 million and up to ₹0.1 million; and (ii) two-thirds of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹0.1 million. Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the	Not less than 35.00% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders will be available for allocation.

		other sub- category of Non-Institutional Bidders.	
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Balance [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value of ₹10 each) may be allocated on a discretionary basis to Anchor Investors of which 40% of the Anchor Investor Portion shall be reserved as follows: (i) 33.33% shall be reserved for domestic Mutual Funds; and (ii) 6.67% shall be reserved for life insurance companies registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938 and pension funds registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Any undersubscription in the reserved category for life insurance companies and pension funds may be allocated to Mutual Funds.	The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Category shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹0.2 million and up to ₹0.1 million; and (b) two-thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹0.1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. For further details, see "*Issue Procedure*" on page 425.	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For further details, see "*Issue Procedure*" on page 425. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations
Mode of Bidding^	Only through the ASBA process (excluding the UPI Mechanism) except for Anchor Investors	Only through the ASBA process (including UPI Mechanism for Bids up to ₹0.5 million)	Only through the ASBA process (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹0.2 million	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹0.2 million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, (excluding the Anchor Portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares of face value of ₹10 each and in multiples of [●] Equity Shares of face value		

	of ₹10 each thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Mode of Allotment	Compulsorily in dematerialised form.		
Trading Lot	1 Equity Share		
Who can apply[(3)]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds Registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250,000,000, pension fund with minimum corpus of ₹250,000,000 registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, Systemically Important NBFCs and accredited investors as defined in clause (ab) of Sub-Regulation (1) of Regulation 2 of the SEBI AIF Regulations, for the limited purpose of their investment in Angel Funds registered with the SEBI, under the SEBI AIF Regulations.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorized as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*).
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.[(4)(5)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for UPI Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form.		

* *Assuming full subscription in the Issue.*

^The SEBI ICDR Master Circular has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders.

(1) Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis in accordance with the SEBI ICDR Regulations. 40% of the Anchor Investor Portion shall be reserved as follows: (i) 33.33% shall be reserved for domestic Mutual Funds; and (ii) 6.67% shall be reserved for life insurance companies registered with the Insurance Regulatory and Development Authority of India under the provisions of the Insurance Act, 1938 and pension funds registered with the Pension Fund Regulatory and Development Authority under the provisions of the Pension Fund Regulatory and Development Authority Act, 2013, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Any undersubscription in the

reserved category for life insurance companies and pension funds may be allocated to Mutual Funds. For further details, see 'Issue Procedure' on page 425.

(2) Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be Allotted on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, out of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

(3) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis as per the SEBI ICDR regulations. 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. For further details, see 'Terms of the Issue' on page 415.

(4) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(5) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Application Forms/ Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price, shall be payable by the Anchor Investor pay-in date as mentioned in the CAN.

(6) Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares in the Issue.

(*Remainder of this page has been intentionally left blank*)

ISSUE PROCEDURE

*All Bidders should read the General Information Document for investing in public offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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 also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, including in relation to the process for Bids 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.*

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) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/5 dated May 24, 2024 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations) ("AV Circular") has introduced the disclosure of audiovisual presentation of disclosures made in Issue Documents. Pursuant to the AV Circular, investors are advised not to rely on any other document, content or information provided in respect to the public issue on the internet/online websites/social media platforms/micro-blogging platforms by finfluencers.

*The SEBI by 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 (read with the SEBI ICDR Master Circular), has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. Further, SEBI by the SEBI ICDR Master Circular, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Red Herring Prospectus. Furthermore, pursuant to the SEBI ICDR Master Circular, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 are required to use the UPI Mechanism.*

*Pursuant to the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, read with SEBI ICDR Master Circular, the time period for listing of equity shares pursuant to a public issue has been reduced from six Working Days to three Working Days, and as a result, the final reduced timeline of T+3 days has been made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"). Accordingly, subject to any circulars, clarification or notification issued by the SEBI from time to time, this Issue will be undertaken pursuant to the processes and procedures prescribed under UPI Phase III, subject to any circulars, clarifications or notifications which may be issued by the SEBI.*

Pursuant to the SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking.

The information herein is subject to any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring 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 the Red Herring Prospectus and the Prospectus, when filed.
The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulations 31 and 32(1) of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60% of the Net QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, 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% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation to Non- Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, including the Employee Reservation Portion, 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 Exchanges.

All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for UPI Bidders 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.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and the press releases dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI by circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, read with the SEBI ICDR Master Circular, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. This Issue will be undertaken pursuant to the processes and procedures prescribed under UPI Phase III, subject to any circulars, clarifications or notifications which may be issued by the SEBI.

Pursuant to the SEBI ICDR Master 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 SEBI ICDR Master 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 no 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 penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–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 applications using UPI. Our Company will be required to appoint Sponsor Banks to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI.
Further, pursuant to the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

a) a syndicate member;
b) a stock broker recognised with a registered stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
c) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
d) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Further, in accordance with the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

For Anchor Investors, copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process.
UPI Bidders 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 UPI Bidders 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. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to the SEBI ICDR Master Circular.

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. UPI Bidders 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 Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in the SEBI ICDR Master Circular.
Since the Issue is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, sub- Syndicate members, Registered Brokers, RTAs or CDPs.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

Category	Color of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Form Notes:*

(1) Electronic Bid Cum Application Forms and the abridged prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than through UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. In accordance with the SEBI ICDR Master Circular, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. RIB, QIB and NIB and also for all modes through which the applications are processed.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (*i.e.*, the Sponsor Banks, NPCI or the Bankers to the 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 Banker to the Issue for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI ICDR Master Circular.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that trading members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NIB and QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 p.m. on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding through the UPI Mechanism 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. Further, pursuant to the NSE circular dated August 3, 2022 with reference no. 25/ 2022, there shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued. Further, bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 p.m. on the Bid/Issue Closing Date.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portals for intermediaries (closed user group) from the date of Bid/Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Issue.
b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 p.m. for Retail Individual Bidders and 4:00 p.m. for NIB and QIB on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the Bid information to the Registrar to the Issue for further processing.
d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the Promoters, the members of the Promoter Group, the BRLM, the Syndicate Members and persons related to Promoters/the members of the Promoter Group/the BRLM

The BRLM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Members may Bid for the Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLM nor any associate of the BRLM can apply in the Issue under the Anchor Investor Portion:
(i) mutual funds sponsored by entities which are associates of the BRLM;
(ii) insurance companies promoted by entities which are associates of the BRLM;
(iii) AIFs sponsored by the entities which are associates of the BRLM;
(iv) FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLM; or
(v) pension funds sponsored by entities which are associates of the BRLM

Further, an Anchor Investor shall be deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, among the Anchor Investor and the BRLM.

Further, the members of the Promoter Group shall not participate by applying for Equity Shares in the Issue. Further, persons related to the Promoter and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to our Promoters or the members of the Promoter Group of our Company:
(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or the members of the Promoter Group of our Company;
(ii) veto rights; or
(iii) right to appoint any nominee director on the Board.

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, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% 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% of any company's paid-up share capital carrying voting rights.

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 Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) 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 respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Issue through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Issue shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is adopted 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 Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

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*" on page 441.

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 Non-debt Instruments 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 Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis.

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 colour).

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.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalization of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, 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 offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

(i) such offshore derivative instruments are transferred to persons 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 utilise the multi investment manager structure in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024, 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**"). FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise 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.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*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 the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

Bids by SEBI-registered AIFs, VCFs and FVCIs

Participation of AIFs, VCFs or FVCIs in the Issue shall be subject to the FEMA NDI Rules. 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. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. 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, subject to the conditions prescribed by SEBI. 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, subject to the conditions prescribed by SEBI. 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. 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, AIFs, FPIs and FVCIs, and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

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, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing 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 Master Directions - the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated May 12, 2023, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company'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 banking company is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. A banking company would require a prior approval of the RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the banking company; and mutual funds managed by asset management companies controlled by the banking company, 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 investment made by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI, bearing reference numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively. 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, subject to applicable law.

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 for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, with minimum corpus of ₹250 million and provident funds with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid, without assigning any reason thereof.

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 ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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 its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLM may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.
The above information is given for the benefit of the Bidders. for the information here is subject to any amendments or modification or changes which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the Net 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 ₹100 million.

(iii) 40% of the Anchor Investor Portion will be reserved as under:
(a) 33.33% for domestic mutual funds; and
(b) 6.67% for life insurance companies and pension funds
Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic mutual funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date.

(v) Our Company, in consultation with the BRLM may finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (i) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (ii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 15 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Date. 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 Exchanges.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) 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 Issue Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.

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

(x) Neither the BRLM or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associate of the BRLM or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices which are associates of the BRLM or pension funds sponsored by entities which are associates of the BRLM) the Promoters, Promoter Group or any person related to the Promoter or member of the Promoter Group shall apply under the Anchor Investors Portion.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids. For more information, please read the General Information Document.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e., bank account number) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder 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;

E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

F. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

G. Bidders Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (for UPI Bidders 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;

H. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

I. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

J. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

K. The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

L. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the First Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

M. 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 the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

N. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

O. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

P. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

Q. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (no. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, 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 the 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 Income Tax 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;

R. 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;

S. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

T. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

U. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

V. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders Bidding through UPI Mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and PAN available in the Depository database;

W. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

X. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;

Y. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process.

Z. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

AA. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

BB. Ensure that when applying in the Issue using the UPI Mechanism, 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;

CC. The ASBA bidders shall ensure that bids above ₹500,000 are uploaded only by the SCSBs;

DD. DD. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder’s ASBA Account;

EE. Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;

FF. 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;

GG. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

HH. UPI Bidders Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorizes the Sponsor Banks to block the Bid Amount mentioned in the Bid cum Application Form;

II. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Issue Closing Date;

JJ. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Issue;

KK. 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 the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

LL. Ensure that the Demographic Details are updated, true and correct in all respects; and

MM. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated February 13, 2020 and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023, each issued by the Central Board of Direct Taxes.

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:

A. Do not Bid for lower than the minimum Bid size;

B. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

C. Do not Bid/revise the Bid Amount to an amount calculated at less than the Floor Price or higher than the Cap Price;

D. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders)

E. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

F. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

H. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

I. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

J. Do not submit the Bid for an amount more than funds available in your ASBA account;

K. 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 Bidders.

L. Do not submit your Bid after 3.00 p.m. on the Bid/Issue Closing Date;

M. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

N. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/Issue Closing Date for QIBs;

O. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000;

P. Do not Bid for Equity Shares in excess of what is specified for each category;

Q. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;

R. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

S. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

T. 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;

U. 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);

V. 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 the applicable laws or regulations, or under the terms of the Red Herring Prospectus;

W. Do not submit the General Index Register (GIR) number instead of the PAN;

X. Do not submit incorrect details of the DP ID, Client ID, the 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;

Y. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

Z. Do not submit the ASBA Forms to any non-SCSB Banks or to our Company or at a location other than the Bidding Centers;

AA. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

BB. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

CC. Anchor Investors should not Bid through the ASBA process;

DD. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

EE. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

FF. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

GG. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism; and

II. Do not Bid if you are an OCB.

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 shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Informatio*n" on page 73.

Grounds 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 maybe 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 UPI Bidders 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 UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
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 no. CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs Bidding in the Retail Portion with Bid Amount of a value of more than ₹200,000;
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 by QIBs uploaded 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 Exchanges.

Further, Bidders shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular and the SEBI RTA Master Circular, as applicable to the RTAs in case of delays in resolving investor grievances in relation to blocking/unblocking funds.

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 the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" on page 73.

Names of entities responsible for finalising 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.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to the availability of Equity shares in Retail Individual Investor category, and the remaining available Equity shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

The allotment of Equity Shares to each Retail Individual Bidder and Non-Institutional Bidder shall not be less than the minimum bid lot, subject to the availability of shares in the Retail Portion and Non-Institutional Bidder, and the remaining available Equity shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Accounts for Anchor Investors

Our Company, in consultation with the BRLM, 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. Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"; and
(b) In case of Non-Resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by the 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 of Bid amounts from Anchor Investors.

Pre-Issue and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue and price band advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where our Registered Office is located), each with wide circulation.

In the pre-Issue and price band 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.

Allotment advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Issue, before 9:00 p.m. IST, on the second Working Day after the Bid/ Issue Closing Date, provided such final listing and trading approval from each of BSE and NSE is received prior to 9:00 p.m. IST on such day. In the event that the final listing and trading approval from each of BSE and NSE is received post 9:00 p.m. IST on the second Working Day after the Bid/ Issue Closing Date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLM and Registrar to the Issue, following the receipt of final listing and trading approval from each of BSE and NSE.

Our Company, the BRLM and the Registrar shall publish an allotment advertisement not later than one Working Day after the date of commencement of trading, disclosing the date of commencement of trading in all editions of [●], a English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and all editions of [●], a Gujarati regional daily newspaper (Gujarati being the regional language of Gujarat where our Registered Office of our Company is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC filing

(a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹1 million or 1% 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 ₹1 million 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 ₹5 million 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 Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law shall be taken;
- 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;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges; 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, it shall be required to file a fresh draft red herring prospectus with the SEBI.

Utilization of Net Proceeds

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Net Proceeds shall be disclosed, and continue to be disclosed until the time any part of the proceeds of the Net 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 Net Proceeds, 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.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserve the right to not proceed with the Issue, in whole or part thereof, after the Bid/Issue Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLM, decide not to proceed with the Issue, our Company shall issue a public notice in the newspapers in which the pre-Issue and price band advertisement was 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. In such event, the BRLM through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Banks, as applicable, to unblock the Bid Amounts in the bank accounts of the ASBA Bidders and the BRLM shall notify the Escrow Collection Bank to release the Bid Amounts of the Anchor Investors and any other investors, as applicable, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company, in consultation with the BRLM, withdraws the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final RoC approval of the Prospectus after it is filed with the RoC and (ii) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Issue Procedure—Bids by Eligible NRIs*" and "*Issue Procedure—Bids by FPIs*" on page 430 and 430, respectively.

Pursuant to the Consolidated FDI Policy, FDI of up to 100% is permitted under the automatic route in the Company.
Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Bid/Issue Period. Subsequently, vide Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the Consolidated FDI Policy has been further amended to, inter alia, define the expression "beneficial owner" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/ or entity(ies) of a country sharing a land border with India have the ability to, directly or indirectly, individually or cumulatively, independently or collectively, whether acting together or otherwise, hold rights/entitlements more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity which is incorporated or registered in a country other than a country sharing land border with India, or exercise ultimate effective control over the investee entity in any manner. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

For further details, see "*Issue Procedure*" on page 425.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, 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 in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares they Bid for do not exceed the applicable limits under laws or regulations.

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SECTION VIII: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used n this section have the meaning that has been given to such terms in the Articles of Association of our Company. No material clause of the Articles of Association having bearing on the Issue or the disclosures required in this Draft Red Herring Prospectus has been omitted. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association or of our Company are detailed below:

THE COMPANIES ACT 2013

ARTICLES OF ASSOCIATION OF

***[Pursuant to Schedule I (see Sections 4 and 5) to the Companies Act, 2013)]**
Except in so far as otherwise expressly incorporated hereinafter, Table - F as notified under schedule I of the Companies Act, 2013 is applicable to the Company.

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a Special Resolution passed at the Extraordinary general meeting of Rudra Cottex Private Limited (the "Company") held on Friday, 14th August, 2026. These updated Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing articles thereof.

RUDRA COTTEX LIMITED

Public Company Limited by shares
Interpretation

1. (1) In the interpretation of these Articles, the following words and expressions, unless repugnant to the subject or context, shall mean the following - -

(a) **"Act"** means the Companies Act, 2013, or any statutory modification or amendments, re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

(b) "**Applicable Laws**" means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications, circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time.

(c) "**Articles**" **or** "**Articles of Association**" means these articles of association of the Company, as may be altered from time to time in accordance with the Act.

(d) "**Board of Directors**" or "**Board**", means the collective body of the Directors of the Company nominated and appointed from time to time, as may be applicable.

(e) "**Company**" means Rudra Cottex Limited.

(f) "**Debenture**" includes debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not;

(g) "**Depository**" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (IA) of Section 12 of the Securities and Exchange Board of India Act, 1992.

(h) "**Director**" shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the provisions of these Articles.

(i) "**Lien**" means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker's lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy;

(j) **“Persons”** include corporations and firms as well as individuals.

(k) “**Postal Ballot**” means voting by post or through any electronic mode.

(l) “**Registrar**” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.

(m) “**Rules**” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

(n) “**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company or as altered from time to time.

(o) “**the Seal**” means the common seal of the Company.

(p) “**SEBI Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(q) “**Securities**” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)

(r) “**Share**” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include feminine and neuter gender.

(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

Share capital and variation of rights

2. The authorized share capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of Memorandum of Association with power to reclassify, sub-divide, consolidate, increase and reduce the capital, and with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with provisions of Section 53 of the Act) and at such time as they may from time to time think fit. Provided that the option or right to call for shares not be given to any persons without the sanction of the Company in the general meeting.

4. (i) Unless the shares have been issued in dematerialized form every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

   (a) one certificate for all his shares without payment of any charges; or
   (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

   (ii) Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by a director and the company secretary. Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

   (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Every certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve. A certificate, issued under the Seal of the Company, specifying the shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.

5. Subject to the provisions of the Act, these Articles 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 or at a discount during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:
   (a) Equity Share capital:
      (i) with voting rights; and/or
      (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
   (b) Preference share capital.

7. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a Depository, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

   The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any Country outside India a branch Register of beneficial owners residing outside India.

8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate, or as the Board may 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.

   Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act,1956 or any regulations made by Securities and Exchange Board of India (SEBI) or under the Securities and Exchange Board of India Act, 1992 or any other act, or rules applicable thereof in this behalf. The Company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s).

9. Subject to the applicable provisions of the Act and other Applicable Laws, 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, drawings, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution and subject to the provisions of the Act.

10. (1) Where at any time, it is proposed to increase the subscribed Share Capital of the Company by the issue of further Shares, such Shares shall be offered,

(a) to the persons who, on the date specified under applicable law, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject conditions specified in the relevant provisions of Section 62 of the Act.

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by the shareholders of the Company and subject to such conditions as prescribed in the Acts and Rules, thereunder; or

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by (i) the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62 of the Act; or (ii) in accordance with Applicable Laws including regulations framed by SEBI.

(2) The notice referred to in sub-clause (i) of clause (a) of Section 62(1) of the Act shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue or such other period prescribed under applicable law.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company. Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

(4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion. Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

(5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

11. The provisions of the foregoing Articles shall *mutatis mutandis* apply to issue of certificates for any securities including debentures (except where the Act otherwise requires) of the Company.

12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

13. (i) The Company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40 of the Act, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

14. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be as per applicable provisions of the Act.

15. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Dematerialisation of Securities

16. The Company shall be entitled to treat the person whose name appears on the register of members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof. The register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of the Act. Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of our Company, which have been dematerialized.

17. Notwithstanding anything contained herein, our Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of members with the details of members holding Shares both in material and dematerialized form in any medium as permitted by Applicable Laws including any form of electronic medium.

18. Every person subscribing to the Securities offered by the Company shall receive such Security in dematerialized form. Such a person who is the beneficial owner of the Securities can at any time opt-out of a Depository, if permitted by the Applicable Laws, in respect of any Securities in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Securities.

19. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

20. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.
    a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
    b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.

21. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Securities and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.

22. Notwithstanding anything in the Act or the Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

23. Notwithstanding anything contained in these Articles, in the case of transfer or transmission of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

24. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

25. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

26. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

27. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

28. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Lien

29. (i) The fully paid shares will be free from all Lien, however, Company shall have a first and paramount lien—
(a) on every share (not being a fully paid share), and upon the proceeds of sale thereof, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:
Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
(iii) Unless otherwise agreed by the Board, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien.

30. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made—
(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

31. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
(iv) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

32. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

33. The provisions of these Articles relating to Lien shall *mutatis mutandis* apply to any other securities including debentures of the Company

Calls on shares

34. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, unless otherwise permitted under Applicable Laws.
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(iii) A call may be revoked or postponed at the discretion of the Board.

35. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

36. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

37. (*i*) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

38. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

39. The Board—
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b) upon all or any of the monies so advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid in advance by him until the same would but for such payment, become presently payable.

40. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

41. All calls shall be made on a uniform basis on all shares falling under the same class.
Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

42. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer of shares

43. (i) The Company shall transfer Securities only in a dematerialized form.
(ii) The Company shall use a Common form of transfer. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee in accordance with the Act and as per SEBI Listing Regulations and guidelines and any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
(iii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
(iv) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

44. The Board may, subject to the right of appeal conferred by section 58 of the Act and other applicable provisions of the Act or any other law for the time being in force, decline to register the transfer or the transmission by operation of law of the right to——
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the Company has a lien.
(c) The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

The Company shall within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

45. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of

administration, certificate of death or marriage, power of attorney or similar other document.

46. The Board may decline to recognise any instrument of transfer unless—
   (a) the instrument of transfer is duly executed and is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
   (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
   (c) the instrument of transfer is in respect of only one class of shares.

47. On giving not less than 7 (seven) days' previous notice or such lesser period in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty-five) days in the aggregate in any year.

48. Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in the Company. The Company shall within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares in whatever lot shall not be refused.

49. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transmission of shares

50. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
   (ii) Nothing in clause (*i*) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

51. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
      (a) to be registered himself as holder of the share; or
      (b) to make such transfer of the share as the deceased or insolvent member could have made.
   (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

52. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
   (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
   (iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

53. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

54. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any

other securities including debentures of the Company.

55. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Forfeiture of shares

56. If a member fails to pay any call, or installment of a call, or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

57. The notice aforesaid shall—
  (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

58. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

59. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members.

60. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

61. (i) A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
  (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

62. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment of realization.
  (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

63. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  (iii) The transferee shall thereupon be registered as the holder of the share; and
  (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

64. Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

65. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

66. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

67. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

68. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Borrowing powers

69. Subject to the provisions of the Act and these Articles, the Board may from time to time, at its own discretion, borrow monies for the purposes of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) by passing a resolution at meetings of the Board; provided however, that if the monies to be borrowed, together with the money already borrowed by the Company exceeds the aggregate of the paid-up share capital and free reserves and securities premium of the Company, then such borrowing must be approved by way a special resolution in accordance with the provisions of the Act. The Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of the Act and these Articles, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company.

Alteration of capital

70. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

71. Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution,—
   (a) Increase the share capital by such sum, and to be divided into shares of such amount as it thinks expedient;
   (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
   (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
   (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
   (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

72. Where shares are converted into stock,—
   (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
   Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
   (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
   (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those Articles shall include "stock" and "stock-holder" respectively.

73. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
   (a) its share capital;
   (b) any capital redemption reserve account;
   (c) any share premium account; or
   (d) any other reserve in the nature of share capital.

74. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
   a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
   b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
   c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
   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 the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
   e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
   (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
   f) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

75. (i) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve—
      (a) that it is desirable to capitalise 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
      (b) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
   (ii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards—
      (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
      (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
      (C) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);
      (D) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
      (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

76. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
      (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
      (b) generally do all acts and things required to give effect thereto.
   (ii) The Board shall have power—
      (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
      (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 capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

77. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

78. All general meetings other than annual general meeting shall be called extraordinary general meeting.

79. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

80. General Meeting shall be called by giving not less than clear twenty one days' notice, either in writing or through electronic mode as prescribed under the Act, except as otherwise provided by law. For the purpose of reckoning twenty one days' notice, the day of sending the notice and the day of the meeting shall not be counted. The notice shall specify the place, date, day and hour of the meeting and the business to be transacted thereat. In the case of special business, an explanatory statement shall be annexed to the notice in accordance with the provisions of Section 102 of the Act. Such notice shall be given in the manner hereinafter mentioned or in such other manner, if any, as prescribed under the Act, to all the Members and to the persons entitled to a share in the consequence of death or insolvency of a Member, and to such other persons as specified under law.
Any accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member or other person entitled to receive such notice shall not invalidate the proceedings of the meeting.
Provided that a general meeting may be called after giving a shorter notice if consent, in writing or by electronic mode is accorded thereto in accordance with the Act and other applicable law.

Proceedings at general meetings

81. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.

82. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

83. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

84. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

85. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
(1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting–
  (a) is, or could reasonably be regarded, as defamatory of any person; or
  (b) is irrelevant or immaterial to the proceedings; or
  (c) is detrimental to the interests of the Company.

(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

86. (1) The book/binder containing the minutes of the proceedings of any general meeting of the Company or a

resolution passed by postal ballot shall:

a. be kept at the registered office of the Company; and

b. be open to inspection of any member without charge, during business hours on all working days.

(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above.

Adjournment of meeting

87. (i) 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.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

88. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote;

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

89. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

90. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

91. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

92. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

93. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

94. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article

95. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

96. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

97. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

98. 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.

99. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

100. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

101. Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and not be more than fifteen including Directors nominated by financial institutions provided that the Company may appoint more than fifteen Directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

102. The First Directors of the Company shall be:

1. **NILESHKUMAR BABULAL PATEL**
2. **RAHULKUMAR ABJI DHOLU**
3. **RADHESHYAM PARSHOTTAMBHAI POKAR**

103. The Board of Directors shall appoint the Chairperson of the Company.
The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director of the Company.

104. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

105. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
(ii) The remuneration payable to the directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
(iii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
(b) in connection with the business of the Company.

106. The Board may pay all expenses incurred in getting up and registering the Company.

107. The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

108. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

109. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

110. (i) Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

111. Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred.

Appointment and Remuneration of Directors

112. Subject to the provisions of the Act and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time 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 and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act.

113. Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board.

114. Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.

115. Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director

116. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India

(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director

117. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

(2) The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

Powers of the Board

118. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Proceedings of the Board

119. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Provided, that the Board of Directors shall hold meetings at least once in every 3 (three) months and at least four times every calendar year.

(ii) The Chairperson or any one director with the previous consent of the Chairperson may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
(iii) The quorum for a Board meeting shall be as provided in the Act.
(iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.
(v) At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors.

120. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

121. 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.

122. (i) The Chairperson of the Company shall be the Chairperson at meetings of the Board. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

123. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
(iii) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.

124. (i) A committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

125. (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

126. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

127. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

128. Subject to the provisions of the Act,—
(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 thinks 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; the Board may appoint one or more chief executive officers for its multiple

businesses.

(ii) A director may be appointed as the chief executive officer, manager, company secretary or chief financial officer.

129. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Registers

130. The Company shall keep and maintain at its registered office all statutory registers including register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

131. (1) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(2) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

The Seal

132. (*i*) The Board shall provide for the safe custody of the Seal, if any.

(*ii*) 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 authorised by it in that behalf, and except in the presence of at least 2 (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.

Dividends and Reserve

133. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

134. Subject to the provisions of section 123 of the Act, 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.

135. (i) 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 equalising 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.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

136. (i) 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.

(ii) 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.

(iii) 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.

137. (1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

138. (i) 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.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
(iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

139. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

140. 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.

141. No dividend shall bear interest against the Company.

142. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Unpaid or unclaimed Dividend

143. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.

144. The Company shall, within a period of ninety days of making any transfer of an amount, as stated above to the unpaid dividend account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.

All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

Accounts

145. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.
(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.
(ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Winding up

146. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories 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 and Insurance

147. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified out of the assets of the Company to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

148. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

149. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Secrecy

150. 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 pledging 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.

151. Subject as conferred by law no member not being a Director shall be entitled to visit or inspect any accounts, books, documents or works of the Company without the permission of the Directors or require discovery of any of Company' trade secrets process or any other matter which would in the opinion of the Directors be expedient in the interest of the Company not to disclose.

LOCK-IN OF EQUITY SHARES IN CONNECTION WITH INITIAL PUBLIC OFFERING OF THE COMPANY

152. Notwithstanding anything to the contrary contained in these Articles, where any equity shares held by persons other than promoters are required to be locked in under Regulation 17 of SEBI ICDR Regulations and such lock-in cannot be created or recorded by Depositories for any reason whatsoever including where such equity shares are (a) subject to pledge; or (b) under "freeze balance", then the Company shall have the power, latest by 1(one) day prior to the issue closure date, to issue instructions and submit prescribed documents to the Depositories, directing them to record such equity shares as "non-transferable" for the duration of the applicable Lock-in Period. The aforementioned equity shares shall be treated as non-transferable for the Lock-in Period as specified under the SEBI ICDR Regulations.

153. In the event of invocation of the pledge of such equity shares by the pledgee, whether in whole or in part, the equity shares so transferred or received by the pledgee upon such invocation shall continue to remain non-transferable in the account of the pledgee for the balance Lock-in Period.

154. In the event of release of the pledge of such equity shares by the pledgee, whether in whole or in part, the equity shares so released shall continue to remain non-transferable in the account of the pledgor for the balance Lock-in Period.

For the purposes of this Article,

(a) **“Lock-in Period”** means the period for which the entire pre-issue capital of the Company held by persons other than the promoters, in case of the initial public offering, is locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations; and

(b) **“SEBI ICDR Regulations”** shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.”

General Power

155. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations and the Act, or any other applicable laws, the provisions of the SEBI Listing Regulations, the Act and the applicable laws shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the SEBI Listing Regulations the Act and the applicable laws, from time to time

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SECTION IX: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts 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 the Red Herring Prospectus which will be filed with the RoC, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and will also be available for inspection on our website at https://rudracottex.com/investor-relations/ from the date of the Red Herring Prospectus until the Bid/Issue Closing Date except for such documents or agreements executed after the Bid/ Issue Closing Date).

A. Material Contracts for the Issue

1. Issue Agreement dated September 17, 2026 entered into between our Company and the BRLM.

2. Registrar Agreement dated September 17, 2026 entered into between our Company and the Registrar to the Issue.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company the BRLM, the Syndicate Members, the Bankers to the Issue and the Registrar to the Issue.

4. Syndicate Agreement dated [●] entered into among our Company, the BRLM, the Syndicate Members and the Registrar to the Issue.

5. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

6. Underwriting Agreement dated [●] entered into between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended from time to time.

2. Certificate of incorporation dated March 23, 2016 under the name ‘Rudra Cottex Private Limited’ issued to our Company by the Assistant Registrar of Companies, Gujarat.

3. Fresh certificate of incorporation dated September 02, 2026 under the name ‘Rudra Cottex Limited’ consequent upon conversion into a public limited company issued to our Company by the Registrar of Companies, Central Processing Centre.

4. Resolutions of our Board dated September 05, 2026 approving the Issue and other related matters.

5. Resolution of our Shareholders dated September 07, 2026 approving the Issue and other related matters.

6. Resolution of our Board dated September 17, 2026 approving this Draft Red Herring Prospectus and the Draft Abridged Prospectus.

7. Resolution dated September 17, 2026 passed by the Audit Committee approving the KPIs for disclosure.

8. Copies of the annual reports of our Company as of and for the Financial Years 2026, 2025 and 2024.

9. Report titled “Industry Report on Cotton Yarn Industry in India” of September, 2026 issued by Dun & Bradstreet and consent dated September 17, 2026 issued by Dun & Bradstreet with respect to the D&B Report.

10. Consent dated September 17, 2026 issued by Dun & Bradstreet with respect to the Cost Vetting Report.

11. Consents of our Directors, BRLM, the Legal Advisor to our Company as to Indian Law, the Registrar to the Issue, the Bankers to our Company, the Company Secretary and Compliance Officer, the Syndicate Members, the Monitoring Agency and the Bankers to the Issue in their respective capacities.

12. Share Subscription and Shareholders’ Agreement dated July 7, 2026 entered into between the Company, Promoters, Investors and Existing Shareholders.

13. Written consent dated September 17, 2026 from the current Statutory Auditors namely Mistry & Shah to include their name in this Draft Red Herring Prospectus as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations and as an "expert" as defined under section 2(38) of the Companies Act, 2013.

14. Written consent dated September 17, 2026 from the practicing company secretary namely M/s. M Lalwani & Associates to include their name in this Draft Red Herring Prospectus as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations and as an "expert" as defined under section 2(38) of the Companies Act, 2013.

15. Written consent dated September 16, 2026 from the chartered engineer namely Babulal A Ughreja to include their name in this Draft Red Herring Prospectus as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations and as an "expert" as defined under section 2(38) of the Companies Act, 2013.

16. The examination report dated September 17, 2026 of the Statutory Auditor on our Restated Financial Information included in this Draft Red Herring Prospectus.

17. The statement of special tax benefits available to our Company and our Shareholders dated September 17, 2026 from the Statutory Auditor.

18. Certificate relating to key performance indicators dated September 17, 2026 issued by the Statutory Auditor.

19. Certificate on Basis for the Issue Price dated September 17, 2026 issued by the Statutory Auditor.

20. Certificate on Financial Indebtedness dated September 17, 2026 issued by the Statutory Auditor.

21. Cost Vetting Report dated September 17, 2026 issued by Dun & Bradstreet.

22. Tripartite agreement dated June 21, 2025 among our Company, NSDL and the Registrar to the Issue.

23. Tripartite agreement dated June 4, 2025 among our Company, CDSL and the Registrar to the Issue.

24. Due diligence certificate dated September 17, 2026 addressed to the SEBI from the BRLM.

25. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

26. SEBI observation letter bearing number [●] dated [●] addressed to the BRLM from the SEBI.

Any of the contracts or documents mentioned in this Draft 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 our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATIONS

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rahulkumar Abji Dholu
Chaiman & Managing Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Radheshyam Parshottambhai Pokar
Executive Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Patel Nilesh Kumar Babubhai
Executive Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Dharaben Chirag Patel
Independent Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Meeta Tejas Prajapati
Independent Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shweta Mihir Panelia
Independent Director

Place: Ahmedabad
Date: September 17, 2026

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, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, and the SEBI Act, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Patel Utsavkumar Arvindbhai
Chief Financial Officer

Place: Ahmedabad
Date: September 17, 2026