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# DRAFT RED HERRING PROSPECTUS

Dated September 30, 2025

Please read section 32 of the Companies Act, 2013  
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)




**100% Book Built Issue**



## AASTHA SPINTEX LIMITED

CORPORATE IDENTIFICATION NUMBER: U17120GJ2013PLC076361

REGISTERED AND CORPORATE OFFICE		CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India		Tushar Dhirubhai Devera  <i>Company Secretary and Compliance Officer</i>	<b>Email:</b> info@asthaspintex.com <b>Telephone:</b> +91 90815 35400	www.aasthaspintex.com
<b>OUR PROMOTERS: PATEL DIVYANG JASHWANTBHAI, RASIKLAL VALJIBHAI PATEL, GOTH VIVEK RASIKLAL, AND JASHWANTBHAI VALJIBHAI PATEL</b>				
<b>DETAILS OF THE ISSUE TO PUBLIC</b>				
TYPE	SIZE OF THE FRESH ISSUE	SIZE OF THE OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Up to [●] Equity Shares of face value of ₹10 ("Equity Shares") each aggregating up to ₹ 16,000 lakhs	Not Applicable	Up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 16,000 lakhs	This Issue is being made in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"). For further details, see "Other Regulatory and Statutory Disclosures – Eligibility for the Issue" on page 312. For details of share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors, see "Issue Structure" on page 330.
<b>RISK IN RELATION TO THE FIRST ISSUE</b>				
This being the first public issue 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 (as determined by our Company, in consultation with the book running lead managers ("Book Running Lead Managers or BRLMs"), in accordance with the SEBI ICDR Regulations) and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process in accordance with the SEBI ICDR Regulations, as stated under "Basis for the Issue Price" on page 117, 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISKS</b>				
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 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 33.				
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>				
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.				
<b>LISTING</b>				
The Equity Shares, 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"). For the purposes of the Issue, the Designated Stock Exchange is [●].				
<b>BOOK RUNNING LEAD MANAGER</b>				
NAME AND LOGO OF THE BOOK RUNNING LEAD MANAGERS	CONTACT PERSON		EMAIL AND TELEPHONE	

 <b>BOI MERCHANT BANKERS LIMITED</b>		Sanjay M Phadke		<b>Email:</b> info@boimb.com <b>Telephone:</b> +91 22 6904 2633	
 <b>PNB INVESTMENT SERVICES LIMITED</b> <small>(A wholly owned subsidiary of Punjab National Bank)</small>		Sayalee Gaikwad/Shubham Vishwakarma		<b>Email:</b> projectaastha@pnbisl.com <b>Telephone:</b> +91 84220 09515/ 86929 38109	
<b>REGISTRAR TO THE ISSUE</b>					
<b>NAME AND LOGO</b>		<b>CONTACT PERSON</b>		<b>EMAIL AND TELEPHONE</b>	
 <b>Bigshare Services Private Limited</b>		<b>Contact Person:</b> Jibu John		<b>Email:</b> ipo@bigshareonline.com <b>Telephone:</b> +91 226 263 8200	
<b>BID / ISSUE PERIOD</b>					
Anchor Investor Bidding Period	[●]*	Bid/Issue Open on	[●]	Bid/Issue Closes on	[●]**#

*\*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Issue Opening Date.*

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

*# The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.*



## AASTHA SPINTEX LIMITED

Our Company was originally incorporated as ‘Aastha Spintex Private Limited’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, upon conversion of our Company into a public limited company, the name of our Company was changed to ‘Aastha Spintex Limited’, pursuant to resolution passed by our Board of Directors on January 03, 2025, and the resolution passed by our shareholders at extra-ordinary general meeting on January 27, 2025. A fresh certificate of incorporation dated February 12, 2025, was issued by Registrar of Companies, Central Processing Centre consequent to the conversion.

**Registered and Corporate Office:** Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India

**Telephone:** +91 90815 35400; **Contact Person:** Tushar Dhirubhai Devera, Company Secretary and Compliance Officer;

**E-mail:** info@aasthaspintex.com; **Website:** www.aasthaspintex.com; **Corporate Identification Number:** U17120GJ2013PLC076361

## OUR PROMOTERS: PATEL DIVYANG JASHWANTBHAI, RASIKLAL VALJIBHAI PATEL, GOTHI VIVEK RASIKLAL, AND JASHWANTBHAI VALJIBHAI PATEL

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“EQUITY SHARES”) OF AASTHA SPINTEX LIMITED (OUR “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 ₹ 16,000 LAKHS (“ISSUE”). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH DAILY NATIONAL NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND [●] (A WIDELY CIRCULATED GUJARATI NATIONAL 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 UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in 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, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, may extend the Bid/Issue Period for a minimum period of one (1) Working Day, subject to the Bid/Issue Period not exceeding a total of 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 Book Running Lead Managers and at the terminals of the Syndicate Member(s), and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

This is an Issue in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in terms of 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”) (the “QIB Portion”), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors, and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the “Anchor Investor Portion”), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“Anchor Investor Allocation Price”), 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 QIB Portion (other than the Anchor Investor Portion) (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 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 NRIs (“Non-Institutional Category”), of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs, and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹10.00 lakhs, and under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of the Non-Institutional Category, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Issue shall be available for allocation to RIIs (“Retail Category”), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Application Supported by Blocked Amount (“ASBA”) process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)), if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or by Sponsor Bank(s) under the UPI Mechanism, as applicable, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see “Issue Procedure” on page 334 of this Draft Red Herring Prospectus.

## RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, the Cap Price, and the Issue Price as determined and justified by our Company, in consultation with the BRLMs, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, in accordance with the SEBI ICDR Regulations, and as stated under “Basis for the Issue Price” on page 117 should not be taken 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 or 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 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 33.

## 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, once issued through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from the BSE and the NSE for listing the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed 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 further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Issue Closing Date, see “Material Contracts and Documents for Inspection” on page [●].

## BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
<p><b>BOI Merchant Bankers Limited</b> Bank of India Building, 2nd Floor 70-80, M.G. Road, Fort, Mumbai- 400 001 Maharashtra, India. <b>Telephone:</b> +91 22 6904 2633 <b>E-mail:</b> info@boimb.com <b>Website:</b> www.boimb.com <b>Investor grievance e-mail:</b> compliance@boimb.com <b>Contact Person:</b> Sanjay M Phadke <b>SEBI Registration Number:</b> INM000012201</p>	<p><b>PNB Investment Services Limited</b> PNB Pragati Towers, 2nd Floor, C-9, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051, Maharashtra, India. <b>Telephone:</b> +91 84220 09515/ 86929 38109 <b>E-mail:</b> projectaastha@pnbsl.com <b>Website:</b> www.pnbsl.com <b>Investor grievance e-mail:</b> complaints@pnbsl.com <b>Contact Person:</b> Sayalee Gaikwad/ Shubham Vishwakarma <b>SEBI Registration Number:</b> INM000011617</p>	<p><b>Bigshare Services Private Limited</b> Office No. S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai – 400 093, Maharashtra, India <b>Telephone:</b> +91 226 263 8200 <b>E-mail:</b> ipo@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Investor Grievance ID:</b> investor@bigshareonline.com <b>Contact person:</b> Jibu John <b>SEBI Registration No.:</b> INR000001385</p>

## BID / ISSUE PERIOD

Anchor Investor Bidding Period	[●]*	Bid/Issue Open on	[●]	Bid/Issue Closes on	[●]**#
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\*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Issue Opening Date.

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rule guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*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 in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Our Business”, “History and Certain Corporate Matters”, “Key Regulations and Policies in India”, “Basis for the Issue Price” “Restriction on Foreign Ownership of Indian Securities”, “Restated Financial Information”, and “Outstanding Litigation and Material Developments” on pages 359, 124, 129, 156, 185, 170, 115, 357, 220 and 303 respectively, will have the meaning ascribed to such terms in those respective sections.*

#### General terms

Term	Description
Our Company/ the Company/ the Issuer	Aastha Spintex Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India.
We/ us/ our	Unless the context otherwise indicates or implies, refers to our Company as at and during the relevant financial period as on the date of this Draft Red Herring Prospectus.

#### Company related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in “Our Management – Committees of the Board– Audit Committee” on page 198.
Auditors/ Statutory Auditors	The statutory auditors of our Company, being S.N. Shah & Associates, Chartered Accountants.
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time. For further details, please see “Our Management – Board of Directors” on page 189.
Chairman and Managing Director	Chairman and Managing Director of our Company, being Patel Divyang Jashvantbhai. For further details, please see “Our Management – Board of Directors” on page 189.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company, being Monpara Kunal Babulal. For further details, please see “Our Management – Key Managerial Personnel ” on page 209.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Tushar Dhirubhai Devera. For further details, please see “Our Management – Key Managerial Personnel” on page 209.
“Corporate Social Responsibility Committee” or “CSR Committee”	The corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in “Our Management – Committees of the Board – Corporate Social Responsibility Committee” on page 204.
Director(s)	The director(s) on our Board as appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.

Term	Description
Executive Director(s)	Executive director(s) of our Company. For further details of the Executive Directors, see “ <i>Our Management</i> ” on page 189.
Infomerics	Infomerics Analytics and Research Private Limited, appointed by our Company pursuant to an engagement letter dated May 28, 2025, for the preparation of the Infomerics Report.
Infomerics Report	Industry report titled “Outlook for Textile Industry 2025” dated September 29, 2025, prepared and issued by Infomerics, pursuant to an engagement letter dated May 28, 2025. The Infomerics Report has been commissioned and paid for by our Company, exclusively in connection with the Issue and shall be available on the website of our Company at <a href="https://www.aasthaspintex.com">https://www.aasthaspintex.com</a> till the Bid/Issue Closing Date.
Group Companies	The group companies identified in accordance with SEBI ICDR Regulations, whereunder the term “group company” includes (i) companies with which there were related party transactions during the Fiscals 2025, 2024 and 2023, in accordance with Ind AS 24; and (ii) any other companies as considered material by our Board, in accordance with our Materiality Policy. For further details, see “ <i>Our Group Companies</i> ” on page 217.
Independent Director(s)	Non-executive and independent director(s) of our Company who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “ <i>Our Management- Board of Directors</i> ” on page 189.
IPO Committee	The IPO committee of our Board, constituted to facilitate the process of the Issue, and as described in “ <i>Our Management – Committees of the Board – IPO Committee</i> ” on page 205.
KMP/ Key Managerial Personnel	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, 2013 and as further described in “ <i>Our Management- Key Managerial Personnel</i> ” on page 209.
Manufacturing Facility	Our Manufacturing Facility, situated at Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India spread across an area of 65,762 sq mtr.
Materiality Policy	The policy adopted by our Board on August 8, 2025, for identification of: (a) outstanding material litigation proceedings; (b) Group Companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations, as amended and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.
MoA/ Memorandum of Association	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 applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Nomination and Remuneration Committee</i> ” on page 201.
Promoters	The promoters of our Company in terms of Regulation 2(1)(oo) of the SEBI ICDR Regulations namely, Patel Divyang Jashvantbhai, Rasiklal Valjibhai Patel , Gothi Vivek Rasiklal and Jashwantbhai Valjibhai Patel. For further details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 212.
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 212.
Registered Office	The registered office of our Company, situated at Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India.
Registrar of Companies/RoC	The Registrar of Companies, Gujarat at Ahmedabad
Restated Financial Information / Restated Financial Statements	The restated financial information of our Company comprising the restated statement of assets and liabilities of our Company as at the Financial Year ended March 31, 2025, March 31, 2024 and March 31, 2023, 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 the Financial Year ended March 31, 2025, March 31, 2024 and March 31, 2023, and the summary of significant accounting policies and other explanatory information prepared, in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on “ <i>Reports in Company Prospectuses (Revised 2019)</i> ” issued by ICAI, as amended from time to time.

Term	Description
Senior Management/ Senior Management Personnel/ SMP	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as further described in “ <i>Our Management- Senior Management Personnel</i> ” on page 209.
Shareholder(s)	The holders of the Equity Shares of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares from time to time.
Stakeholders Relationship Committee	The Stakeholders’ Relationship Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of the Board – Stakeholders’ Relationship Committee</i> ” on page 203.
Whole-Time Director	The whole-time director of our Company being Gothi Vivek Rasiklal. For further details, please see “ <i>Our Management – Board of Directors</i> ” on page 189.

#### Issue related terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Bidder(s) to whom the Equity Shares are Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus who has Bid for an amount of at least ₹ 10 crores.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLMs, on the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bidding Date/ Anchor Investor Bid/ Issue Period	The date, being one 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	Final price at which the Equity Shares will be issued and 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 BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not 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 BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by an ASBA Bidder with a SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent

Term	Description
	of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders 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 our Company	Shall mean, Bank of Baroda
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Issue Account Bank(s), as the case may be.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in “ <i>Issue Procedure</i> ” on page 334.
Bid(s)	An indication to make an offer during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “ <i>Bidding</i> ” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●], a widely circulated English national daily newspaper), all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located. In case of any revisions, the extended Bid/ Issue Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank.  Our Company, in consultation with the BRLMs, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Issue, being [●], which shall be published in all editions of [●], a widely circulated English national daily newspaper), all editions of [●], a widely circulated Hindi national daily newspaper, and [●] edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati also being the regional language of Gujarat, where our Registered Office is located.
Bid/ Issue Period	Except in relation to Bids by 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 three Working Days for all categories of Bidders, other than Anchor Investors. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of 1 (one) Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus

Term	Description
	and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Managers/ BRLMs/Managers	The book running lead managers to the Issue namely, BOI Merchant Bankers Limited and PNB Investment Services Limited.
Broker Centers	Broker Centers of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker Centers if they are Bidding using the UPI Mechanism. The details of such broker Centers, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank(s) Agreement	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLMs, Syndicate Members, the Escrow Collection Bank(s), the Public Issue Account Bank(s), the Sponsor Banks, and the Refund Bank(s) for, among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Bidders on the terms and conditions thereof.
Circular or Streamlining of Public Issues or UPI Circular	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, along with the circular issued by the NSE having reference no. 23/2022 dated July 22, 2022, and having reference number 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220702- 30 dated July 22, 2022, and having reference no. 20220803-40 dated August 3, 2022, SEBI master circular number SEBI/HO/CFD/PoD1/P/CIR/2024/0154 dated November 11, 2024 and any subsequent circulars or notifications issued by the SEBI or the Stock Exchanges in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Collecting Registrar and Share Transfer Agents/ CRTAs/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Cut-off Price	Issue Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Issue.
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in

Term	Description
	<p>relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Issue.</p> <p>In relation to ASBA Forms submitted by RIIs Bidding in the Retail Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>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, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.</p>
Designated RTA Locations	<p>Such locations of the RTAs where Bidders (other than Anchor Investors) can submit the ASBA Forms to RTAs.</p> <p>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 (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>) and updated from time to time.</p>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This Draft Red Herring Prospectus dated [●] 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 FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe or purchase the Equity Shares.
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will 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(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Fresh Issue	The fresh issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ 16,000 lakhs.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time.
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company.
ISIN	International Securities Identification Number of our Company, being INE2FMX01012.

Term	Description
Issue	Initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share aggregating up to ₹ 16,000 lakhs.
Issue Agreement	The agreement dated September 19, 2025, executed between our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Issue Proceeds	The Proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 104.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism.
Minimum Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Issue equity share capital of our Company that are eligible to form part of the minimum promoters’ contribution, as required under the Regulations 14 and 16(1) of the SEBI ICDR Regulations.
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	The portion of the Issue being 5% of the Net QIB Portion consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page 104.
Non-Institutional Bidders/ Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 2 lakhs (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price, out of which i) one third shall be reserved for Bidders with Bids exceeding ₹ 2 lakhs up to ₹ 10 lakhs; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10 lakhs. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (i) or (ii), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.
Non-Resident/NRI	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
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 Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLMs, and will be advertised in all editions of [●], a widely circulated English national daily newspaper), all editions of [●], all editions of [●] (a widely circulated Hindi national daily newspaper), in [●] edition of a widely circulated Gujarati national daily newspaper, Gujarati also being the regional language of Gujarat, where our Registered Office is situated, at least two Working Days prior to the Bid/ Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account(s)	Bank account(s) to be opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts



Term	Description
	on the Designated Date.
Public Issue Account Bank(s)	The banks with which the Public Issue Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
QIB Category/ QIB Portion	The portion of the Issue (including the Anchor Investor Portion being not more than 50% of the Issue consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs) subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price.
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue including any addenda or corrigenda thereto. The Bid/ Issue Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account(s)	The account(s) 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 Banker(s) to the Issue which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI.
Registrar Agreement	The agreement dated September 19, 2025 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Retail Individual Bidders/ Retail Individual Investors(s)/ RII(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 2 lakhs in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	Portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price).
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System.
Self-Certified Syndicate Bank(s)/ SCSB(s)	(i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4</a> or such other website as updated from time to time.
Specified Locations	Bidding Centers where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form.
Sponsor Bank(s)	The Bankers to the Issue registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.

Term	Description
Sub-syndicate Members	The sub syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to carry out activities in relation to collection of Bids and as underwriters, namely, [●].
Syndicate/ members of the Syndicate	Together, the BRLMs and the Syndicate Members.
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company, on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidder(s)	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5 lakhs 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 Collecting Registrar and Share Transfer Agents.  Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5 lakhs 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 Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 (to the extent such circular is not rescinded by the SEBI RTA Master Circular, as applicable to RTA), SEBI RTA Master Circular (to the extent that it pertains to the UPI Mechanism), SEBI ICDR Master Circular, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidders, 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 directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Banks to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by UPI Bidders to make Bids in the Issue in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/ Issue Closing Date and 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 in accordance with circulars issued by SEBI, including UPI Circulars.

## Conventional and general terms and abbreviations

Term	Description
A/c	Account.
AGM	Annual general meeting.
AIF	Alternate Investment Fund.
AY	Assessment Year.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs registered as “Category I alternative investment funds” under the SEBI AIF Regulations.
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
Category II AIF	AIF AIFs registered as “Category II alternative investment funds” under the SEBI AIF Regulations.
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.
Category III AIF	AIFs registered as “Category III alternative investment funds” under the SEBI AIF Regulations.
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31.
CDSL	Central Depository Services (India) Limited.
CGST	Central Goods and Services Tax.
CIN	Corporate Identity Number.
Copyright Act	Copyright Act, 1957.
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires.
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder.
Consolidated FDI Policy	The FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments or substitutions thereof, issued from time to time.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020.
CSR	Corporate Social Responsibility.
Demat	Dematerialised.
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder.
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number.
DP ID	Depository Participant’s Identification Number.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
EBITDA	Earnings before interest, tax, depreciation and amortization.
EPS	Earnings Per Share.
ESOP	Employee Stock Option Plan.
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign direct investment.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.
Financial Year, Fiscal, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise.
FI	Financial institutions.
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations.

Term	Description
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GAAP	Generally Accepted Accounting Principles.
GIR Number	General Index Registry number.
GoI / Central Government	Government of India.
GST	Goods and services tax.
GSTIN	Goods and Services Tax Identification Number.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
IGST	Integrated GST.
IPO	Initial public offer.
IT	Information technology.
IRDAI	Insurance Regulatory and Development Authority of India.
IT Act	The Information Technology Act, 2000.
I.T. Act	The Income Tax Act, 1961.
KPI	Key Performance Indicators.
MCA	Ministry of Corporate Affairs, Government of India.
MCLR	Marginal cost of fund-based lending rate.
MSME	Micro, Small and Medium Enterprises.
N.A. or NA	Not applicable.
NACH	National Automated Clearing House.
NAV	Net asset value.
NBFC	Non-Banking Finance Company
NEFT	National electronic fund transfer.
Non-Resident	A person resident outside India, as defined under FEMA.
NPCI	National Payments Corporation of India.
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the I.T. Act.
PLR	Prime Lending Rate

Term	Description
Provident Fund	Provident Fund for employees managed by the Employee's Provident Fund Organisation in India.
R&D	Research and development.
RBI	Reserve Bank of India.
RONW	Return on net worth.
Rs. / Rupees/ ₹ / INR	Indian Rupees.
RTGS	Real time gross settlement.
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 BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time.
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 Investors) Regulations, 2000.
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
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.
SEBI Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
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 Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations.
SGST	State Goods and Services Tax.
State Government	Government of a state of India.
STT	Securities Transaction Tax.
U. S. Securities Act	United States Securities Act of 1933, as amended.
US GAAP	Generally Accepted Accounting Principles in the United States of America.
USA/ U.S. / US	The United States of America.
USD / U.S.\$	United States Dollars.
TAN	Tax deduction account number
VAT	Value added tax.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
WACA	Weighted Average Cost of Acquisition.

#### Technical and Industry Related Terms or Abbreviations

Term	Description
ATUFS	Amended Technology Upgradation Fund Scheme

CCI	Cotton Corporation of India
CPI	Consumer Price Index
ESG	Environmental, Social, and Governance
FTAa	Free Trade Agreements
GOTS	Global Organic Textile Standard
GVA	Gross Value Added
IIP	Index of Industrial Production
ISO	International Organization for Standardization
IWDP	Government initiative to support wool production, processing, and marketing in India
Labour Codes	Consolidation of 29 central labour laws into 4 Codes (Wages, Industrial Relations, Social Security, and Occupational Safety) for ease of compliance
MITRA / PM MITRA	Mega Integrated Textile Region and Apparel
MMF	Man-Made Fibre
MSP	Minimum Support Price
NTTP	National Technical Textiles Mission
PFCE	Private Final Consumption Expenditure
PLI	Production Linked Incentive Scheme
RBI	Reserve Bank of India
SAMARTH	Skill Development in Textiles Scheme
SEBI	Securities and Exchange Board of India
Tertiary Sector	The services sector of the economy; relevant because textile-related services (trade, transport, retail) add value beyond manufacturing.
Union Budget FY25-26 Highlights	Key budget announcements relevant to the textile industry, including capital expenditure, MSME support, and tax reforms.
Term	Description
B2B	Business-to-Business
CSR Activities	Corporate Social Responsibility Activities to be undertaken under Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended
Denim & Bottom Wear	Used in high-quality denim and twill fabrics for jeans and trousers to enhance strength and reduce hairiness.
Falcon	Falcon Yarns Private Limited
HR	Human Resources
IPR	Intellectual Property Rights
IT	Information Technology
Knitted Fabrics	Used in jerseys and interlock fabrics for improved fabric quality and surface finish
Leasehold Properties	The properties which on which the Company has leasehold rights under the applicable laws.
MT	Metric Ton
MW	Mega Watt
Mundra Port	Mundra Port, Kutch, Gujarat, India
Ne	Ne refers to the English Cotton Count System, which is a standard way to measure the fineness or thickness of yarn. The higher the Ne, the finer the yarn
NH	National Highway
Owned Properties	The properties which are owned by the Company under the applicable laws.
Premium Apparel	Used for high-end T-shirts, polo shirts, dress shirts, and other garments requiring a smooth, soft feel with minimal pilling
Quality Team	We have a quality control and product development team at our Manufacturing Facility that undertakes testing of raw materials, unfinished product at different stages of production, and finished products before dispatch
ROCE	Return on Capital Employed
RONW	Return on Net Worth
Share Purchase Agreement	Share Purchase Agreement dated September 22, 2025, between Aastha Spintex Limited, Falcon Yarns Private Limited, and Sellers identified in Schedule I of the Share Purchase Agreement
Union Budget	Union Budget FY2025-26

## Key Performance Indicators

KPI	Explanations
Revenue from Operations	Revenue from Operations is defined as sales
PAT for the year/period	PAT for the period/year is defined as profit for the year
Cash flow from operations	Cash flow from operations as per Restated Cash Flow Statement
EBITDA	EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation
EBITDA Margin	EBITDA Margin is calculated as EBITDA/revenue from operation
PAT Margin(%)	PAT margin is calculated as "PAT"/revenue from operation
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 Restated Financial Information
Current Ratio	Current ratio means current assets divided by current liabilities
Total Debt / Equity	Total debt /Equity is calculated as total debt /net worth
Debt Service Coverage Ratio	Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment
ROE	ROE is calculated as profit after tax /average total net worth
ROCE	ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability
Inventory turnover ratio	Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares
Trade Receivables turnover ratio	Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables
Trade payables turnover ratio	Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables
Working Capital Turnover Ratio	Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities
Fixed Assets Turnover Ratio	Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.
Installed Capacity in M.T. (Ginning Division)	Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division)
Installed Capacity in M.T. (Spinning Division)	Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (spinning Division)
Utilised Capacity M.T. (Ginning Division)	Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division)
Utilised Capacity M.T. (Spinning Division)	Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (spinning Division)



## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references in this Draft Red Herring Prospectus to “India” 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 herein to the “US”, “USA”, the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

### **Page Numbers**

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

### **Financial Data**

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of the next year and accordingly, all references to a particular Financial Year or Fiscal 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, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Financial Year are to the year ended on March 31, of that calendar year.

Unless indicated otherwise or 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. For further information, see “*Restated Financial Information*” on page 220.

The Restated Financial Information comprising the restated statement of assets and liabilities of our Company as at the Financial Year ended March 31, 2025, March 31, 2024 and March 31, 2023, which is on a standalone basis, 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 the Financial Year ended March 31, 2025, Financial Years ended March 31, 2024 and March 31, 2023, which are on a standalone basis, and the summary of significant accounting policies and other explanatory information prepared, in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI, as amended from time to time and included in “*Restated Financial Information*” on page 220.

The Restated Financial Information has been compiled from the (i) audited special purpose Ind AS standalone financial statements of our Company as at and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see “*Risk Factors – Risk Factor 73. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus*” on page 63. 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 policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts

listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 33, 156 and 288, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise stated or context requires otherwise, have been derived from Restated Standalone Financial Information or non-GAAP financial measures as described below.

### **Non-GAAP Financial Measures**

Certain non-GAAP measures like EBITDA, EBITDA Margin, Return on Capital Employed, PAT Margin and Debt to Equity Ratio (“**Non-GAAP Measures**”) presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year 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, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised 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 it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance. See “*Risk Factors- Risk Factor 74– In this Draft Red Herring Prospectus, we have included certain Non-GAAP (“Generally Accepted Accounting Principles”) financial measures and certain other industry measures related to our operations and financial performance.”* on page 63.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from report titled Outlook for Textile Industry 2025” dated September 29, 2025, prepared by Infomerics Analytics & Research Private Limited (“**Infomerics Report**”), which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company, pursuant to the engagement letter dated May 28, 2025. The Infomerics Report is commissioned and paid for exclusively for the purposes of the Issue, by our Company in connection with the Issue. The data included in this Draft Red Herring Prospectus includes excerpts from the Infomerics Report and may have been re-ordered by us for the purposes of presentation. A copy of the Infomerics Report is available on the website of our Company at <https://www.aasthaspintex.com/> until the Bid/ Issue Closing Date. Unless otherwise indicated, financial, operational, industry and other related information derived from the Infomerics Report and included herein with respect to any particular Fiscal/ calendar year refers to such information for the relevant Fiscal/ calendar year. Infomerics Analytics & Research Private Limited has confirmed that it is an independent agency and has no relationship with our Company, Directors, Promoters, Promoter Group, Key Managerial Personnel, Senior Management, Group Companies or the BRLMs. The Infomerics Report is subject to the following disclaimer:

*The report has been prepared by Infomerics Analytics & Research Private Limited (“Infomerics Report”) using its proprietary database and other sources deemed reliable, though absolute accuracy and completeness are not assured. The information, views, and opinions contained herein are provided for informational purposes only and do not constitute investment advice, recommendations, or an offer to transact in any industry, sector, or company. Forecasts and projections are based on assumptions considered reasonable at the time of preparation, but actual outcomes may differ due to changing economic and industry conditions. Infomerics Analytics & Research, its parent company, directors, and employees accept no liability for any loss or damage arising from the use of this report. The contents are intended solely for the authorized recipient in India, and reproduction or redistribution requires prior written consent.*

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness relevance

of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. The excerpts of the Infomerics Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information, data (which may be relevant for the proposed Issue), left out or changed in any manner. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and 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 and methodologies, and assumptions may vary widely among different market and industry sources. Data from these sources may also not be comparable. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors – Risk Factor 67- This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Infomerics Analytics & Research Private Limited ("Infomerics Analytics & Research"), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue"* on page 61. Accordingly, no investment decision should be solely made on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations, *"Basis for the Issue Price"* on page 115 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified therein.

### **Currency and Units of Presentation**

All references to:

- "Rupees" or "INR" or "₹" or "Rs." Are to Indian Rupees, the official currency of the Republic of India; and
- "U.S \$", "U.S. Dollar", "USD" are to United States Dollars, the official currency of the United States of America.
- All references to "AED" or "Dirham" are to United Arab Emirates Dirham, the official currency of the United Arab Emirates.
- All references to "SGD" are to the Singapore Dollar, the official currency of Singapore.
- All references to "GBP" or "£" are to Pound, the official currency of the United Kingdom.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, millions and crores. One lakh represents 'lakh' or 1,00,000, one million represents 'million' or 10,00,000 and One crore represents 'lakh' or 1,00,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

### **Time**

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

### **Exchange Rates**

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be

converted into Indian Rupees, at any particular rate, or at all.

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

(in ₹)

Currency	Fiscal 2025	Fiscal 2024	Fiscal 2023
1 USD	85.58	83.37	82.22
1 AED	23.27	22.69	22.36
1 SGD	63.55	61.78	61.76
1 GBP	110.18	105.27	101.56

Source as available on [www.fbi.org.in](http://www.fbi.org.in), <https://www.xe.com/currencytables/>, [www.rbi.org.in](http://www.rbi.org.in)

Note: Exchange rate is rounded off to two decimal points. Further, If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Financial Information may not have been converted using any of the above-mentioned exchange rates.

## 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 include statements which can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*are likely*”, “*believe*”, “*continue*”, “*can*”, “*shall*”, “*could*”, “*expect*”, “*estimate*”, “*intend*”, “*may*”, “*likely*”, “*objective*”, “*plan*”, “*propose*”, “*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 or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are 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 exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates 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. This may be 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.

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

1. We are significantly dependent on 7 Seas Impex for our sales outside Gujarat and exports, and any adverse development in this arrangement could materially and adversely affect our business, results of operations and financial condition;
2. Our proposed utilisation of a portion of the Net Proceeds towards payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited exposes us to funding, timing, and integration risks;
3. We are dependent on a limited number of suppliers for procurement of raw cotton and cotton bales, our principal raw material, and any disruption in supply or adverse movement in cotton prices may materially affect our business, results of operations and financial condition;
4. A major portion of our revenue from operations is dependent upon a limited number of customers, and the loss of one or more of these customers or a significant reduction in their orders could materially and adversely affect our business, financial condition, results of operations and cash flows;
5. A significant portion of our revenue is derived from cotton yarns, particularly carded, combed, and compact combed varieties, and cotton bales, and any adverse development in demand, pricing, or industry conditions could materially and adversely affect our business, financial condition and results of operations; and
6. We have filed compounding applications in respect of certain past non-compliances under the Companies Act, 2013, and may be subject to penalties or adverse regulatory action in connection therewith.

For a further discussion of factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 33, 156 and 288, 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 future gains or losses could materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. 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 and the forward- looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, our KMPs, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to

reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company, and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity shares pursuant to the Issue.

## SUMMARY OF THE ISSUE DOCUMENT

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Issue”, “Restated Financial Information”, “Objects of the Issue”, “Management’s Discussion and Analysis of Financial Position and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 33, 156, 129, 79, 68, 220, 104, 288 and 303 respectively of this Draft Red Herring Prospectus.*

### Summary of primary business of our Company

Our Company is engaged in the business of manufacturing and trading carded, combed, and compact combed cotton yarns, as well as cotton bales. Our manufacturing facility, located at Halvad, Morbi, Gujarat, is equipped with a semi-automated and integrated spinning and ginning setup spanning across 65,762 sq.m mtr. The facility produces cotton bales and cotton yarns, which are used both for captive production and for supply to other spinning units. The cotton yarns manufactured are used in knitting and weaving applications, catering to a wide range of end-use segments and products, including denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles, and industrial fabrics. We operate exclusively in the business-to-business (B2B) segment, supplying our products to textile manufacturers, yarn exporters, bulk purchasers, and fabric processors.

For further details on our business and operations, see “*Our Business*” beginning on page 156.

### Summary of Industry in which our Company operates

Our Company operates in the textile industry. India’s textile industry is a vital, diverse sector with strong links to agriculture, technology, and sustainability, valued at USD 174 billion in 2024 and projected to reach USD 350 billion by 2030, fuelled by innovation, strategic investment, policy support and rising demand. Cotton forms the largest segment, accounting for 38–40% of the market, with India ranking as the world’s second-largest producer and cotton comprising nearly 60% of national fibre consumption. The textile industry is a key export contributor and the second largest employment generator and provides employment to over 45 million people, supporting significant economic and industrial output. Adoption of sustainable practices, growth in technical and man-made fibres, and the expansion of organized retail and e-commerce are reshaping the industry. The long-term outlook remains positive, supported by government initiatives and strong global and domestic demand, particularly in the cotton segment. For further details on the industry in which we operate, see “*Industry Overview*” beginning on page 129.

### Our Promoters

Patel Divyang Jashvantbhai, Rasiklal Valjibhai Patel, Gothi Vivek Rasiklal, and Jashwantbhai Valjibhai Patel are our Promoters. For further details, see “*Our Promoters and Promoter Group*” at page 212

### The Issue

<b>Issue <sup>(1)</sup></b>	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹16,000 lakhs
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<sup>(1)</sup> Our Board has authorised the Issue pursuant to its resolution dated July 16, 2025. Our Shareholders have authorised the Issue pursuant to a special resolution dated August 8, 2025.

For details, see “*Other Regulatory and Statutory Disclosures*” on page 312

The Issue and Net Issue shall constitute [●]% and [●]%, respectively, of the post-Issue paid-up Equity Share capital of our Company. For further details, see “*The Issue*” and “*Issue Structure*” on pages 68 and 330 respectively.

### Objects of the Issue

The Net Proceeds are proposed to be utilised towards the following objects:



1. Part payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited; and
2. General Corporate Purposes

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake the activities for which funds are proposed to be raised by our Company through the Issue.

### Aggregate pre-Issue and post-Issue shareholding of our Promoters and the members of our Promoter Group

The aggregate pre-Issue and post-Issue shareholding of our Promoters, and members of our Promoter Group as on the date of this Draft Red Herring Prospectus is set out below:

S. No.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital	
		No. of Equity Shares of face value of ₹ 10 each held	% of paid-up Equity Share capital	No. of Equity Shares of face value of ₹ 10 each held	% of paid-up Equity Share capital*
Promoters (A)					
1.	Patel Divyang Jashwantbhai	56,66,355	17.91	[●]	[●]
2.	Rasiklal Valjibhai Patel	52,78,247	16.68	[●]	[●]
3.	Gothi Vivek Rasiklal	51,25,541	16.20	[●]	[●]
4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43	[●]	[●]
Total (A)		2,06,37,023	65.22	[●]	[●]
Promoter Group (B)					
5.	Ripal Divyang Patel	6,86,044	2.17	[●]	[●]
6.	Ramesh Patel Bapodarya	5,46,198	1.73	[●]	[●]
7.	Kusumben Rasiklal Patel	5,02,778	1.59	[●]	[●]
8.	Sheetal Vivek Patel	2,90,490	0.92	[●]	[●]
9.	Hashumati Jashwantbhai Patel	2,77,778	0.88	[●]	[●]
10.	Jalpa Punit Patel	2,73,099	0.86	[●]	[●]
11.	Suchit B Patel	2,73,099	0.86	[●]	[●]
Total (B)		28,49,486	9.01	[●]	[●]
Total (A) + (B)		2,34,86,509	74.23	[●]	[●]

\*Subject to completion of the Issue and finalization of basis of Allotment.

### Shareholding of our Promoters, the members of our Promoter Group and Top 10 Shareholders as at Allotment

The aggregate Equity shareholding and percentage of the pre-Issue paid-up Equity Share capital and post-Issue Equity shareholding, of each of our Promoters, members of our Promoter Group and additional top [●] Shareholders of our Company is set forth below:

S. No.	Name of the Shareholders	Pre-Issue shareholding*		Post-Issue shareholding as at Allotment <sup>(1)</sup>			
		No. of Equity Shares of face value ₹ 10 each <sup>(2)</sup>	Shareholding (in %) <sup>(2)</sup>	At the lower end of the Price Band (₹ [●])		At the upper end of the Price Band (₹ [●])	
				No. of Equity Shares of face value ₹ 10 each <sup>(2)</sup>	Shareholding (in %) <sup>(2)</sup>	No. of Equity Shares of face value ₹ 10 each <sup>(2)</sup>	Shareholding (in %) <sup>(2)</sup>
Promoters (A)							

1.	Patel Divyang Jashwantbhai	56,66,355	17.91	[●]	[●]	[●]	[●]
2.	Rasiklal Valjibhai Patel	52,78,247	16.68	[●]	[●]	[●]	[●]
3.	Gothi Vivek Rasiklal	51,25,541	16.20	[●]	[●]	[●]	[●]
4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43	[●]	[●]	[●]	[●]
<b>Total (A)</b>		<b>2,06,37,023</b>	<b>65.22</b>	[●]	[●]	[●]	[●]
<b>Promoter Group (other than our Promoters) (B)</b>							
5.	Ripal Divyang Patel	6,86,044	2.17	[●]	[●]	[●]	[●]
6.	Ramesh Patel Bapodarya	5,46,198	1.73	[●]	[●]	[●]	[●]
7.	Kusumben Rasiklal Patel	5,02,778	1.59	[●]	[●]	[●]	[●]
8.	Sheetal Vivek Patel	2,90,490	0.92	[●]	[●]	[●]	[●]
9.	Hashumati Jashwantbhai Patel	2,77,778	0.88	[●]	[●]	[●]	[●]
10.	Jalpa Punit Patel	2,73,099	0.86	[●]	[●]	[●]	[●]
	Suchit B Patel	2,73,099	0.86	[●]	[●]	[●]	[●]
<b>Total (B)</b>		<b>28,49,486</b>	<b>9.01</b>	[●]	[●]	[●]	[●]
<b>Additional top 10 Shareholders (other than Promoters and Promoter Group) (C)</b>							
12.	Punit Prahaladbhai Patel	10,92,396	3.45	[●]	[●]	[●]	[●]
13.	Raj Sanjaybhai Saidva	8,19,296	2.59	[●]	[●]	[●]	[●]
14.	Amrutiya Pankajkumar Chaturbhai	5,46,198	1.73	[●]	[●]	[●]	[●]
15.	Saidva Manoj Pranjivan	5,46,198	1.73	[●]	[●]	[●]	[●]
16.	Jaykumar K Patel	4,46,198	1.41	[●]	[●]	[●]	[●]
17.	Mithlesh Consultancy LLP	4,36,360	1.38	[●]	[●]	[●]	[●]
18.	Sunil Manglunia	3,63,632	1.15	[●]	[●]	[●]	[●]
19.	Auriga Corporate Advisors Private Limited	3,00,000	0.95	[●]	[●]	[●]	[●]
20.	Ashvinbhai M Patel	2,73,099	0.86	[●]	[●]	[●]	[●]
21.	Monika Sunil Manglunia	2,42,424	0.77	[●]	[●]	[●]	[●]
<b>Total (C)</b>		<b>50,65,801</b>	<b>16.01</b>	[●]	[●]	[●]	[●]
<b>Total (A) + (B) + (C)</b>		<b>2,85,52,310</b>	<b>90.24</b>	[●]	[●]	[●]	[●]

(1) To be updated upon finalization of the Price Band and subject to finalization of the basis of Allotment.

(2) Will include transfers of Equity Shares by Shareholders after the date of the Price Band advertisement until the date of the Prospectus.

### Summary of selected financial information derived from our Restated Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations, as at and for the Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023, as derived from the Restated Financial Information are set forth below:

(₹ in lakhs, except otherwise stated)

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Equity Share Capital <sup>(1)</sup>	2,993.62	2,730.99	2,730.99
Net Worth <sup>(2)</sup>	12,163.43	7,637.83	6,000.94

Total income <sup>(3)</sup>	35,217.06	30,567.08	23,969.22
Revenue from Operations <sup>(4)</sup>	35,116.02	30,486.16	23,926.50
Restated profit/(loss) for the year	2,349.83	1,628.76	105.83
Basis and Diluted Earnings per Equity Share <sup>(5)</sup>	8.50	5.96	0.39
Return on equity (%) <sup>(6)</sup>	23.73%	23.88%	1.78%
Net asset value per Equity Share <sup>(7)</sup>	44.01	27.97	21.97
Total Borrowings <sup>(8)</sup>	9,505.12	8,285.92	8,100.61

Notes:

(1) *Equity Share Capital: Total issued shares outstanding as at respective year multiply by face value per share*

(2) *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 Restated Financial Information.*

(3) *Total income: Revenue from operation + Other Income*

(4) *Revenue from Operations is sum of all operating incomes*

(5) *Basic earnings per equity share (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year.*

*Diluted earnings per equity share (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.*

(6) *Return on Equity (%) = Profit after tax/ Restated average Net worth at the end of the year. 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 Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulations.*

(7) *Net asset value per share = Net worth as restated / Weighted average number of equity shares as at year end.*

(8) *Total Borrowings is the sum of current as well as non-current borrowings.*

For further details, see “Restated Financial Information” on page 220.

### Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Information

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

### Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters and our Group Companies in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft Red Herring Prospectus, is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Other material proceedings	Aggregate amount involved* (₹ in lakhs)
<b>Company</b>						
By our Company	Nil	Nil	Nil	Nil	Nil	Nil
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors (other than our Promoters)</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By our Promoters	1	Nil	Nil	Nil	Nil	59.96^
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group Companies</b>						

By our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil
Against our Group Companies	Nil	Nil	Nil	Nil	Nil	Nil

*\*To the extent ascertainable and quantifiable*

*^The amount of claim filed by our Promoter Rasiklal Valjibhai Patel, this may change subject to final judgement*

A summary of outstanding criminal litigation proceedings and actions by statutory or regulatory authorities involving our KMPs and Senior Management as on the date of this Draft Red Herring Prospectus, is provided below:

Name of the person	Criminal proceedings	Statutory or regulatory proceedings	Aggregate amount involved* (₹ in lakhs)
<b>KMPs (other than our Directors)</b>			
By our KMPs	Nil	Nil	Nil
Against our KMPs	Nil	Nil	Nil
<b>Senior Management (other than our Directors and Promoters)</b>			
By our Senior Management	Nil	Nil	Nil
Against our Senior Management	Nil	Nil	Nil

*\*To the extent ascertainable and quantifiable*

For further details, see “*Outstanding Litigation and Material Developments*” on page 303.

## Risk Factors

Specific attention of Bidders is invited to the section “*Risk Factors*” on page 33. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. Please see below a list of the top 10 risk factors affecting our Company:

1. We are significantly dependent on 7 Seas Impex for our sales outside Gujarat and exports, and any adverse development in this arrangement could materially and adversely affect our business, results of operations and financial condition;
2. Our proposed utilisation of a portion of the Net Proceeds towards payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited exposes us to funding, timing, and integration risks;
3. We are dependent on a limited number of suppliers for procurement of raw cotton and cotton bales, our principal raw material, and any disruption in supply or adverse movement in cotton prices may materially affect our business, results of operations and financial condition;
4. A major portion of our revenue from operations is dependent upon a limited number of customers, and the loss of one or more of these customers or a significant reduction in their orders could materially and adversely affect our business, financial condition, results of operations and cash flows;
5. A significant portion of our revenue is derived from cotton yarns, particularly carded, combed, and compact combed varieties, and cotton bales, and any adverse development in demand, pricing, or industry conditions could materially and adversely affect our business, financial condition and results of operations;
6. We have filed compounding applications in respect of certain past non-compliances under the Companies Act, 2013, and may be subject to penalties or adverse regulatory action in connection therewith;
7. Our acquisition-driven growth strategy, including the acquisition of Falcon Yarns Private Limited, exposes us to risks of integration, hidden liabilities, and increased financial commitments;
8. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects;
9. Our Debt Service Coverage Ratio (DSCR) is a key indicator of our ability to service debt obligations, and any

weakening of this ratio may adversely affect our financial flexibility and overall business performance; and

10. 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.

### Summary of contingent liabilities

The following is a summary table of our contingent liabilities as on March 31, 2025:

<i>(₹ in lakhs)</i>		
Particulars	March 31, 2025 (₹ in Lacs)	As at August 31, 2025
Bank guarantees given to PGVCL from Bank of Baroda	239.31	239.31

For further information on such contingent liabilities as on March 31, 2025, as per Ind AS 37, see “*Restated Financial Information – Note 5.9 – Provisions and Contingent Liabilities*” on page 262.

### Summary of Related Party Transactions

The summary of related party transactions entered into by us for the Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023, as derived from the Restated Financial Information are as set out in the table below:

Nature of Transaction	Related Party	Relation	March 31, 2025		March 31, 2024		March 31, 2023	
			Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Managerial Remuneration	Jashwant Valjibhai Patel	Key Management Personnel	12.00	0.03%	12.00	0.04%	12.00	0.05%
	Divyang Jashwant Patel	Key Management Personnel	34.40	0.10%	26.40	0.09%	26.40	0.11%
	Vivek Rasiklal Gothi	Key Management Personnel	34.40	0.10%	26.40	0.09%	26.40	0.11%
Salary Expense	Rasiklal Valjibhai Patel	Key Management Personnel	12.00	0.03%	12.00	0.04%	0.00	0.00%
	Tushar Devera	Company secretary	1.80	0.01%	1.80	0.01%	1.80	0.01%
Purchase	Ramkrishna Print Pack	Associate Concerns	69.58	0.20%	-	-	58.12	0.24%
Purchase of Land	Rasiklal Valjibhai Patel	Key Management Personnel	2.40	0.01%	-	-	-	-
	Vivek Rasiklal Gothi	Key Management Personnel	2.40	0.01%	-	-	-	-
	Kushumben Rasiklal Patel	Relative of Key Management Personnel	2.40	0.01%	-	-	-	-
	Jalpaben Punit Patel	Relative of Key Management Personnel	2.40	0.01%	-	-	-	-
Loan Received	Divyang Jashwant Patel	Key Management Personnel	661.00	1.88%	318.85	1.05%	247.00	1.03%
	Devkinandan Paper Mills Pvt Ltd	Company over which Promoter's hold significant influence	89.00	0.25%	388.50	1.27%	270.00	1.13%
	Jashwant Valjibhai Patel	Key Management Personnel	168.40	0.48%	86.00	0.28%	130.00	0.54%
	Rasiklal Valjibhai Patel	Key Management Personnel	86.90	0.25%	614.25	2.01%	120.00	0.50%

Pewt g'qhi Vt cpucvqp	Tgr vgf 'Rct v'	Tgr vqp	O ctej '53.'4247"		O ctej '53.'4246"		O ctej '53.'4245"	
			Co qwpv'	' 'qhi' t gxgpwg' lt qo " qr gt cvkpu'	Co qwpv'	' 'qhi' t gxgpwg' lt qo " qr gt cvkpu'	Co qwpv'	' 'qhi' t gxgpwg' lt qo " qr gt cvkpu'
	Ucplc{ 'Rtcplkcp'Uclf xc"	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	9407"	2043' "	392053"	2078' "	/"	/"
	J cuwo cvldgp'Lucj y cpv'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	7022"	2023' "	8609: "	2043' "	8022"	2025' "
	Mwuj wo dgp'Tcukmni'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	/"	/"	; 30 2"	2052' "	/"	/"
	Xkxgni'Tcukmni'I qvj k'	Mg{ 'O cpci go gpv' Rgtuqppgn'	48; 072"	2099' "	7; 6022"	30 7' "	462022"	3022' "
	Thr cniF kx{ cpi 'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	/"	/"	3; 0 2"	2028' "	/"	/"
	Uj ggveni'Der qf ctk{ c'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	4052"	2023' "	4052"	2023' "	/"	/"
	I { cpo cvc'Vtcf lpi 'Rtkxcvg'Nvf O'	Ego r cp{ 'qxtg'y j lej " Rtqo qvgtai'j qif " uki plhlecplphwgepeg"	430 7"	2028' "	8908; "	2044' "	8; 082"	204; ' "
Nqcp'Tgr ckf "	F kx{ cpi 'Lucj y cpv'Revgn'	Mg{ 'O cpci go gpv' Rgtuqppgn'	862028"	30 4' "	45402; "	2098' "	44405: "	20 5' "
	Lucj y cpv'Xcrldj ck'Revgn'	Mg{ 'O cpci go gpv' Rgtuqppgn'	3; 4059"	2077' "	85083"	2043' "	; ; 082"	2059' "
	F gxnkpcpf cp'Rcr gt'O kmi'Rxv'Nvf "	Ego r cp{ 'qxtg'y j lej " Rtqo qvgtai'j qif " uki plhlecplphwgepeg"	99022"	2044' "	562072"	3084' "	492022"	3085' "
	Tcukmni'Xcrldj ck'Revgn'	Mg{ 'O cpci go gpv' Rgtuqppgn'	5; 9024"	3085' "	546083"	3028' "	3250 2"	2065' "
	Ucplc{ 'Rtcplkcp'Uclf xc"	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	6: ; 089"	305; ' "	/"	/"	/"	/"
	Xkxgni'Tcukmni'I qvj k'	Mg{ 'O cpci go gpv' Rgtuqppgn'	/"	/"	5560 : "	3082' "	46: 074"	3026' "
	Mwuj wo dgp'Tcukmni'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	4052"	2023' "	4022"	2023' "	/"	/"
	J cuwo cvldgp'Lucj y cpv'Revgn'	Tgr vkg'qhi Mg{ " O cpci go gpv'Rgtuqppgn'	/"	/"	3022"	2022' "	4022"	2023' "



Nature of Transaction	Related Party	Relation	March 31, 2025		March 31, 2024		March 31, 2023	
			Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
	Gyanmata Trading Private Ltd.	Company over which Promoter's hold significant influence	21.85	0.06%	67.69	0.22%	69.10	0.29%
Loans And Advances given/(taken) to/(from) Associates	Sheetal Bapodariya Patel	Relative of Key Management Personnel	2.70	0.01%	-	-	-	-
	Gyanmata Trading Private Ltd.	Company over which Promoter's hold significant influence	-	-	181.54	0.60%	48.80	0.20%
Loans And Advances received back	Sheetal Bapodariya Patel	Relative of Key Management Personnel	2.70	0.01%	-	-	-	-
	Gyanmata Trading Private Ltd.	Company over which Promoter's hold significant influence	18.15	0.05%	192.29	0.63%	19.90	0.08%
<b>Outstanding Balances</b>								
Outstanding Balances for loans	Divyang Jashwant Patel	Key Management Personnel	135.92	0.39%	114.98	0.38%	28.22	0.12%
	Jashwant Valjibhai Patel	Key Management Personnel	86.22	0.25%	110.19	0.36%	87.80	0.37%
	Rasiklal Valjibhai Patel	Key Management Personnel	18.56	0.05%	328.69	1.08%	38.54	0.16%
	Sanjay Pranjivan Saidva	Relative of Key Management Personnel	242.86	0.69%	170.31	0.56%	-	0.00%
	Hasumatiben Jashwant Patel	Relative of Key Management Personnel	76.28	0.22%	71.28	0.23%	7.50	0.03%
	Rameshbhai Patel	Relative of Key Management Personnel	25.00	0.07%	25.00	0.08%	25.00	0.10%
	Vivek Rasiklal Gothi	Key Management Personnel	47.73	0.14%	267.40	0.88%	8.28	0.03%
	Mrs. Kushumben R. Patel	Relative of Key Management Personnel	86.40	0.25%	86.40	0.28%	-	-
	Ripal Divyang Patel	Relative of Key Management Personnel	19.80	0.06%	19.80	0.06%	-	-
	Sheetal Bapodariya Patel	Relative of Key Management Personnel	2.30	0.01%	2.30	0.01%	-	-

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			Co qwpv'	' 'qH' t'gxgpw'g'' lt qo '' qr'gt'c'v'kqp'u''	Co qwpv'	' 'qH' t'gxgpw'g'' lt qo '' qr'gt'c'v'kqp'u''	Co qwpv'	' 'qH' t'gxgpw'g'' lt qo '' qr'gt'c'v'kqp'u''
	F gxn'k'p'c'p'f'c'p''R'c'r'g't'O'k'm'i'R'x'v'N'f' ''	E'q'o' r'c'p'{'q'x'g't'y'j'k'e'j' '' R't'q'o' q'v'g't'a'j' q'r'f' '' u'k'i' p'k'l'e'c'p'v'k'p'h'w'e'p'e'g''''	82'02''	2'09' ' ''	6: 02''	2'08' ' ''	/''	/''
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Q'w'u'x'c'p'f'k'p'i' 'D'c'r'e'p'e'g'u'h'q't'' C'f'x'c'p'e'g'u''	I {c'p'o'c'v'c''V't'c'f'k'p'i' 'R't'l'x'c'v'g''N'f'0'E't'g'f'k'l'*F'g'd'k'v'+	E'q'o' r'c'p'{'q'x'g't'y'j'k'e'j' '' R't'q'o' q'v'g't'a'j' q'r'f' '' u'k'i' p'k'l'e'c'p'v'k'p'h'w'e'p'e'g''''	/''	/''	*3: 07+''	*2'08+ ' ''	*4: 02+''	*2'04+ ' ''

For details of the related party transactions, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ and as reported in the Restated Financial Information, see “Restated Financial Information – Note 5.8: Related Party Transactions” on page 260.

### Financing arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the financing entity) during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### Weighted average price at which the Equity Shares were acquired by our Promoters, in the last one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, no Equity Shares have been acquired by our Promoters, in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

S. No.	Name	Number of Equity Shares of face value of ₹10/- acquired	Weighted average cost of acquisition per Equity Share (in ₹)*
1.	Patel Divyang Jashwantbhai	Nil	N.A.
2.	Rasiklal Valjibhai Patel	Nil	N.A.
3.	Gothi Vivek Rasiklal	Nil	N.A.
4.	Jashwantbhai Valjibhai Patel	Nil	N.A.

\* As certified by S.N. Shah & Associates, Chartered Accountants, our Statutory Auditors, pursuant to their certificate dated September 30, 2025.

### Average cost of acquisition of Equity Shares by our Promoters

The average cost of acquisition of Equity Shares by our Promoter, as at the date of this Draft Red Herring Prospectus is:

S. No.	Name	Number of Equity Shares of face value of ₹10/- acquired	Average cost of acquisition per Equity Share (in ₹)*
1.	Patel Divyang Jashwantbhai	56,66,355	12.14
2.	Rasiklal Valjibhai Patel	52,78,247	12.48
3.	Gothi Vivek Rasiklal	51,25,541	13.12
4.	Jashwantbhai Valjibhai Patel	45,66,880	15.60

\* As certified by S.N. Shah & Associates, Chartered Accountants, our Statutory Auditors, pursuant to their certificate dated September 30, 2025.

### Weighted average cost of all Equity Shares transacted in the last one year, 18 months and three years preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Cap Price is ‘x’ times the weighted average cost of acquisition <sup>^</sup>	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)
Last one year preceding the date of this Draft Red Herring Prospectus.	82.50	NA	82.50
Last 18 months preceding the date of this Draft Red Herring Prospectus	82.50	NA	82.50
Last three years preceding the date of this Draft Red Herring Prospectus.	82.50	NA	82.50

\* As certified by S.N. Shah & Associates, Chartered Accountants, our Statutory Auditors, pursuant to their certificate dated September 30, 2025.

<sup>^</sup> To be updated at the Prospectus stage

**Details of the price at which specified securities were acquired in the last three years immediately preceding the date of this Draft Red Herring Prospectus by our Promoters, members of our Promoter Group and the Shareholders with rights to nominate directors or other special rights**

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of the Draft Red Herring Prospectus, by our Promoters, and members of our Promoter Group, and other additional shareholders. There are no shareholders with rights to nominate Director(s) or other special rights in our Company. The details of price at which these acquisitions were undertaken are stated below:

Name	Nature of Securities	Nature of Acquisition	Face value (in ₹)	Date of acquisition of securities	Number of securities acquired	Acquisition price per security (in ₹)
<b>Promoters</b>						
Patel Divyang Jashwantbhai	Equity Shares	Share Transfer from Devkinandan Paper Mill Private Limited	10	March 21, 2024	5,00,000	25
Gothi Vivek Rasiklal	Equity Shares	Share Transfer from Devkinandan Paper Mill Private Limited	10	March 21, 2024	5,00,000	25
Jashwantbhai Valjibhai Patel	Equity Shares	Share Transfer from Devkinandan Paper Mill Private Limited	10	March 21, 2024	5,00,000	25
Rasiklal Valjibhai Patel	Equity Shares	Share Transfer from Devkinandan Paper Mill Private Limited	10	March 21, 2024	5,00,000	25
	Equity Shares	Gift from Jashwantbhai Valjibhai Patel	10	March 27, 2024	5,44,909	N.A.
<b>Promoter Group</b>						
Jalpa Punit Patel	Equity Shares	Gift from Rasiklal Valjibhai Patel	10	March 27, 2024	2,73,909	N.A.
Suchit B Patel	Equity Shares	Gift from Sheetal Vivek Patel	10	March 27, 2024	2,73,909	N.A.
Ramesh Patel Bapodarya	Equity Shares	Share Transfer from Sanjaybhai Pranjivabhai Saidva	10	December 31, 2023	73,976	18
	Equity Shares	Share Transfer from Sanjaybhai Pranjivabhai Saidva	10	December 31, 2023	55,555	18

*Note: As certified by S.N. Shah & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 30, 2025.*

### Details of pre-IPO placement

No pre-IPO placement is being contemplated for the Issue.

### Issue of equity shares of our Company for consideration other than cash or by way of bonus in the last one year

Our Company has not issued any Equity Shares for consideration other than cash (excluding bonus issue) during a period of one year preceding the date of this Draft Red Herring Prospectus.

For details, see “Capital Structure on page 79.

### Split or consolidation of equity shares in the last one year

Our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

### Exemption from complying with any provisions of securities laws, if any, granted by the SEBI

We have not sought any exemption in respect of the Issue. Our Company has not made any application for seeking any exemption by SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page numbers 156 and 288, respectively, of this Draft Red Herring Prospectus as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled “Restated Financial Information,” beginning on page number 220 of this Draft Red Herring Prospectus.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

*Unless otherwise indicated, Industry and market data used in this section have been derived from the report titled “**Outlook for Textile Industry**” dated September 29, 2025, prepared and issued Infomerics Analytics & Research Private Limited (the “**Infomerics Report**”).*

*We have commissioned and paid for the Informerics Report for the purpose of confirming our understanding of the industry exclusively in connection with the Issue. We officially engaged Infomerics Analytics & Research in connection with the preparation of the Informerics Report pursuant to the engagement letter. A copy of the Informerics Report shall be available on the website of our Company i.e., <https://www.aasthaspintex.com/> from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date. The data included in this section includes excerpts from the Informerics Report and may have been re-ordered by us for the purposes of presentation.*

*This Draft Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus. These risks are not the only ones that our Company faces. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “we”, “us” and “our” are to Aastha Spintex Limited.*

### INTERNAL RISK FACTORS

- 1. We are significantly dependent on 7 Seas Impex for our sales outside Gujarat and exports, and any adverse development in this arrangement could materially and adversely affect our business, results of operations and financial condition.***

We sell our products in domestic markets directly as well as through traders and resellers. While our sales within Gujarat are undertaken directly with customers, our sales outside Gujarat are accomplished exclusively through our reseller, 7 Seas Impex. This reseller possesses experience in global and national trade practices, export documentation, and destination compliance requirements. For the last three fiscals, a significant portion of our revenue from operations has been derived through this reseller, which accounted 33.88%, 54.73% and 66.61% of our total revenue from products in Fiscal 2025, Fiscal 2024, and Fiscal 2023, respectively. The details of our revenue from operations from our sales in Gujarat and other states are set out in “Our Business” on page 156 of this Draft Red Herring Prospectus.

According to terms of our reseller agreement, 7 Seas Impex is restricted from purchasing yarn from any other manufacturer. In circumstances where the demand placed by 7 Seas Impex exceeds our production capacity, we

are required to source the additional demand from third-party manufacturers and provide the same to the reseller. While this arrangement has worked effectively for over a decade, our reliance on a single reseller for majority of sales outside Gujarat and exports amplifies our dependency risk. Any change in the terms of engagement with 7 Seas Impex or operational or financial difficulties faced by this reseller could materially constrain our ability to access important domestic and international markets.

Although we have not experienced any disruption in sales under this arrangement, there can be no assurance that such stability will continue in the future. Any adverse development relating to 7 Seas Impex or its ability to perform its obligations under the exclusivity agreement could materially and adversely affect our revenues, cash flows, business operations, and financial performance.

**2. *Our proposed utilisation of a portion of the Net Proceeds towards payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited exposes us to funding, timing, and integration risks.***

Pursuant to a Share Purchase Agreement dated September 22, 2025 (the “**Falcon SPA**”), our Company has agreed to acquire 100% of the equity share capital of Falcon Yarns Private Limited (“**Falcon**”) from its existing shareholders for an aggregate cash consideration of up to ₹ 13,151 lakhs. As set out in the Falcon SPA, the consideration is payable in three parts: (i) ₹ 1,000 lakhs payable by September 20, 2025 or such other date as mutually agreed between Falcon and our Company, which has already been paid by our Company as on the date of this Draft Red Herring Prospectus; (ii) ₹ 1,000 lakhs payable prior to January 1, 2026 or such other date as mutually agreed between Falcon and our Company; and (iii) the balance consideration of up to ₹ 11,151 lakhs payable within 30 days post completion of our proposed initial public offering. We propose to utilise a portion of the Net Proceeds of the Issue for the payment of this balance consideration.

In the event of a delay or shortfall in raising funds from the Issue, we may face challenges in discharging the balance purchase consideration payable under the Falcon SPA within the stipulated timelines. In such circumstances, we would be required to arrange alternate funding through internal accruals, additional debt, or further equity issuance, which may not be available on favourable terms or within the required timeframe. Any failure or delay in making the required payments could constitute a default under the Falcon SPA, expose us to legal and financial consequences, and adversely impact our acquisition strategy.

Further, while we believe the acquisition of Falcon will provide synergies with our existing operations and expand our scope of business, there can be no assurance that the anticipated benefits will be realised in the expected time frame, or at all. Integration of Falcon’s operations with our own may involve unforeseen risks, costs, and liabilities, and our consolidated financial results will also be exposed to the operational performance of Falcon. The Falcon SPA provides only limited representations and warranties from the sellers, which may limit our recourse in the event of undisclosed liabilities or operational issues.

Accordingly, any delay in completing the payment of consideration, inability to arrange alternative funding, or failure to integrate Falcon effectively may materially and adversely affect our business, financial condition, results of operations, and growth prospects. For further details, see the chapters titled “*Objects of the Issue – Payment of Purchase Consideration for the Acquisition of Falcon Yarns Private Limited*” and “*Our Business*” on pages 106 and 156 of this Draft Red Herring Prospectus.

**3. *We are dependent on a limited number of suppliers for procurement of raw cotton and cotton bales, our principal raw material, and any disruption in supply or adverse movement in cotton prices may materially affect our business, results of operations and financial condition.***

Raw cotton and cotton bales are the principal raw material used in our manufacturing operations and constitute the single largest component of our production costs. Our ability to remain cost competitive and operationally efficient is closely linked to the procurement of raw cotton and cotton bales in adequate quantities, of consistent quality, and at commercially viable terms. Our factory is located within major cotton growing area of Gujarat and hence, we procure raw cotton from farmers and traders for processing at our ginning unit for production of cotton bales. In addition, we source cotton bales for our spinning unit from other ginning mills and traders across Gujarat, which helps reduce transportation costs, shorten lead times, and support timely production. Over the years, we have built relationships with the farmers and a network of reliable suppliers; during the last three Fiscals, we procured cotton bales from more than 125 Suppliers out of which 8 suppliers are in top 10 suppliers where 6 Suppliers are associated with us over 5 years and top 10 suppliers contribute 73.05 %, 79.62 % and 44.30% of the total purchase during the last three fiscals.

Consumption of cotton bales in spinning unit is higher in value term than raw cotton in ginning unit and purchase of raw cotton is relatively scattered among large numbers of farmers and traders and hence, all of our Top 10 suppliers are involved in supplying of cotton bales to us. The details of our top 05 (five) and top 10 (ten) raw material suppliers vis-à-vis our total purchases as per our Restated Financial Statements are set out below:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases
Top (5) suppliers	20,027.02	59.06%	14,962.58	58.82%	5,904.29	31.44%
Top (10) suppliers	24,770.21	73.05%	20,252.10	79.62%	8,320.64	44.30%
<b>Total Purchase</b>	<b>33,909.72</b>		<b>25,436.12</b>		<b>18,780.51</b>	

The following table provides a breakdown of our top 10 suppliers that constituted more than 50% of our total supplies for Fiscal 2025:

Sr. No.	Name of Supplier	Purchases (₹ in Lakhs)	% of Purchase of Raw material and Stock in trade
1	Maze Trading LLP (Guj)	8,583.96	25.31%
2	PB Enterprise	4,249.91	12.53%
3	Supplier 3	3,850.96	11.36%
4	Supplier 4	1,695.54	5.00%
5	Supplier 5	1,646.64	4.86%
6	Supplier 6	1,258.26	3.71%
7	Bhuramal Harikishan (Dr)	979.34	2.89%
8	Supplier 8	934.77	2.76%
9	Jaylaxmi Industries	797.46	2.35%
10	Supplier 10	773.35	2.28%
<b>A</b>	<b>Purchases from Top 10 Suppliers</b>	<b>24,770.21</b>	<b>73.05%</b>
<b>B</b>	<b>Total Purchase of Raw material and Stock in trade</b>	<b>33,909.72</b>	<b>100.00%</b>

The above concentration of suppliers exposes us to supply-side risks in the event of any disruption due to financial distress, insolvency, logistical bottlenecks, weather disruptions, or regulatory actions affecting these suppliers. We typically procure raw materials on the basis of short-term arrangements or purchase orders and do not enter into long-term supply contracts. While this approach provides flexibility, it limits stability in terms of pricing and assured volumes. Further, cotton prices are inherently volatile and are influenced by multiple factors such as agricultural yield, Minimum Support Prices (MSP), government procurement policies, export-import regulations, and global commodity markets. Sharp price fluctuations during the off-season, or changes in government policy, could lead to increased procurement costs and margin pressures.

To mitigate these risks, we strategically maintain a buffer stock of cotton bales during the peak harvest season (October to March), when availability is higher and prices are comparatively favourable. These stocks are stored at our manufacturing facility in designated storage facilities. While this strategy allows us to secure raw material at optimal prices, it exposes us to risks of inaccurate demand forecasting, higher carrying costs, potential deterioration in cotton quality, or obsolescence during storage. Further, we hedge our position of stock through physical purchase of cotton bales for spinning unit i.e. against for each inquiry of order for yarn, we quote the price based on prevailing cotton bales price and once the yarn order is confirmed, we place order for purchase of equivalent quantity of cotton bales thereby maintaining margin for each order. This helps us to maintain buffer stock at the same time protect our margin as well.

Although we have not faced any material supply disruptions in last 3 Fiscals. There can be no assurance that future disruptions in supply, adverse movements in cotton prices, or deterioration in the quality of cotton procured will not materially and adversely affect our business operations, financial condition, cash flows, and results of operations.

4. *A major portion of our revenue from sale of products is dependent upon a limited number of customers, and the loss of one or more of these customers or a significant reduction in their orders could materially and adversely affect our business, financial condition, results of operations and cash flows.*

A significant portion of our revenue is derived from a limited number of customers. For Fiscal 2025, Fiscal 2024 and Fiscal 2023, our top ten customers together contributed more than 59.94 %, 84.71 % and 80.88 % of our total

revenue from sale of products respectively, with the top five customers accounting for over 51.66 %, 79.05 % and 75.47 % of our total revenue from sale of products in each of these periods. In particular, our largest customer, 7 Seas Impex (a reseller for domestic sales outside Gujarat and export sales), accounted for 33.88%, 54.73% and 66.61% of our total revenue from sale of products in Fiscal 2025, Fiscal 2024 and Fiscal 2023, respectively.

The table below sets forth the revenue from our top five and top ten customers in the last three fiscals:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue from sale of products (₹ in Lakhs)	% of Revenue from sale of products	Revenue from sale of products (₹ in Lakhs)	% of Revenue from sale of products	Revenue from sale of products (₹ in Lakhs)	% of Revenue from sale of products
Top (1) Customer	11,645.72	33.88%	16,202.34	54.73%	15,649.35	66.61%
Top (5) Customers	17,756.62	51.66%	23,401.91	79.05%	17,729.83	75.47%
Top (10) Customers	20,601.96	59.94%	25,076.95	84.71%	19,002.16	80.88%
<b>Total sales of products</b>	<b>34,369.50</b>		<b>29,602.37</b>		<b>23,492.83</b>	

Except for 7 Seas Impex, we do not enter into long-term contracts with our customers, and our sales are primarily conducted through individual purchase orders that set out terms, volumes and delivery schedules. The absence of long-term commitments exposes us to the risk of customer retention and creates uncertainty in production planning. If one or more of our key customers reduce their orders, cease to source from us, or are unable to perform their obligations due to financial distress, insolvency, business restructuring, regulatory actions, or shifts in procurement policies, our revenue and profitability could be materially impacted.

Moreover, as we expand our customer base, the composition of our revenue may change. Any adverse development involving one or more of our major customers including reduction in order volumes, disputes, discontinuation of business, or adoption of alternative suppliers could have a significant effect on our revenues, cash flows and liquidity. Our reliance on our reseller, 7 Seas Impex, for facilitating sales outside Gujarat and exports further amplifies this dependency risk. If this reseller were to change the terms of our engagement or face operational or financial difficulties, our access to key domestic and international markets could be adversely affected.

Although we have not experienced a material loss of a key customer in last 3 Fiscals, we cannot assure you that we will be able to retain our existing customers, secure equivalent replacement customers on comparable terms, or continue to maintain the current level of revenues. Any such event could materially and adversely affect our business, financial condition, results of operations and cash flows.

**5. A significant portion of our revenue is derived from cotton yarns, particularly carded, combed, and compact combed varieties, and cotton bales, and any adverse development in demand, pricing, or industry conditions could materially and adversely affect our business, financial condition and results of operations.**

We are engaged in the business of manufacturing and trading of carded, combed and compact combed cotton yarns and cotton bales. Our product portfolio includes 100% cotton yarns in counts ranging from Ne 26 to Ne 40, cotton bales, cotton waste by-products such as comber, licker-in, and hard waste and cotton seeds, which is by-product during the ginning process for production of cotton bales. These yarns are used across knitting and weaving applications and cater to a wide range of end-use industries including denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles and industrial fabrics. While we also generate revenue from cotton bales, cotton seeds and cotton waste by-products, a significant portion of our total revenue is concentrated in cotton yarn sales, specifically carded, combed and compact combed yarns. For further details, see “Our Business – Products” on page 163 of this Draft Red Herring Prospectus.

The table below sets forth the contribution of each major product category to our revenue from operations for the last three fiscals:



Our operation	For financial year ended March 31, 2025		For financial year ended March 31, 2024		For financial year ended March 31, 2023	
	Revenue from Sale of Products (₹ In Lakhs)	% of Revenue from sales of products	Revenue from Sale of Products (₹ In Lakhs)	% of Revenue from sales of products	Revenue from Sale of Products (₹ In Lakhs)	% of Revenue from sales of products
<b>Sale of Product</b>						
Cotton Yarn	18,383.84	53.49%	20,883.39	70.55%	19,443.67	82.76%
Cotton Bales	11,529.26	33.55%	5,812.14	19.63%	1,308.74	5.57%
<b>Sale of Cotton waste</b>						
Cotton Waste by-products	4,456.40	12.97%	2,906.84	9.82%	2,740.42	11.66%
<b>Total</b>	<b>34,369.50</b>	<b>100.00%</b>	<b>29,602.37</b>	<b>100.00%</b>	<b>23,492.83</b>	<b>100.00%</b>

Given this concentration, our financial performance is highly sensitive to the performance of these yarn categories. Any contraction in demand for cotton yarns, change in consumer preference toward 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 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. Although we diversify revenues through cotton bales, cotton seeds and cotton waste sales, such streams represent a smaller proportion of our total revenues and are not sufficient to offset significant volatility in yarn demand.

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. There can be no assurance that negative developments affecting carded, combed, or compact combed cotton yarns will not occur in the future, and any such developments may materially and adversely affect our revenues, margins, cash flows, and overall financial condition.

**6. We have filed compounding applications in respect of certain past non-compliances under the Companies Act, 2013, and may be subject to penalties or adverse regulatory action in connection therewith.**

Our Company is required to comply with various provisions of the Companies Act and the rules made thereunder. In the past, certain lapses occurred in respect of statutory compliances, for which our Company has filed applications for adjudication and compounding before the Registrar of Companies under Section 454 of Companies Act, 2013, respectively. A summary of such past non-compliances is set out below:

- a. **Contravention of Section 49 of the Companies Act (Uniform call on shares):** In Financial Year 2014–15, our Company contravened Section 49 of the Companies Act by requesting call money from shareholders on an uneven basis and also accepting part payments after the due date of the call. The Company filed Form No. GNL-1 on September 27, 2025, bearing SRN No. AB7646936 with the RoC, Gujarat at Ahmedabad, for a suo moto adjudication application under Section 454 of the Companies Act, 2013, in respect of non-compliance under Section 49 of the Companies Act, 2013.
- b. **Contravention of Section 161 of the Companies Act (Appointment of Directors):** In Financial Year 2014–15, our Company contravened Section 161 of the Companies Act with respect to the appointment of certain directors. Specifically, Mr. Jashwant Valjibhai Patel and Mr. Sanjaybhai Pranivanbhai Saidva were appointed as Directors in the Board Meeting held on January 15, 2014, and Mr. Chintan Dharamshibhai Sitapara was appointed as a Director on April 15, 2014, instead of being appointed as Additional Directors as required under law. The Company filed Form No. GNL-1 on September 27, 2025, bearing SRN No. AB7640904 with the RoC, Gujarat at Ahmedabad, for a suo moto adjudication application under Section 454 of the Companies Act, 2013, in respect of non-compliance under Section 161 of the Companies Act, 2013.

- c. **Contravention of Section 138 of the Companies Act (Appointment of Internal Auditor):** For Financial Years 2021–22 to 2023–24, our Company failed to appoint an Internal Auditor despite being required to do so under Section 138 of the Companies Act read with the Companies (Accounts) Rules, 2014, on account of its turnover and borrowings. The lapse was due to oversight and has since been rectified by appointing Zapda & Associates as Internal Auditor for Financial Year 2023–24. The Company filed Form No. GNL-1 on September 27, 2025, bearing SRN No. AB7636358 with the RoC, Gujarat at Ahmedabad, for a suo moto adjudication application under Section 454 of the Companies Act, 2013, in respect of non-compliance under Section 138 of the Companies Act, 2013.
- d. **Contravention of Section 203 of the Companies Act (Appointment of Whole-Time Company Secretary):** For Financial Years 2014–15 and 2015–16, our Company was required to appoint a whole-time Company Secretary, but the appointment was not made within the prescribed timeline. Our Company subsequently appointed Ms. Anita Lalwani as Company Secretary with effect from June 1, 2016. The Company filed Form No. GNL-1 on September 27, 2025, bearing SRN No. AB7629058 with the RoC, Gujarat at Ahmedabad, for a suo moto adjudication application under Section 454 of the Companies Act, 2013, in respect of non-compliance under Section 203 of the Companies Act, 2013.
- e. **Contravention of Section 135 of the Companies Act (Corporate Social Responsibility):** For Financial Years 2017–18 to 2022–23, although the provisions relating to Corporate Social Responsibility (“CSR”) were applicable to our Company, the prescribed CSR expenditure was not made during this period. The Company filed Form No. GNL-1 on September 27, 2025, bearing SRN No. AB7645125 with the RoC, Gujarat at Ahmedabad, for a suo moto adjudication application under Section 454 of the Companies Act, 2013, in respect of non-compliance under Section 135 of the Companies Act, 2013.

As on the date of this Draft Red Herring Prospectus, no penalties have yet been imposed in respect of the above matters. However, we cannot assure you that the Registrar of Companies or other competent authorities will not levy fines, impose penalties, or initiate other regulatory or adjudicatory proceedings in connection with such defaults. While our Company has taken steps to strengthen its compliance and governance framework, there can be no assurance that similar lapses will not occur in the future or that such non-compliances, if they arise, will be addressed in a timely manner. Any adverse regulatory orders, monetary penalties, or recurrence of non-compliance could have an adverse effect on our business, reputation, financial condition, results of operations, and cash flows.

**7. Our acquisition-driven growth strategy, including the acquisition of Falcon Yarns Private Limited, exposes us to risks of integration, hidden liabilities, and increased financial commitments.**

As part of our growth strategy, we seek to expand our business through acquisitions that complement our operations, enlarge our value chain, and provide access to new customers, products, and markets. In line with this strategy, we have agreed to acquire Falcon Yarns Private Limited. While acquisitions present opportunities for growth and diversification, they also expose us to a number of risks, including:

- unforeseen or undisclosed liabilities in the acquired entity, due to the limited scope of representations and warranties;
- challenges in integrating operations, systems, controls, and personnel of the acquired company with our own;
- diversion of management time and resources from existing business operations;
- potential cultural differences or operational inefficiencies during consolidation; and
- increased financial commitments arising from acquisition-related payments or additional debt.

There can be no assurance that we will be able to consummate acquisitions on favourable terms or achieve the expected benefits and synergies within the anticipated timeframe. If we fail to integrate Falcon Yarns or any future acquisition effectively, or if the acquired business does not perform in line with expectations, our business, financial condition, and results of operations could be materially and adversely affected.

**8. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.**

Our Company had reported certain negative cash flows from our operating, investing activities and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
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<b>Cash flow from Operating Activities</b>	(1,871.62)	1,293.13	1,547.49
<b>Cash flow from Investing Activities</b>	(35.97)	(393.83)	(2,783.89)
<b>Cash flow from Financing Activities</b>	2,370.83	(865.56)	1,422.14

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition. For further please refer chapter titled “*Restated Financial Information*” beginning on Page 220 of this Draft Red Herring Prospectus.

**9. Our Debt Service Coverage Ratio (DSCR) is a key indicator of our ability to service debt obligations, and any weakening of this ratio may adversely affect our financial flexibility and overall business performance.**

Our DSCR reflects the extent to which our internal accruals are sufficient to meet scheduled debt servicing obligations. A DSCR below 1.00x indicates that internal cash accruals from operations are insufficient to fully cover scheduled debt obligations, necessitating reliance on refinancing, improved operating performance, or alternative funding arrangements.

Set forth below is a summary of our DSCR analysis for the last three Fiscals:

<b>Particulars</b>	<b>Fiscal 2025</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
Debt Service Coverage Ratio	2.37	1.35	0.65

As reflected above, our DSCR has improved in Fiscal 2025 to 2.37x, compared to 1.35x in Fiscal 2024 and 0.65x in Fiscal 2023, primarily due to higher internal accruals resulted from improvement in profitability as compared to debt obligations due for payment during the corresponding financial year. This demonstrates a positive trend; however, there can be no assurance that such improvement will be sustained in the future.

A sustained DSCR at or below 1.00x will require us to raise alternate source of funds to meet our debt obligation and funds for operations at the same time may constrain our financial flexibility, restrict our ability to raise incremental borrowings on favourable terms, and adversely affect our credit profile. In such circumstances, we may be required to provide additional collateral, accept more stringent covenants, or bear higher borrowing costs. Further, any increase in raw material costs, higher interest expenses, or decline in revenue could exert additional pressure on our DSCR.

If we are unable to maintain or further improve our DSCR through operational efficiencies, cost optimization, or capital structure adjustments, we may be exposed to risks of delayed repayments, penal interest, or enforcement of security by lenders. Any such development may materially and adversely affect our cash flows, business operations, financial condition, and results of operations.

**10. 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, combustible and susceptible to ignition at almost every stage of handling, including procurement, storage, processing, transportation, and trading. The risk of fire is particularly acute in areas such as the ginning unit, blow room and carding section, where fine cotton dust accumulates and increase the likelihood of sparks or short circuits leading to an outbreak. With the use of high-volume air circulation and semi-automated material-handling systems for handling large volumes of cotton, the probability of fire or a small incident in one section can rapidly spread across machines and production lines.

An outbreak of fire or similar accident at our manufacturing facility could result in extensive damage to raw material inventory, finished goods, plant, and machinery. Such an event may also cause injury to workers, attract compensation claims, and lead to regulatory scrutiny or suspension of operations. Beyond the immediate property loss, prolonged business interruption may impair our ability to service customer orders, erode trust and materially reduce our revenues and profitability.

Although we have not experienced any major fire incident in the past and have taken adequate insurance policies for raw material, stock in process and finished stock covering fire-related losses, coverage may not be adequate

to offset all damages, loss of profits, or third-party liabilities. Delays in settlement of claims may further strain our liquidity. There can be no assurance that our facilities will not face 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 policy, please refer to the chapter titled 'Our Business' beginning on page 156 of this Draft Red Herring Prospectus.

***11. Our ginning operations are seasonal in nature, which may result in variability in production, inventory management challenges, and lower in-house consumption of cotton bales, thereby exposing us to operational and financial risks.***

Raw cotton, the primary raw material for our ginning operations, is a seasonal crop available largely between October and March each year. Consequently, our ginning unit typically operates only for a period of approximately six to seven months during the cotton season, commencing in mid-September or October and continuing until March. During this period, we procure cotton in bulk from a large number of farmers and traders to meet both our in-season production requirements and to maintain stock for off-season sales.

The seasonal concentration of ginning operations creates several risks. First, we are required to make significant procurement commitments during the harvest period, which increases our dependence on availability of working capital and exposes us to fluctuations in cotton prices. Second, storing large inventories of cotton bales for off-season sales involves costs, requires robust storage infrastructure, and exposes us to risks of quality deterioration, pest infestation, or obsolescence during prolonged holding. Third, variations in the quality of raw cotton procured directly affect the grade of cotton bales produced. While superior quality cotton enables us to produce higher-grade cotton bales, such quality may not always align with the specifications required by our spinning unit, where consumption depends on yarn count and technical parameters. As a result, in-house utilization of cotton bales produced by our ginning unit is relatively lower, and a significant portion of the bales are sold in the market.

This seasonality and quality mismatch may lead to variability in production planning, reduced efficiency in vertical integration between our ginning and spinning operations, and reliance on external sales for monetization of cotton bales. Any disruption in the cotton season, whether due to adverse weather conditions, government policy interventions, or pricing volatility, may impair our ability to procure raw cotton, operate our ginning unit efficiently, or monetize the output. Such developments could adversely affect our operational performance, working capital cycle, cash flows, and overall financial condition.

***12. We procure our raw materials primarily from farmers, traders and other ginning mills located across Gujarat, and any disruption in this supply region could materially and adversely affect our business, results of operations and financial condition.***

Our operations depend on the uninterrupted procurement of raw cotton (for ginning unit during cotton season period from October to March) and cotton bales (for spinning unit throughout the year), which are primarily sourced from farmers, traders and other ginning mills located across Gujarat. While this regional concentration allows us to reduce transportation costs and lead times, it also exposes us to supply chain risks in the event of adverse developments affecting the cotton market in Gujarat.

Factors such as fluctuations in cotton production due to climatic conditions, pest infestations, changes in Minimum Support Prices (MSPs), government procurement or export restrictions, and regional labour unrest could materially affect the availability, pricing, or quality of cotton supplied from this region. Further, any disruption in logistics, regulatory interventions, or socio-political unrest within Gujarat may adversely impact our ability to source raw materials in a timely and cost-efficient manner.

As we do not maintain long-term contracts with our suppliers and generally procure raw materials through purchase orders, we may have limited ability to secure alternative sourcing arrangements on short notice if supply in Gujarat is constrained. Any prolonged disruption or adverse development in cotton availability in Gujarat could lead to increased procurement costs, production delays, underutilization of installed capacity, and ultimately, a material adverse effect on our business, cash flows, and financial performance.

***13. Our business is subject to seasonal volatility on account of the nature of main raw material i.e. raw cotton as an agricultural commodity, and such seasonality may cause significant fluctuations in our revenue, results of operations, and financial condition.***

Our business is primarily dependent on cotton, while raw cotton is available only during specific harvest period in India i.e. from October to March. The procurement cycle is concentrated during the harvest season, when cotton and cotton bales can be purchased in bulk and generally at more favorable terms. In contrast, during the off-season, the supply raw cotton is not possible and that of cotton bales becomes constrained, and prices are subject to significant fluctuations. This seasonality affects our procurement strategy and results in varying stocking requirements, which in turn impacts our working capital cycle and cost structure.

As a result, our revenues and profitability may be higher in certain quarters and lower in others, and the results of any one period may not accurately indicate the overall performance of our Company for a full financial year. Adverse weather conditions or unexpected disruptions in the cotton supply chain may further intensify these seasonal variations. While we adopt diligent procurement and inventory practices to mitigate such volatility, there can be no assurance that we will be able to manage these seasonal fluctuations effectively or that such factors will not have a material adverse effect on our business, financial condition and results of operations.

**14. Our dependence on cotton exposes us to risks of price volatility, supply chain disruptions, and changes in government policies on cotton, which may materially affect our cost structure and margins.**

Raw cotton and cotton bales constitute a major portion of our input costs. The price and availability of raw cotton and cotton bales are influenced by factors beyond our control, including crop yields, climatic conditions, pest infestations, government policies such as minimum support price (MSP), restrictions on exports or imports, and global demand-supply imbalances. Any increase in cotton prices or shortage in supply could materially raise our cost of production and compress our operating margins, especially in a competitive industry where increase in cost cannot always be passed on to customers. Our procurement arrangements are primarily short-term, and we do not have long-term supply contracts that guarantee fixed pricing or assured availability. This leaves us exposed to spot market fluctuations.

Although we maintain good relationships with multiple vendors and brokers and adopt procurement planning practices, there can be no assurance that such measures will insulate us from supply-side disruptions or price volatility, which may have a material adverse impact on our business, financial condition, and results of operations.

**15. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.**

As of March 31, 2025, our contingent liabilities is as under:

(Amount in ₹ Lakhs)

Contingent Liabilities and Commitments	As at 31st March 2025
Bank Guarantee given to PGVCL	239.31
<b>Total</b>	<b>239.31</b>

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Summary of Issue Document-Summary of contingent liabilities” and “Restated Financial Statements” on page 21 and page 220 of this Draft Red Herring Prospectus respectively.

**16. 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 are engaged in the business of manufacturing and trading of carded, combed, and compact combed cotton yarns as well as cotton bales. Our sales are primarily undertaken on a credit basis, and we are exposed to the risk of delays or defaults in customer payments. Our ability to maintain a stable cash flow and liquidity position depends on the creditworthiness and timely payment behaviour of our customers. Any delay or default in payments, particularly where we have already deployed resources for fulfilling orders, can increase receivables, extend our working capital cycle, and adversely affect our operating cash flows.

Below table shows the details of outstanding Trade Receivables of our Company:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade Receivables	3,907.27	7,269.44	1,488.63
Trade Receivables Ratio	6.28	6.96	18.00

An increase in receivable days can lead to higher working capital requirements, dependence on external borrowings, and increased finance costs. For details, see “*Financial Information – Trade Receivables*” on page 246

We currently do not have a formal written credit policy, which may expose us to inconsistent recovery practices and heightened credit risk. Factors such as financial stress of our customers, downturn in the textile or garmenting sectors, global economic volatility, or concentration of credit exposure to key customers may further aggravate payment delays or defaults. Any significant rise in bad debts would directly impact our profitability and financial stability.

Although we have not written off significant receivables in last three Fiscals, there can be no assurance that such delays or defaults will not occur in the future. Any adverse change in payment cycle could materially and adversely affect our cash flows, liquidity, ability to fund operations, and overall financial performance.

**17. Outstanding dues to creditors may adversely affect our business, reputation, and financial condition**

We have certain dues outstanding to our trade and other creditors. Delays or failure in settling these outstanding amounts in a timely manner may lead to strained relationships with suppliers and service providers, disruption in the supply chain, or withdrawal of credit support. Persistent or significant delays in payments could negatively impact our reputation, business operations, and creditworthiness. It may also result in legal claims, increased borrowing costs, or penalties, all of which could materially and adversely affect our financial condition and operational performance.

We actively manage our payables and maintain regular communication with creditors to ensure timely settlements. We align payment schedules with our cash flow planning to sustain healthy supplier relationships, ensuring supply chain stability and supporting our operational and financial performance.

Below table shows the details of outstanding Trade Payables of our Company:

(Amount in ₹ lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade Payables	3,946.57	6,507.06	2,215.74
Trade Payables Ratio	6.19	4.97	8.31

**18. Our dependence on procuring raw cotton from farmers and traders directly and cotton bales from other ginning units and traders, without formal arrangements, exposes us to supply and price risks that may materially impact our operations, revenues, and financial performance.**

While cotton bales are the principal raw material for our manufacturing of cotton yarn, we procure raw cotton from farmers and traders, which is then ginned and converted into cotton bales for further processing in-house or trading in the market. Additionally, we procure cotton bales from other ginning units and traders. We do not have any formal arrangements or long-term agreements with farmers or traders for the supply of such raw cotton and cotton bales. As a result, our procurement is subject to prevailing market conditions and availability at the time of purchase. This dependence increases our exposure to risks relating to timely supply, consistency of quality, and fluctuations in pricing.

The availability and pricing of raw cotton and cotton bales depend on several factors beyond our control, including crop yields, weather conditions, pest infestations, government procurement policies, global demand-supply dynamics and availability and pricing of cotton bales. Since our procurement relies on spot market purchases directly from farmers, traders and other ginning units, any adverse developments in these factors may lead to shortages, higher procurement costs, or delays in supply. Such disruptions could reduce our capacity utilization, increase our cost of production, and impair our ability to meet customer demand on time. If we are unable to pass on such increased costs to customers, our margins and profitability may be adversely affected.

While we maintain relationships with multiple traders and adopt procurement planning strategies, there can be no assurance that such measures will always be effective. Any inability to secure adequate quantities of raw cotton and cotton bales at competitive prices, or within the required timeframe, may materially and adversely affect our business, financial condition, and results of operations. For further details on our procurement operations and cost

structure, refer to the chapters titled “Our Business” and “Restated Financial Information” beginning on page 156 and 220

**19. We rely on third-party transportation and logistics service providers for procurement of raw materials and supply of our products, and any disruption or inefficiency in such services may materially and adversely affect our business, results of operations, and financial condition.**

We do not maintain an in-house transportation fleet and depend entirely on third-party service providers for the movement of raw materials to our ginning and spinning facility at Halvad, Morbi, Gujarat, as well as for the delivery of our products to our customers. These services are typically engaged on a transactional, needs-based basis, and we do not generally enter into long-term contractual arrangements with such logistics providers.

This reliance exposes us to risks such as limited availability of vehicles during peak cotton procurement season, rising fuel and freight costs, delays in transit, accidents, strikes, natural calamities, regulatory restrictions, and congestion at ports or warehouses. Moreover, the value of cotton bales and yarn transported is significantly higher than the freight charges paid, making it difficult to recover adequate compensation in the event of loss, damage, or delay of goods in transit.

Any disruption in transportation services or delays in delivery of raw materials or products could impact our production schedules, lead to order cancellations, contractual penalties, or rejection of consignments, and damage customer relationships. Such events may materially and adversely affect our revenues, profitability, and overall business operations.

**20. Any change in government policies relating to the textile or cotton sector, including Minimum Support Prices (MSPs), subsidies, or incentive schemes, may adversely affect our cost structure, supply chain, or customer demand, thereby impacting our business, results of operations and financial condition.**

Our business performance is closely linked to agricultural and textile sector policies formulated by the Central and State Governments. Cotton is an agricultural commodity and is significantly affected by government interventions such as MSPs, procurement programs, input subsidies to farmers, and restrictions on cotton imports or exports. Any change in such measures may materially impact the availability, pricing, and quality of cotton in the domestic market, thereby affecting our procurement planning and cost structure.

Additionally, several government schemes and incentives, including the Textile PLI (Production Linked Incentive) scheme, the Technology Upgradation Fund Scheme (TUFS), National Textile Policy, 2000 and Gujarat Textile Policy, 2024, are critical for maintaining competitiveness in the spinning and textile value chain. A rollback, reduction, delay, or uncertainty in the implementation of such schemes could increase operating costs or reduce profitability across the industry. Conversely, the introduction of new subsidy schemes could intensify competition, as existing and new players may undertake fresh capital investments, thereby increasing overall industry capacity and putting pressure on margins.

Beyond cotton pricing and textile-specific incentives, the industry is also vulnerable to wider regulatory and policy shifts. Labour law reforms, changes in environmental compliance norms, and disruptions arising from political or social unrest in key cotton-growing or textile-manufacturing states could lead to volatility in raw material supply chains or demand patterns.

We cannot assure that current levels of government support or favourable policy frameworks will continue. Any future adverse change in MSPs, subsidies, export-import regulations, or incentive schemes may materially and adversely impact our business operations, revenues, margins, and financial performance.

**21. The valuation report obtained for the acquisition of Falcon Yarns Private Limited is based on certain assumptions and may not be indicative of its actual or future value.**

In connection with our acquisition of Falcon Yarns Private Limited (“Falcon”), CA Rohit Maloo (the “Valuer”), a registered independent valuer, has issued a valuation report dated September 15, 2025 (the “Valuation Report”) setting out its opinion on the value of Falcon as of August 31, 2025. The purchase consideration agreed under the Falcon SPA has been determined with reference to this Valuation Report.

The Valuation Report is subject to a number of assumptions regarding Falcon’s revenues, expenses, market conditions, and industry trends, which may not hold true in the future. Valuations are inherently estimates, and

actual business performance or market developments may differ significantly from those assumed. In addition, the Valuer applied specific valuation methodologies; other methodologies may have produced a different result. The Valuation Report has not been updated since its issue and does not account for subsequent changes in Falcon's operations, financial position, or external market factors.

Further, the Valuation Report is an opinion and does not provide any guarantee of Falcon's actual or realizable value. The price at which Falcon or its assets could be sold in the future may be materially different from the value set out in the Valuation Report. Accordingly, investors should not place over reliance on the Valuation Report in making an investment decision to subscribe to our Equity Shares, and any divergence between the assumptions used and actual results may materially and adversely affect our business, financial condition, and results of operations.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the Issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and the results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "*Objects of the Issue*" beginning on page 104 of this Draft Red Herring Prospectus.

***23. We have a limited operating history as a company, and our past performance may not be a reliable indicator of our future results or prospects.***

Our Company was originally incorporated as *Aastha Spintex Private Limited*, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and we started setting up the plant in 2014, which commenced commercial operations in March, 2015. Subsequently, upon conversion into a public limited company, the name of our Company was changed to Aastha Spintex Limited, vide a fresh Certificate of Incorporation dated February 12, 2025. Given our Company's limited operating history, we may not have sufficient experience to address the risks frequently encountered by early-stage companies, including our ability to successfully procure raw materials i.e. raw cotton and cotton bales, complete our orders or maintain adequate control of our costs and expenses.

This makes it difficult for investors to evaluate our past performance, long-term business model, or future growth prospects solely on the basis of our historical financial results. Accordingly, our financial results for prior periods should not be relied upon as indicators of future performance. While we continue to expand our operations and build scale, there can be no assurance that we will be able to successfully address the risks associated with our limited operating history, achieve consistent profitability, or meet investor expectations, and any inability to do so may materially and adversely affect our business, financial condition, and results of operations. For further details, see the sections titled "*Our History and Certain Corporate Matters*" and "*Restated Financial Statements*" on pages 185 and 220 of this Draft Red Herring Prospectus.

***24. Our Manufacturing Facility and Registered Office are located in Gujarat, and a significant portion of our revenue is also derived from this state. As a result, we are exposed to geographic concentration risks that may adversely affect our operations, financial condition, and results of operations.***

Our Manufacturing Facility and Registered Office are located in Halvad, Morbi, in the state of Gujarat, India. In addition, Gujarat contributes a major share of our operational revenue. For the Fiscal Year 2025, revenue from sales in Gujarat amounted to ₹30,489.32 lakhs, representing approximately 88.71% of our total revenue from sale of products. For further details, see "*Financial Information*" on page 220 of this Draft Red Herring Prospectus.

This operational and commercial concentration in Gujarat exposes us to significant geographic concentration risks. Any local or regional disruptions such as changes in state regulations, labour unrest, natural calamities such as floods, droughts, or earthquakes, industrial accidents, political or social unrest, or public health emergencies, could have a direct and adverse impact on both our production and sales functions.



While we have not experienced any material operational disruptions at our Manufacturing Facility in preceding three Fiscal years. Any significant disruption at our Manufacturing Facility could delay production, result in inventory build-up, impair our ability to meet customer orders, and disrupt our supply chain. These factors could lead to order cancellations, contractual penalties, customer attrition, and reputational harm, thereby adversely affecting our revenue and profitability. Given the absence of geographic diversification in both our operations and customer base, any adverse event impacting the state of Gujarat may have a material and disproportionate effect on our overall business, financial condition, results of operations, and cash flows.

**25. *Continued operations at our Manufacturing Facility are critical to our business, and any disruption could materially and adversely affect our results of operations, cash flows, and financial condition.***

We operate through our semi-automated and integrated ginning and spinning manufacturing facility located at Halvad, Morbi, Gujarat. Our Manufacturing Facility is central to our operations, and any disruption may have a direct adverse impact on our ability to procure cotton bales, produce yarn, and deliver products to our customers on time. For details of our facility, see “Our Business – Our Manufacturing Facility” on page 164 of this Draft Red Herring Prospectus.

The facility is subject to a number of operating risks, including breakdown or failure of critical equipment, interruptions in power supply, labour disputes, natural disasters, industrial accidents, fire hazards, or the need to comply with directives of governmental and regulatory authorities. Any significant malfunction or breakdown of machinery could entail substantial repair or replacement costs, lead to suspension or slowdown of operations, and result in underutilization of installed capacity. Further, delays in addressing such disruptions could cause us to miss delivery schedules, adversely affecting our customer relationships and reputation in the market.

Although we have not experienced any material disruption at our Manufacturing Facility in last three Fiscals, we cannot assure you that such events will not occur in the future. Any prolonged or repeated disruption at our Manufacturing Facility may materially and adversely affect our business, revenues, results of operations, cash flows, and overall financial condition.

**26. *Our business is dependent on the adequate and uninterrupted supply of power and water at a reasonable cost, and any shortage or increase in cost may adversely impact our operations and profitability.***

Our manufacturing operations are power-intensive and require continuous and reliable electricity to run our machinery at optimal capacity. We have access to the necessary utilities such as air, electricity, and water at our manufacturing facility in Halvad, Morbi, Gujarat. Our power requirements are met partly through renewable energy and partly through grid supply. Specifically, our facility is supported by an installed 1 MW rooftop solar power unit, a 4 MW ground-mounted solar power plant, and a 2.7 MW wind power plant, in addition to power drawn from our connection with PGVCL (Paschim Gujarat Vij Company Limited). During the fiscal year ended March 31, 2025, solar and wind power together constituted 80% of our total power consumption.

Despite these measures, we remain exposed to risks relating to fluctuations in power availability, grid outages, variability in renewable energy generation, and increases in per-unit power costs. Any material increase in tariffs or reduction in renewable energy benefits may raise our operating expenses, and we may not always be able to pass such increases on to our customers, which could impact our margins.

Our operations also depend on the adequate supply of water, which is typically met through borewells and third-party sources, supported by storage tanks within our facility. Any shortage in water availability, deterioration in quality, or increase in associated costs may disrupt production schedules, impair product quality, or necessitate additional expenditure on alternative sourcing.

While we have invested in renewable energy assets and water storage facilities to minimize such risks, there can be no assurance that we will always have access to adequate and cost-effective power and water. Any disruption or material increase in costs of these critical inputs may adversely affect our capacity utilization, business operations, financial condition, and results of operations.

**27. *Our investments in renewable energy assets such as wind turbines and solar plants involve significant capital costs, ongoing maintenance, and lifecycle risks, which may reduce the expected benefits of such projects.***

We have made substantial investments in renewable energy infrastructure, including wind turbines, ground-mounted solar plants, and rooftop solar panels, to cater to our captive power requirements. These assets involve

high upfront capital expenditure, regular maintenance, and periodic replacement of key components such as solar panels and inverters of solar plants, and blades and turbine parts of wind mills. Over time, efficiency levels may also decline due to degradation of solar modules or wear and tear in wind turbine equipment.

If these assets underperform, require unexpected repair, or face delays in procurement of spare parts, the anticipated cost savings from captive power generation may not materialize as planned. In such circumstances, we may have to incur additional operating expenses to maintain stable production, which could adversely impact our margins. Furthermore, if regulatory requirements relating to renewable energy installations tighten in the future, we may be required to incur further capital expenditure to remain compliant.

While we seek to maintain and operate our renewable assets efficiently through specialized agencies, there can be no assurance that such projects will continue to deliver the expected benefits, or that unforeseen costs and performance issues will not adversely affect our business, financial condition, and results of operations.

***28. The generation of electricity from our solar and wind captive power plants depends on climatic conditions, and unfavorable weather or environmental factors may reduce output, increase costs, and adversely impact our business.***

Our reliance on captive solar and wind energy for our business operations exposes us to risks arising from climatic conditions and operational factors, which may affect our ability to meet power requirements at optimal cost. We meet a significant part of our power needs through these captive renewable energy assets, including wind turbines, ground-mounted solar plants, and rooftop solar panels installed at our premises. While this reduces dependence on external suppliers, the performance of these assets depends heavily on climatic and environmental conditions such as wind speed, solar irradiation, temperature, and dust levels. Periods of low wind or reduced sunlight may lower generation, requiring us to manage production schedules around available power or incur higher operating costs by supplementing with alternate arrangements.

Our renewable energy systems are also exposed to risks such as equipment failure, panel degradation, inverter malfunction, or damage caused by severe weather or environmental conditions. Ground-mounted and rooftop installations may further be affected by shading from nearby structures, dust accumulation, or construction activity in the surrounding areas. Any significant reduction in generation capacity or prolonged downtime in these assets could affect our ability to run operations efficiently and increase our production costs.

While we maintain and monitor our renewable energy infrastructure, there can be no assurance that these assets will always perform at expected levels, or that unfavorable climatic conditions or technical issues will not adversely affect our business, financial condition, and results of operations.

***29. Our raw materials and finished products are susceptible to deterioration and colour fading during storage, which may result in losses, reduced realizations, and adverse impact on our profitability.***

We store both raw materials and finished products at warehouses located within our factory premises. Cotton is naturally prone to deterioration and discoloration over time due to factors such as exposure to air, humidity, or prolonged storage. In particular, raw cotton may lose its whiteness and finished yarn may experience colour fading if not consumed or sold within a reasonable period. If raw materials remain unused or finished products remain unsold for extended durations, they may become unsuitable for processing or fail to meet customer quality expectations. In such cases, we may be required to either scrap the affected inventory, reprocess or sell it at discounted prices. This would not only lead to direct financial loss but may also disrupt our production schedule if replacement material is not available on time.

Furthermore, accumulation of deteriorated stock may increase storage costs and working capital pressures. However, we adopt inventory management practices to minimize such risks, there can be no assurance that our raw materials or finished goods will not be subject to deterioration or colour fading during storage, and any such occurrence may materially and adversely affect our business, financial condition, and results of operations.

***30. Some of our Promoters do not possess formal higher education, which may be perceived as a limitation.***

Some of our Promoters, namely Mr. Divyang Jashvantbhai Patel, Mr. Jashwant Valjibhai Patel, and Mr. Rasiklal Valjibhai Patel, do not possess formal higher education qualifications. While this may be perceived as a limitation, our Promoters have acquired extensive practical experience, industry knowledge, and business acumen over the years, which have contributed significantly to the operations and growth of our Company.

We believe that their experience in the textile sector provides them with the skills required to manage our business effectively. However, there can be no assurance that the absence of formal higher education will not be viewed unfavourably by certain stakeholders, or that it will not have any impact on our ability to adopt evolving corporate practices.

**31. Our Company, Promoters, Directors, KMPs, SMPs, and Group Entities are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Promoters, Directors, KMPs, SMPs, and Group Entities are party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts. A summary of outstanding litigation proceedings involving Our Promoters, Directors, KMPs, SMPs, and Group Entities, as on the date of this Draft Red Herring Prospectus as disclosed in “*Outstanding Litigations and Material Developments*” on page 303, and in terms of the SEBI (ICDR) Regulations and the Materiality Policy is provided below:

Name	By/ Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authorities	Amount Involved
Company	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Promoters	By	Nil	1	Nil	Nil	59.96
	Against	Nil	Nil	Nil	Nil	Nil
Directors other than Promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
KMPs and SMPs	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil

There can be no assurance that ongoing litigations involving our Promoters, Directors, KMPs, SMPs, and Group Entities will be resolved in their favour. These proceedings may divert management’s attention, consume corporate resources, and lead to significant legal expenses. An adverse outcome in such cases could materially impact our reputation, business, financial condition, and results of operations, potentially affecting the trading price of our Equity Shares. Even if we are successful in defending these matters, the legal and related costs may still be substantial. Furthermore, we cannot guarantee that similar proceedings will not arise in the future, which could further adversely affect our business, cash flows, financial condition, and results of operations.

**32. Some of our Company’s Board of Directors do not have experience with listed companies.**

Our company’s Board of Directors consists of both executive and non-executive directors. Some of our directors do not have experience with listed companies. This lack of experience presents several risks, including but not limited to compliance risk, which could make us more susceptible to fines, penalties, or notices from regulatory authorities, potentially leading to reputational and governance risks. Furthermore, due to this inexperience, the directors may not be able to provide effective guidance or may issue erroneous disclosures or intimations as required, further exposing us to operational and regulatory challenges.

**33. Our Company have made delays in compliance with certain statutory provisions of the Companies Act, 2013. Such non-compliances/delayed filings may attract penalties and prosecution against the Company and its directors which could impact the financial position of the Company to that extent**

We monitor compliances with applicable laws and regulations by implementing stringent internal checks and controls. Although we have generally been in compliance with applicable laws, there have been certain instances of discrepancies/ errors in statutory filings. Although no regulatory action has been taken against us with respect to the aforesaid non-compliances/errors, there can be no assurance that regulatory action shall not be taken by the relevant authorities against us in the future. In an event, such an action is taken, we may be subject to penalties and other consequences that may adversely impact our business, reputation, and results of operation and there can be no assurance that we shall be able to successfully defend any action/allegation raised by such regulatory authorities. Our team meticulously follows a detailed compliance calendar providing for compliances under various applicable laws, including but not limited to the Companies Act. As we continue to grow, there can be no assurance that deficiencies in our internal controls shall not arise, or that we shall be able to implement, and

continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. There may be recurrences of similar discrepancies/errors in the future that could subject our Company to penal consequences under applicable laws. Any such action could adversely impact our business, reputation, and results of operation.

There may be recurrences of similar discrepancies in the future that could subject our company to penal consequences under applicable laws. Any such action may adversely impact our business, reputation, and results of operation.

To ensure that Company does not faces similar situations of delay, the company has taken following steps to address such delays:

1. Training and development sessions for the staff.
2. Increase the number of people to ensure timely compliance.
3. Prior planning and preparing compliance calendar
4. Collaboration with tax consultants and legal advisors, where required.

**34. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the GST Act, Income Tax Act, and other applicable laws.**

Our Company has made non-compliances with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ non-filing of e-forms under applicable acts to it in the last 5 years. However, we have paid the due amount along with interest to comply with the provisions of the law. Such non-compliances/delay Compliances/ erroneous filing/ non-registration may incur the penalties or liabilities which may affect the results of operations and financial conditions of the company in near future. The details of late filings in past years are given below:

Particulars	Financial period from 1/4/25 to 31/08/2025		Financial Year 2025		Financial Year 2024		Financial Year 2023	
	Number of Instances <sup>(1)</sup>	Amount delayed (₹ in Lacs)	Number of Instances	Amount delayed (₹ in Lacs)	Number of Instances	Amount delayed (₹ in Lacs)	Number of Instances	Amount delayed (₹ in Lacs)
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	5	6.94	12	18	11	17.47	3	5.37
Tax Deducted at Source	-	-	9	111.58	10	89.36	4	84.40
Goods and Service Tax	2	341.72	8	1,236.69	10	1,481.90	8	1,075.22
<b>Total</b>	<b>7</b>	<b>348.66</b>	<b>29</b>	<b>1,366.29</b>	<b>31</b>	<b>1,588.74</b>	<b>15</b>	<b>1,168.28</b>

<sup>(1)</sup> Number of Instances means delayed payment statutory liability under the respective law of a particular period. Delay of one period counted as one event.

The reasons for such delay were attributable to the operational issue, such as website glitch or change in respective online portal. Further, the Company is taking mitigation steps to address and reduce these delays such as:

1. Training and development sessions for the staff.
2. Prior planning and preparing compliance calendar.
3. Collaboration with professionals, wherever required.

Although the company has implemented such measures, we cannot assure you that we will not face any such similar situations in near future. Further, there can be situations where such delays are beyond the control of the company. In that case, even the mitigation steps mentioned above may not be effective and Company might have to face any notice or legal action and leading to fines and penalties.

**35. *Unsecured loans taken by our Company can be recalled by the lenders at any time.***

As on the date of this Draft Red Herring Prospectus, our Company has outstanding unsecured loans amounting to ₹1,445.5 Lakhs raised from Related Parties. These loans may be recalled by the lenders at any time. In the event that any lender demands repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. This could affect our company's liquidity.

If we are unable to procure such financing, we may not have adequate working capital to maintain the desired inventory level. As a result, any such demand could materially and adversely affect our business, cash flows, financial condition, and results of operations. For further details on financing arrangements entered into by our company, please refer to "*Financial Indebtedness*" on page 280 of this Draft Red Herring Prospectus.

**36. *Certain borrowings availed by our Company are secured by personal guarantees and personal properties of our Promoters, and enforcement of such collateral and personal guarantees by lenders could adversely affect our Promoters' ability to support our business and may have reputational, financial, or operational consequences.***

In connection with borrowings availed by our Company, our Promoters, including Mr. Vivek Rasik Gothi, Mr. Jashwant Valjibhai Patel, and Mr. Rasiklal Valjibhai Patel, have provided personal guarantees and personal properties as collateral security. While this arrangement has enabled us to access financing on competitive terms, it creates a reliance on the personal assets of our Promoters for maintaining such credit facilities.

The continued pledge of personal properties by our Promoters may give rise to potential conflicts of interest in certain circumstances. In the event of any default by our Company, lenders may initiate enforcement action against the collateral and personal guarantees provided by our Promoters. Such action could materially affect our Promoters' financial flexibility and impair their ability to continue supporting our business, whether through additional capital infusion, strategic guidance, or personal guarantees.

Further, reliance on Promoters' personal properties as collateral may also have reputational implications and could affect the perception of our creditworthiness in the market. There can be no assurance that continued dependence on Promoter-provided collateral will not have an adverse effect on our business, financial condition, results of operations, and prospects.

**37. *Our lenders have created security interests over our movable and immovable properties in connection with the financing facilities availed by us, and any enforcement of such security could adversely affect our business, financial condition, and results of operations.***

We have availed secured borrowing facilities from banks and financial institutions, and in connection therewith, we have created charges over certain of our movable and immovable properties, including plant and machinery, inventories, receivables, and other current assets. As on March 31, 2025, an aggregate of ₹7033.57 lakhs was outstanding towards such secured borrowings. For further details, see "*Financial Indebtedness*" on page 280 of the Draft Red Herring Prospectus.

In the event of any default in repayment of principal or interest obligations, or breach of any term of the financing agreements, our lenders may enforce their security interests and initiate recovery proceedings, including seizure and sale of secured assets. Any such enforcement could disrupt our operations, impair our ability to utilize critical assets, and materially affect our liquidity and cash flows.

Although we have not experienced any material delays or defaults in repayment of our borrowings during preceding three Fiscals, there can be no assurance that such instances will not occur in the future. Any enforcement action by lenders could materially and adversely affect our business, financial condition, results of operations, and prospects.

**38. *We are subject to restrictive covenants under our financing agreements that may limit our operational and financial flexibility. Any default or breach of these covenants could lead to acceleration of repayment obligations, enforcement of security interests, cross-defaults, or termination of financing arrangements, which may materially and adversely affect our business, results of operations, and financial condition.***

We have availed secured short-term and long-term borrowings from banks and financial institutions. As on March 31, 2025, an aggregate of ₹7033.57 lakhs was outstanding towards secured loans. These borrowings are secured by way of mortgage over certain of our fixed assets, hypothecation of our current assets (both present and future), and personal properties of our Promoters provided as collateral. For further details, see “*Financial Indebtedness*” on page 280 of this Draft Red Herring Prospectus.

In the event of non-compliance with financial or non-financial covenants, or failure to make timely payments, such breaches may constitute events of default. Consequences of such defaults may include termination of the relevant facility, imposition of penal interest, acceleration of repayment obligations, enforcement of security over our assets or Promoters’ collateral, and restrictions on our ability to raise further borrowings. Certain of our agreements also contain cross-default provisions, which may trigger simultaneous enforcement action by multiple lenders.

Further, our lenders reserve the discretion to renew, enhance, reduce, suspend, or cancel our credit facilities, or to modify the terms and conditions of such facilities. Any adverse action by lenders whether refusal to renew, reduction in sanctioned limits, or enforcement of security may significantly impact our liquidity, cash flows, and operational continuity.

While we believe we are in compliance with the terms of our financing agreements, there can be no assurance that we will continue to do so in the future, or that lenders will waive any breach or grant requisite consents in a timely manner. Any failure to comply with these covenants, or any enforcement action initiated by lenders, could materially and adversely affect our business, financial condition, results of operations, and prospects.

***39. Our business operations rely on the availability of labour, and any shortage or unavailability of labour could disrupt our operations and adversely impact our performance.***

Our business operations depend on the availability and retention of labour and daily wage workers, with whom we have long-term working relationships. If we are unable to retain or recruit such labour, our business could be adversely affected. While our employees are not currently unionized, there is no guarantee they will not seek unionization in the future. Any such action could disrupt our flexible labour policies, increase costs, and negatively impact our operations.

Additionally, amendments to labour laws, including those related to wages, social security, and occupational safety, may lead to higher employee costs and compliance expenses, which could affect our margins. Furthermore, challenges in recruiting and retaining skilled workers could have a material adverse effect on our business. We cannot assure that such disruptions will not occur in the future, potentially impacting our profitability and financial condition.

***40. Our Company had acquired a property from our Promoters and members forming part of our Promoter Group. Our Promoters shall be deemed to be interested in the purchase of the aforementioned property.***

Our Company has purchased the following property from our Promoters namely Rasiklal Valijibhai Patel and Gothi Vivek Rasiklal and members of our Promoter Group namely, Kusumben Rasikbhai Patel and Jalpa Punit Patel. The details in respect of such property and the purchase consideration have been disclosed in the chapters titled “Our Management – Interest of Directors” and “Our Promoters and Promoter Group – Interests of Promoters” on pages 195 and 213 of this Draft Red Herring Prospectus, respectively. Our Promoters and the members of our Promoter Group may be deemed to be interested in the aforementioned transaction. While, the transactions of purchase of land from our Promoters, Rasiklal Valijibhai Patel and Gothi Vivek Rasiklal and members of our Promoter Group namely, Kusumben Rasikbhai Patel and Jalpa Punit Patel have been conducted in the ordinary course of business, in accordance with the provisions of applicable laws and on an arm’s length basis and is not been prejudicial to the interests of our Company, however we cannot assure you that we shall continue to do the same in future. As of date of this Draft Red Herring Prospectus, there are no material conflicts, any such present and future conflicts could have a material adverse effect on our business, results of operations and financial condition. For further details see “Our Business - Property” on page 169 of this Draft Red Herring Prospectus.

***41. Our growth and financial performance are dependent on factors influencing the demand for cotton yarns and any adverse changes in such factors may materially and adversely affect our business, results of operations and financial condition.***

The demand for our products such as carded, combed and compact combed cotton yarns and cotton bales is closely linked to trends in the domestic and international textile industries. Our yarns are used in both weaving and knitting applications, catering to a broad range of end-use segments including denim, shirting, home textiles, terry towels, sweaters, socks, and industrial fabrics. The consumption of cotton yarn is influenced by macroeconomic conditions, growth in apparel and home textile industries, urbanisation, household income levels, and export demand from global buyers. Any slowdown in economic growth, reduction in disposable incomes, or contraction in consumer spending could adversely affect demand for downstream textile products, which in turn may reduce demand for our yarns and bales.

The demand for cotton yarn is also sensitive to government interventions such as changes in Minimum Support Prices (MSPs), procurement policies, export restrictions, or modifications in import duties on cotton. Unfavourable changes in such policies could affect both the cost and availability of raw cotton and the competitiveness of cotton yarn compared to synthetic or blended yarn alternatives. In addition, the continuation or withdrawal of industry schemes and incentives, such as the Textile PLI (Production Linked Incentive) scheme, the Technology Upgradation Fund Scheme (TUFS), may impact sectoral competitiveness and demand.

In international markets, our sales are exposed to factors such as global cotton price movements, exchange rate fluctuations, changes in trade policies of importing countries, tariff or non-tariff barriers, and shifting customer preferences toward man-made fibres. Geopolitical tensions, regulatory restrictions, or global trade disruptions could also impact export volumes routed through our reseller.

Given the concentration of our revenues in cotton yarn and bales, any sustained downturn in demand whether due to economic slowdown, consumer preference shifts, policy changes, or adverse global trade developments may materially and adversely affect our growth prospects, revenues, profitability, cash flows, and overall financial condition.

***42. Our growth is directly linked to the performance of the textile and apparel industry, and any slowdown or shift in demand within these segments may adversely impact our revenues and profitability.***

We are engaged in the manufacture of cotton yarn, which serves as an intermediate product in the textile value chain. Our yarn is primarily used by fabric manufacturers and subsequently in the production of apparel, garments, home textiles, and other end uses. Accordingly, the demand for our products is closely tied to the growth, consumption patterns, and competitiveness of the textile and apparel sectors, both in domestic and export markets.

The cotton yarn industry faces intense competition from man-made and synthetic yarns, which have gained wider acceptance due to evolving fashion trends, cost advantages, and government incentives for man-made fiber-based textiles. Any shift in consumer preference from cotton to synthetics, or prolonged downturn in the domestic or international apparel markets, could directly affect the demand for our products. In such circumstances, our sales volumes, pricing power, and profitability may come under pressure. There can be no assurance that growth in the textile and apparel industry will remain robust, or that demand for cotton yarn will not decline in favor of substitutes. Any such slowdown or shift in demand may materially and adversely affect our business, financial condition, and results of operations.


***43. Our inability to maintain an optimal level of inventory may adversely affect our operations, working capital, and ability to meet customer demand.***

Our operations are heavily dependent on maintaining adequate inventory levels of raw materials and finished goods, which in turn are determined by projected sales and seasonal procurement cycles. Maintaining optimal inventory is critical to ensuring timely production, meeting customer orders, and sustaining consistent sales.

If we overstock inventory, our working capital requirements increase, and we are exposed to risks of higher storage costs, deterioration or obsolescence of stock, and pressure on liquidity. Conversely, if we understock inventory, we may not be able to respond to customer demand on time, resulting in potential loss of sales, strained customer relationships, and reduced market share. Further, any mismatch between our demand forecasts and the actual offtake by customers could disrupt production planning and adversely affect our operating performance. However, we adopt inventory monitoring practices, there can be no assurance that our inventory levels will always remain optimal, and any such imbalance may materially and adversely impact our business, financial condition, and results of operations.

**44. We may not be able to adequately protect our intellectual property, including our trademarks, and any failure to do so may adversely affect our business, reputation, and goodwill.**

Building recognition for our brand and maintaining its distinctiveness is critical to our business, as it enables us to compete effectively in domestic and export markets. Our brand name and logo are important in establishing trust with customers, suppliers, and other stakeholders. As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Sr. No.	Name of the IPR registration/ license	Type of Trademark	Registration Number	Date of registration/ application	Class	Status
1.	AASTHA Spintex* 	Device	2937732	April 9, 2015	23	Registered

*\*As on the date of this DRHP, the online records of the Trademarks Registry reflect the proprietor's name as 'Aastha Spintex Private Limited'. An application dated July 10, 2025, has been submitted to record the change of name from 'Private Limited' to 'Public Limited' with the Trademarks Registry, and approval is awaited. The trademark proprietor details will be updated to reflect the new name upon approval.*

Our rights to use this registered trademark are subject to renewal at periodic intervals. Any failure to renew such registration may impair our right to use the mark in future. Further, while we have made efforts to protect our intellectual property, there can be no assurance that our measures will be adequate. Unregistered or unprotected elements of our intellectual property may be vulnerable to third-party claims, which could result in erosion of our business value and reputation.

Third parties may attempt to infringe, imitate, or misuse our registered trademark, brand name, or logo. We may not always be able to detect such unauthorised use or take timely and effective legal action to prevent it. The use of deceptively similar or identical marks by competitors or other parties could mislead customers, dilute our brand equity, and result in loss of reputation or business opportunities.

Although we have not encountered any unauthorised use or infringement of our intellectual property during the last three Fiscals, there can be no assurance that we will be able to protect our intellectual property in the future. Any failure to adequately enforce our intellectual property rights, or defend against third-party claims, may materially and adversely affect our business, financial condition, results of operations, and goodwill. For further details, see the section titled "Government and Other Statutory Approvals" on page 308 of this Draft Red Herring Prospectus.

**45. Our business depends on our ability to consistently maintain stringent quality standards. Any failure to meet customer-prescribed specifications may result in product rejections, order cancellations, reputational harm, and adverse impact on our financial performance.**

We are engaged in the manufacturing and trading of carded, combed and compact combed cotton yarns and cotton bales, which are primarily supplied to textile manufacturers, yarn exporters, bulk purchasers, and fabric processors in the B2B segment. These buyers often operate under strict technical parameters driven by both domestic and export market requirements. Our customers prescribe benchmarks relating to strength, uniformity, twist, elongation, and appearance. Consistent adherence to these specifications is critical to sustaining long-term relationships and repeat orders.

Our spinning operations at Halvad, Morbi, Gujarat involve multiple interdependent processes including opening, cleaning, carding, combing, spinning, winding, and final packaging. Each stage requires precision, skilled manpower, and continuous monitoring. Variations in raw cotton quality, equipment malfunction, operator error, or deviation from prescribed process norms may result in defects such as unevenness, excessive hairiness, or low tensile strength. Such defects could lead to rejection of consignments, customer complaints, cancellation of orders, or erosion of our reputation in the textile value chain.

Our reputation in both domestic and export-linked markets is closely tied to our ability to deliver cotton yarns that meet consistent and reliable quality standards. Customers may conduct internal testing or engage accredited third-party laboratories before accepting shipments, and in many cases, we are required to provide samples for technical evaluation before bulk orders. Any failure to meet these benchmarks at the sample stage, during pre-dispatch



testing, or post-delivery inspection may result in loss of sales and impair our standing with existing and potential customers.

While we have an in-house laboratory and Quality Team at our Manufacturing Facility that conducts testing at various stages of production, supported by semi-automated machinery and standard operating procedures designed to maintain uniformity, there can be no assurance that defects will not arise. Any deterioration in customer confidence could adversely affect our order pipeline, revenue visibility, and overall competitiveness.

Although we have not faced any material product rejections or quality-related order cancellations during Fiscal 2025, Fiscal 2024 or Fiscal 2023, there can be no assurance that such issues will not occur in the future. Despite continued investments in preventive maintenance, workforce training, and quality assurance systems, any inability to maintain or upgrade these measures in line with evolving customer requirements may constrain our ability to sustain quality performance and could negatively affect our long-term customer relationships and financial results.

**46. 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.**

Our operations are critically dependent on our ability to anticipate demand accurately and align procurement of raw cotton, production schedules, and inventory management. Cotton bales, our primary raw material, are seasonally procured between October and March, when availability is higher and procurement costs are relatively lower. To ensure uninterrupted production throughout the year, we build buffer stocks of cotton bales and also maintain finished yarn inventory to service customers who often operate with short lead times and fluctuating order volumes.

Our current order book at times exceeds our installed production capacity, and to cater to this growing demand we have proposed the acquisition of Falcon Yarns Private Limited, which is expected to enhance our spindle capacity and broaden our production base. Until such capacity addition is fully integrated and operational, we may face challenges in timely meeting customer requirements, which could strain relationships and impact our ability to capitalize on demand opportunities.

Any misjudgment in demand forecasting may further expose us to risks of under-stocking or over-stocking. Under-stocking of cotton bales or finished yarn could impair our ability to fulfil customer orders in a timely manner, resulting in loss of business opportunities, weakened customer relationships, and suboptimal utilization of our Manufacturing Facility. Conversely, excess stocking of cotton or finished goods may increase storage and financing costs, strain our working capital cycle, and expose us to risks of deterioration in raw cotton quality, which is sensitive to moisture and storage conditions.

For Fiscal 2025, Fiscal 2024, and Fiscal 2023, our inventory turnover ratio was 2.82 times, 4.06 times, and 3.86 times, respectively, and inventory constituted 61.55%, 37.11%, and 54.08% of our total current assets for the respective periods. While we have not experienced any material inventory obsolescence or disposal during these periods, there can be no assurance that such issues will not arise in the future.

Any sustained mismatch between forecasted demand and actual consumption could adversely affect our ability to manage costs, meet customer expectations, and maintain profitability. If we are unable to optimize inventory levels on an ongoing basis, it could materially impact our cash flows, working capital cycle, and overall financial condition.

**47. Any downgrade of our debt ratings could adversely affect our business.**

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. Currently, our borrowings facilities availed from the bank are rated by a credit rating agency. We have received the following credit rating in respect of our credit rating facilities during last three Fiscals 2025, 2024 and 2023:

Rating Agency	Instruments	Fiscal 2025	Fiscal 2024	Fiscal 2023
Agency 1	Term Loan	-	Ind BB+/Positive (July 10, 2024)	Ind BB+/Stable (May 2, 2023)
Infomerics Ratings	Long Term Loan Facilities	IVR BBB/Stable	IVR B+/Negative (INC)*	-
	Short Term Facilities	IVR A3 (February 10, 2025)	- (Previous rating)	

*\*Issuer not cooperating and rating withdrawn, based on the best available information*

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Though the credit rating have not been downgraded in the past three financial years, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

**48. *We may not be successful in implementing our business and growth strategies.***

The success of our business is largely dependent on our ability to effectively implement our business and growth strategies. While we have been able to execute our strategies successfully in the past, there is no assurance that we will be able to implement them on time, within the estimated budget, or meet the expectations of our targeted customers or projects in the future. Changes in applicable regulations could also pose challenges to the implementation of our strategies. Additionally, our growth strategies may place substantial demands on our management team and resources, requiring ongoing development and improvement of our operational, financial, and other controls, none of which can be guaranteed. Failure to effectively implement our business and growth strategies may have a significant negative impact on our business, results of operations, and overall financial performance.

**49. *We operate in a highly competitive industry and face competition from both domestic and international yarn manufacturers as well as from the increasing use of synthetic fibres. Our inability to effectively respond to these challenges could adversely affect our business, profitability, and market position.***

The Indian textile industry is fragmented and characterized by the presence of large integrated manufacturers, medium-sized regional players, and international suppliers. We compete primarily on the basis of product quality, consistency, customization, customer relationships, pricing, and timely delivery. Our competitors include established domestic mills with larger installed capacities, vertically integrated textile groups that enjoy downstream access to fabric and garment production, and international manufacturers from lower-cost jurisdictions.

Many of these competitors benefit from longer operating histories, greater brand recognition, access to cheaper raw materials or capital, stronger distribution networks, and larger economies of scale. These advantages may enable them to absorb raw material price fluctuations more effectively or extend more favourable commercial terms to customers, thereby placing pressure on our pricing and margins. Additionally, consolidation within the textile sector and the potential entry of well-capitalized global players may intensify competitive pressures.

Our competitors may also invest more aggressively in advanced spinning technologies, automation, or backward integration into cotton procurement and ginning, enhancing their operational efficiencies and product offerings. Failure on our part to match such investments or to continuously upgrade our product mix could create barriers to sustaining growth and erode our relative competitiveness.

Further, the global and domestic textile industry is experiencing a gradual shift in demand from cotton yarns to synthetic alternatives such as polyester, nylon, and elastane. These synthetic fibres offer cost efficiency, durability, wrinkle resistance, and faster drying times, and are particularly suited to the requirements of the fast-fashion segment. The increasing adoption of such fibres by fabric and apparel manufacturers could reduce demand for cotton yarns and impact our ability to expand sales volumes.

Given our exclusive focus on cotton-based yarns and bales, aggressive competition or structural shifts in customer preferences could result in pricing pressure, loss of customers, underutilization of capacity, and reduced profitability. While we believe our focus on quality, customization, and long-standing relationships with buyers in Gujarat and through our reseller network provides us with a competitive edge, there can be no assurance that we will be able to continue to compete successfully against existing or future competitors.

**50. *Certain agreements, deeds or licenses, statutory approvals and certificates may be in the previous name of the company, we have to update the name of our company in all the statutory approvals and certificates due to the conversion of our Company.***

Our Company was originally incorporated as Integrated Service Point Private Limited and was subsequently converted into a public limited company and renamed Integrated Service Point Limited. Pursuant to this change, certain agreements, deeds, licences, statutory approvals, and certificates obtained in the name of our erstwhile private limited company continue to remain in the previous name.

Following major agreements, licenses, statutory approval and certificates are in the previous name of the company:

Sr. No.	Nature of Registration / License/ Agreement/ Certification	Issuing Authority/ Party	Purpose	Date of Application
1.	Certificate of registration bearing code GJRAJ1378502000, dated September 23, 2015.	Employees Provident Fund Organization	Registration of establishment under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for allotment of PF code and compliance with statutory provident fund obligations	July 16, 2025
2.	OEKO-TEX Standard 100 Certification bearing number 15.HIN.70555, dated January 08, 2025	OEKO-TEX Service GmbH, Zurich.	Product safety certification under OEKO-TEX Standard 100 for yarns made of 100% cotton (raw white) in Product Class I (baby articles) – Annex 6, confirming compliance with human-ecological limits for harmful substances and granting use of the OEKO-TEX mark	July 17, 2025
3.	Registration of trademark 'AASTHA Spintex' (device mark), bearing registration number 2937732 under class 23, dated April 09, 2015.	Controller General of Patents, Designs and Trade Marks (Trade Marks Registry), India	Protection of brand identity in respect of yarns and threads by securing exclusive statutory rights to use the 'AASTHA Spintex' device mark in Class 23 and to restrain unauthorized use by third parties.	July 10, 2025

We have initiated the process of updating such documents with the relevant counterparties and authorities. However, there can be no assurance that all such changes will be completed in a timely manner, or at all. Any delay or failure in updating these documents to reflect our current name may result in difficulties in relying on such approvals, complications in enforcing contractual rights, increased compliance costs, and potential regulatory or legal challenges. These factors may, individually or in the aggregate, have a material adverse effect on our business, operations, financial condition, and results of operations.

**51. Under-utilization of our manufacturing capacities, or our inability to effectively utilize our installed capacities, could adversely affect our business, prospects, and financial performance.**

As on the date of this Draft Red Herring Prospectus, our Manufacturing Facility at Halvad, Morbi, Gujarat has an installed capacity of 25,920 spindles across 15 compact ring spinning machines, a cotton yarn production capacity of 7,700 MT per annum, and an annual ginning capacity of 12,000 MT of cotton bales.

The following table sets forth the capacity utilization of the Company's products at our Manufacturing Facility for the specified periods:

Product Segment	Fiscal 2025			Fiscal 2024			Fiscal 2023		
	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)
Cotton Yarns	7,700	7,436	97.01%	7,700	7,361	95.60%	6,400	6,137	95.89%
Cotton Bales	12,000	9,897	82.48%	12,000	9,526	79.38%	12,000	8,531	71.09%

\* As Certified by Independent Chartered engineer vide certificate dated September 15, 2025.

Capacity utilization is calculated on the basis of installed production capacity and actual production for the respective financial periods. For further details, see "Our Business – Capacity Utilization" on page 165

Our capacity utilization is subject to fluctuations depending on factors such as market demand, seasonality in cotton procurement, availability and pricing of raw cotton, customer order visibility, competitive pricing dynamics, availability of skilled labour, maintenance shutdowns, and external disruptions. Prolonged under-utilization may result in sub-optimal usage of assets, lower economies of scale, and an increase in per unit production costs.

Although we have historically maintained near-optimal capacity utilization, there can be no assurance that we will be able to continue to operate at similar levels in the future. Any significant reduction in demand for cotton yarn or cotton bales, inability to procure cotton at viable prices, or failure to secure sufficient sales orders could lead to lower utilization of our Manufacturing Facility. This may affect our ability to absorb fixed overheads, erode margins, and impact our profitability. In the event of sustained under-utilization, we may also be unable to recover the investments made in our plant and machinery, while incurring increased maintenance and holding costs.

**52. Any non-compliance with the Legal Metrology Act, 2009 and the Gujarat Legal Metrology (Enforcement) Rules, 2011 may expose us to penalties and regulatory actions, which could adversely affect our business and operations.**

Our operations include procuring raw cotton and cotton bales, processing them into yarn, and selling the finished yarn to domestic and international customers. In the course of business, we use weighing equipment and measuring instruments for the procurement, storage, and sale of cotton and cotton yarn. Such activities are governed by the Legal Metrology Act, 2009 and the Gujarat Legal Metrology (Enforcement) Rules, 2011, which prescribe standards for weights and measures, licensing requirements for their use in trade, and mandatory verification and stamping by the Office of the Controller of Legal Metrology, Gujarat.

Any lapse in compliance with the above requirements such as usage of non-verified weighing equipment, expired verification certificates, or failure to obtain or renew the requisite licenses may attract monetary penalties, suspension or cancellation of licenses, and even seizure of goods being weighed or measured. Such actions could disrupt our procurement or sales processes, delay delivery schedules, and adversely affect our reputation with suppliers and customers.

While we endeavour to comply with all applicable provisions of the Legal Metrology framework, given the ongoing reliance on weighing equipment across our operations, we cannot assure you that inadvertent non-compliances will not occur in the future. Any such violations may materially and adversely impact our business, financial condition, and results of operations.

***53. Our insurance coverage may not adequately protect us against all risks associated with our business and operations, and any uninsured, underinsured, or excluded losses could materially and adversely affect our business, financial condition, and cash flows.***

We have obtained adequate insurance policies to mitigate risks typically associated with the operation of our integrated manufacturing facility and related activities. These include industrial risk policies covering damage to buildings, plant and machinery, and furniture and fixtures, motor insurance, raw material and finished stocks related policy and employee compensation insurance. For further details, see “Our Business—Insurance” on page 168 of this Draft Red Herring Prospectus.

While we believe that the insurance coverage we have obtained is consistent with industry practice, it may not be adequate to cover all risks or the full extent of potential losses. Certain events may be excluded from coverage, may not be insurable on commercially reasonable terms, or may be subject to limitations, deductibles, or other conditions. For example, losses arising from extraordinary natural disasters, pandemics such as COVID-19, accidents or breakdowns not falling within the scope of standard policies, or damages exceeding applicable policy limits may not be recoverable.

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. Although we have not experienced any material instance of insurance non-renewal, rejected claims, or shortfall in coverage during Fiscal 2025, Fiscal 2024, or Fiscal 2023, there can be no assurance that such issues will not arise in the future.

To the extent that we suffer loss, damage, or liability for which we are uninsured, underinsured, or where recovery is delayed or denied by insurers, we would be required to bear such costs ourselves. This could materially and adversely affect our operations, financial condition, results of operations, and cash flows.

***54. Technological changes in the textile industry may render our manufacturing facility and machinery less competitive or obsolete, which could adversely affect our business and results of operations.***

Our competitiveness and future success depend, in part, on our ability to adopt and respond to technological advancements and evolving industry practices in the textile sector. Continuous modernization and upgradation of machinery are essential in our spinning operations to improve quality, enhance productivity, and reduce costs. If our existing machinery and technology are not upgraded on a timely basis, they may become less efficient or obsolete, which could impair our ability to meet customer requirements and reduce our competitive edge.

The textile industry is witnessing increasing automation and adoption of advanced spinning technologies, which often involve significant capital expenditure. Implementation of such upgrades carries technical and business risks, and there is no assurance that we will be able to adapt to such changes cost-effectively. Further, failure to upgrade our machinery in line with emerging industry standards may result in reduced operating efficiency, higher production costs, or an inability to meet evolving product specifications of customers.

We cannot assure you that we will always be able to successfully implement new technologies, procure advanced machinery at competitive prices, or adapt our processes to changing customer requirements. If we are unable, for technical, financial, or other reasons, to adapt in a timely manner to technological changes, our manufacturing operations, revenues, and results of operations may be materially and adversely affected.

***55. The Contracts in our order book may be adjusted, cancelled, or suspended by our clients at their discretion, and therefore our order book is not necessarily indicative of future revenues or earnings.***

Our order book reflects anticipated revenue from awarded contracts based on the assumption that they will proceed as scheduled. However, there can be no assurance that the contracts included in our order book will be realized as revenue or, if realized, will result in profit. During periods of economic slowdown or market instability, the

likelihood of contract adjustments, cancellations, or suspensions may increase. Any such delays or cancellations could adversely impact our cash flows, revenues, and profitability.

**56. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price of the Equity Shares offered through the present Issue.**

The average cost of acquisition of Equity Shares of our Promoters as on the date of this Draft Red Herring Prospectus is as follows:

Name of Promoter	Number of Equity Shares Held	Average cost per Equity Share (in ₹)
Patel Divyang Jashwantbhai	56,66,355	12.14
Rasiklal Valjibhai Patel	52,78,247	12.48
Gothi Vivek Rasiklal	51,25,541	13.12
Jashwant Valjibhai Patel	45,66,880	15.60

For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoter in our Company, see “CapitalStructure” on page 79 of this Draft Red Herring Prospectus.

**57. We may be unable to attract and retain skilled and experienced personnel, and any shortage of such manpower may adversely affect our operations, business growth, and financial performance.**

Our operations depend on the skills and expertise of our workforce, particularly machine operators, maintenance technicians, and quality control staff. The textile industry in Gujarat and across India faces high competition for experienced manpower, and attrition levels are generally elevated. If our employees leave prematurely, we may not be able to replace them with equally skilled personnel on a timely basis. This could disrupt our production, increase recruitment and training costs, reduce productivity, and adversely affect our profitability.

Further, if attrition levels in our company is high, it may impact our ability to expand capacity, meet customer orders on schedule, or maintain consistent product quality. Any significant increase in labour costs required to attract or retain talent could also affect our margins.

The following table sets forth the attrition rates in our Company for the periods indicated:

Fiscal	Opening Headcount	Joined	Exited	Closing Headcount	Average Headcount	Attrition Rate %
2023	205	37	27	215	210	12.86%
2024	215	56	65	206	210.5	30.88%
2025	206	26	29	203	204.5	14.18%

While we provide on-the-job training and seek to maintain competitive compensation structures, there can be no assurance that our efforts will be sufficient to reduce attrition. Any inability to retain skilled workers or manage high attrition levels may materially and adversely impact our business, financial condition, and results of operations.

**58. Fraud, mismanagement, or improper conduct could adversely impact project execution and our business operations**

Any instance of fraud, mismanagement, or improper conduct by our employees, vendors, contractors, or other stakeholders involved in our operations or projects could result in significant delays, cost overruns, or even project cancellations. Such incidents may lead to legal or regulatory consequences, financial losses, and disruptions in project timelines. In addition, any such conduct may damage our reputation, erode stakeholder trust, and divert management’s attention from core business activities. There can be no assurance that all instances of misconduct will be detected in a timely manner or fully prevented through internal controls, and any such event could materially and adversely affect our business, financial condition, and results of operations.

We have established internal controls, monitoring systems, and vendor due diligence processes to detect and prevent fraud or misconduct. We also conduct regular audits and employee training to uphold ethical standards, ensuring smooth project execution and protecting our business operations.

**59. Operational risks arising from wind and solar power machinery breakdown may adversely affect our business, financial condition, and sustainability goals.**

We rely on renewable energy assets, including our 2.7 MW wind power plant, 4 MW ground-mounted solar power plant, and 1 MW rooftop solar installation, to partly meet our power requirements, reduce operational costs, and support our sustainability initiatives. Any underperformance or malfunction of the wind and solar power plant due to irregular wind or solar conditions, grid connectivity issues, equipment failures, inadequate maintenance, or natural calamities may lead to increased dependence on grid electricity at higher tariffs. Delays in repairs, non-availability of spare parts, or reliance on third-party service providers for maintenance may further prolong downtime and impact our ability to achieve projected cost savings and internal sustainability targets.

In addition, our business operations are heavily dependent on the efficient functioning of critical spinning and auxiliary machinery. Any obsolescence, damage, theft, or unexpected breakdown of equipment could disrupt production, increase capital expenditure for replacements, and reduce operating efficiency. Procuring new or specialized machinery, particularly those sourced from original equipment manufacturers, may involve significant lead times and higher costs, exacerbated by inflationary pressures, supply chain disruptions, or shortages of components.

While we conduct regular maintenance and performance monitoring of our renewable energy assets and plant machinery, and maintain contingency plans to minimize downtime, there can be no assurance that such measures will fully prevent operational disruptions. Any prolonged underperformance of renewable assets or breakdown of machinery may materially and adversely affect our operations, cash flows, financial condition, and overall business performance.

***60. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.***

Internal controls are checks and measures providing reasonable assurance about the achievement of objectives set by the board of the company, ensuring integrity of financial and other reporting and helping in detection and prevention of frauds. There are chances of circumventing such controls due to collusion or human error. Even though our company has not encountered any instances of failure of the internal control system during the preceding three financial years, we cannot provide assurance that such instances will not occur in the near future. We also cannot be assured that efficiency and effectiveness of internal control will be always maintained, or we will be able to implement adequate measures to rectify or mitigate any such deficiencies in internal control. If internal control weaknesses are not identified or necessary changes are not carried out, it may adversely affect our business, results of operations and financial condition.

***61. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

Our management will have broad discretion in using the Net Proceeds, and investors will rely on our management's judgment regarding their application. However, we cannot make any significant changes in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining approval from our shareholders through a special resolution. Our Company may need to revise its management estimates periodically due to factors outside our control, such as market conditions, competition, commodity prices, and fluctuations in interest or exchange rates, which may affect our requirements. Additionally, various risks and uncertainties, including those mentioned in this section, may limit or delay our ability to use the Net Proceeds to achieve

Any change or variation in the utilisation of the Net Proceeds will require compliance with certain requirements, including prior shareholder approval. We plan to use the Net Proceeds as outlined under "Objects of the Issue" on page 104 of Draft Red Herring Prospectus. However, these funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been independently appraised. As per Section 27 of the Companies Act, any variation in the utilization of the Net Proceeds from the Issue, as disclosed in this Draft Red Herring Prospectus, can only be made after obtaining approval from shareholders through a special resolution. If our Company wishes to change the intended use of the Net Proceeds, there is a possibility that we may not obtain shareholder approval in a timely manner, or at all. Any delay or inability to obtain this approval may negatively impact our business or operations. Therefore, we may not be able to change the utilisation of the Net Proceeds or use any unutilised funds, even if such changes would benefit the Company. This could limit our ability to respond to changes in our business or financial condition, potentially affecting our results of operations.

**62. *Our business operations are subject to extensive environmental, health, and safety regulations, and any failure to comply with such regulations could materially and adversely affect our business, financial condition, and results of operations.***

Our manufacturing processes involve handling of raw cotton, 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 such as Consents and Authorizations 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.

Environmental regulations in India, including those applicable to the textile sector, are evolving and are expected to become more stringent with the government's increased emphasis on sustainable manufacturing, energy efficiency, and resource conservation. Any tightening of norms relating to effluent treatment, dust emissions, or disposal of cotton waste and by-products may require us to incur significant capital expenditure for new pollution control equipment, modifications to existing processes, or adoption of new technologies.

Further, our operations depend on natural resources such as water and power, both of which are subject to usage restrictions and regulatory oversight. Any adverse changes in regulations, stricter enforcement, or failure to obtain or renew the required approvals could result in higher compliance costs, penalties, reputational harm, suspension of approvals, or even temporary shutdown of our manufacturing facility.

While we endeavour to comply with applicable environmental, health, and safety laws, we cannot assure you that inadvertent non-compliances will not occur in the future. Any failure to comply with such regulations may materially and adversely affect our business, financial condition, results of operations, and growth prospects.

**63. *Compliance with stringent environmental, health, and safety laws may lead to higher capital expenditures.***

Our business operations are subject to a comprehensive framework of Central and State environmental laws and regulations in India, which govern pollution control and environmental protection. These regulations address the discharge of chemicals, dust, and other pollutants into the air, soil, or water. Any non-compliance with these regulations, including emissions exceeding prescribed limits, may result in liability for environmental damage and require us to implement remedial measures, potentially leading to increased costs.

Given the evolving nature of environmental regulations in India, compliance requirements may become more stringent over time. Amendments introducing more rigorous standards, stricter enforcement mechanisms, or enhanced regulatory scrutiny could necessitate significant capital expenditures for pollution control measures and compliance-related infrastructure. Such developments could impact our operational efficiency, increase costs, and adversely affect our financial condition and business prospects.

While we are currently not involved in any environmental legal proceedings, there is no assurance that we will remain unaffected in the future. Any potential litigation or regulatory action concerning environmental compliance could lead to financial liabilities, diversion of management attention, and operational disruptions. We cannot guarantee that we will successfully resolve all such matters in our favor, which could have an adverse impact on our business and financial performance.

**64. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure, and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that the Board of Directors deem relevant, including, among others, our results of operations, financial condition, cash requirements, business prospects, and any other financing arrangements. For details of our dividend history, please refer to the Chapter titled "Dividend Policy" on page 219 of this Draft Red Herring Prospectus.

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



We may require additional capital from time to time based on our business needs. Any issuance of shares could lead to the dilution of the shareholding of existing shareholders, and such issuances may occur on terms and conditions that may not be favorable to the current shareholders. If such funds are raised in the form of loans or debt, it could substantially increase our interest burden, thereby reducing our cash flows. This may adversely affect our profitability and our ability to pay dividends to our shareholders.

**66. *Our future operating results are difficult to predict and may fluctuate significantly or deviate adversely from our past performance.***

Our operating results may vary significantly in the future and may not align with past performance due to several factors, many of which are beyond our control. These factors include, but are not limited to, changes in demand for our products, shifts in market conditions, challenges in maintaining strategic alliances, and unforeseen operational or economic disruptions. Consequently, our business, financial condition, and results of operations may be adversely affected, particularly if growth in product demand declines or if strategic partnerships fail to yield expected benefits or become unprofitable. As a result, our future performance may exhibit fluctuations or deviate materially from past trends, making it inherently unpredictable.

**67. *This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Infomerics Analytics & Research Private Limited (“Infomerics Analytics & Research”), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue.***

This Draft Red Herring Prospectus includes industry and market information sourced from third-party sources, including an industry report dated September 29, 2025, prepared by *Infomerics Analytics & Research Private Limited* (“*Infomerics Report*”), which we have commissioned to support and confirm our understanding of the textile industry solely in connection with this Issue. The *Infomerics Report* provides an overview and analysis of the textile sector, including demand drivers, market size estimates, industry growth trends, consumption patterns, end-user dynamics, and key performance indicators relevant to our business.

The information and data in the *Infomerics Report* are based on specific methodologies for primary and secondary research, forecasting, and analysis, which may differ from our internal assessments or operational data. Due to the extensive nature of the industry report, only selected excerpts and summaries have been included in this Draft Red Herring Prospectus. The full report has not been reproduced herein. Investors should consider the industry information disclosed in this context and be aware that such information is subject to inherent limitations. Industry data generally reflects conditions as of specific cut-off dates and may include estimates, projections, or assumptions that are subject to significant risks and uncertainties. Differences in research methods, data sources, and market definitions may result in inconsistencies or non-comparability with data from other public or private sources.

Additionally, the market and industry information presented in this Draft Red Herring Prospectus may not necessarily reflect actual market conditions or performance and should not be regarded as definitive. Actual outcomes may differ materially from those described. Accordingly, investors are cautioned not to place undue reliance on such third-party industry data and market information when making investment decisions related to this Issue. Neither our Company nor the Book Running Lead Manager(s) has any financial or commercial relationship with Infomerics Analytics & Research other than in connection with the commissioning of the aforementioned industry report. For further details, please refer to the chapter titled “*Our Industry*” on page 129 of this Draft Red Herring Prospectus.

**68. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

After the completion of the Issue, our Promoters and Promoter Group will collectively own [●] % of the Equity Shares. As a result, our Promoters, together with the members of the Promoter Group, will have significant influence over the company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including the election of members to our Board, in accordance with the Companies Act and our Articles of Association. This concentration of ownership may also delay, prevent, or deter a change in control of our Company.

Furthermore, our Promoters will continue to have the ability to influence our decisions, which may not align with the interests of the Company or the interests of some or all of our creditors or minority shareholders. We cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our equity shares.

***69. Any IT system failures or lapses on the part of any of our employees may lead to operational interruption, liabilities, or reputational harm.***

The success of our business depends, in part, on our ability to effectively deploy, implement, and use information technology systems and advanced technology initiatives in a cost-effective and timely manner. Our computer networks may be vulnerable to unauthorized access, computer hacking, viruses, worms, malicious applications, and other security issues caused by unauthorized access to, or improper use of, systems by our employees, subcontractors, or third-party vendors.

In the past three fiscal years, our company has not experienced any IT system failures. However, in the future, any system failure, security breach, or lapse on our part, or by our employees and other ecosystem participants, that results in the release of user data could damage our reputation and brand, thereby negatively impacting our business. This could also expose us to potential legal liability. Any such legal proceedings or actions may subject us to significant penalties and negative publicity, require changes in our business practices, increase our costs, and severely disrupt our operations.

***70. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, 2013, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe for and pay for a proportionate number of equity shares to maintain their existing ownership percentage, prior to the issuance of any new equity shares, unless such pre-emptive rights have been waived by way of a special resolution. However, if the laws of the jurisdiction in which an investor is located do not permit such investor to exercise pre-emptive rights without our filing of an offering document or registration statement with the applicable authority in that jurisdiction, such investor will be unable to exercise its pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may then sell the securities for the benefit of the investor. The value realised by the custodian from such a sale, as well as the related transaction costs, cannot be predicted. To the extent that investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportionate interest in our Company may be reduced.

***71. Rights of shareholders of companies under Indian law may be less extensive than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

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

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI (LODR) Regulations which will require us to file audited annual and limited reviewed half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions.

In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our

management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

## **EXTERNAL RISK FACTORS**

**73. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Prospectus***

Our restated financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Ind AS and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S.GAAP and IFRS. Significant differences exist between Ind AS and U.S.GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included will provide meaningful information is dependent on familiarity with Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**74. *In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") 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 applicable across the 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 such as EBITDA, EBITDA Margin, Net worth and Net Asset Value per equity share, etc. and certain other industry measures related to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance, as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of industry. Such supplemental financial and operational information is therefore of limited utility as an analytical tool and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed in this Draft Red Herring Prospectus. For further details, see "Other Financial Information" on page 268. These Non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, investors should not place undue reliance on the Non-GAAP financial information included in the Draft Red Herring Prospectus. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures" on page 288.

**75. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares***

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has

been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “*Key Industry Regulations and Policies*” on page 170 for details of the laws currently applicable on us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017, and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**77. Financial instability in Indian financial markets could adversely affect Our Company's results of operations and financial condition**

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

***78. Limitations on change in control as a result of applicable takeover laws and regulations may delay, deter or prevent a third-party from acquiring control of the Company.***

As a listed Indian company, our Company is subject to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the “Takeover Regulations”) and other applicable laws that govern acquisition of shares, voting rights and change in control. Under these provisions, an acquirer may be required to make an open offer upon acquisition of shares or voting rights above prescribed thresholds or upon acquisition of “control”, as defined under applicable law. These provisions, although intended to protect shareholders, could operate to delay, deter or prevent a takeover or other change in control of the Company even where such a transaction might otherwise offer a premium to shareholders.

As a result, a potential takeover or change in control of the Company may not be attempted or consummated, or may be subject to conditions or delays, which could affect the market price of the Equity Shares, restrict strategic transactions or otherwise adversely affect liquidity and the ability of shareholders to realise a takeover premium.

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

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

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

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

***81. 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 fall 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.

***82. The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition***

India’s physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company’s normal business activity. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company’s business operations, which could have an adverse effect on its results of operations and financial condition.

**83. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**84. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer**

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

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

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

**86. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the Textile sector contained in the Draft Red Herring Prospectus**

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the Textile sector has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page [.] of the Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**87. If certain labour laws become applicable to us, our profitability may be adversely affected**

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

**88. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLMs or any of their directors and executive officers in India respectively, except by way of a lawsuit in India**

Our Company is incorporated under the laws of India, with its Directors, key managerial personnel, officers, and majority of assets located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in

India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”).

India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India.

The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, 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 or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law. Our ability to raise foreign capital may be constrained by Indian law which provides investment restrictions on foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI’s prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

***89. 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.

***90. 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

## SECTION III – INTRODUCTION

### THE ISSUE

The following table summarizes details of the Issue:

<b>Issue</b>	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹16,000 lakhs
<b>The Issue comprises:</b>	
<b>Fresh Issue <sup>(1)</sup></b>	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹16,000 lakhs
<b>The Issue consists of:</b>	
<b>QIB Portion <sup>(2)(3)</sup></b>	Not more than [●] Equity Shares of face value ₹10 each aggregating up to ₹[●] lakhs
<i>of which:</i>	
<b>Anchor Investor Portion</b>	Up to [●] Equity Shares of face value of ₹10 each
<b>Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	Up to [●] Equity Shares of face value of ₹10 each
<i>of which:</i>	
<b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Up to [●] Equity Shares of face value of ₹10 each
<b>Balance of QIB Portion for all QIBs including Mutual Funds</b>	Up to [●] Equity Shares of face value of ₹10 each
<b>Non-Institutional Portion <sup>(4)</sup></b>	Not less than [●] Equity Shares of face value ₹10 each aggregating up to ₹ [●] lakhs
<i>of which:</i>	
<b>One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 2 lakhs to ₹ 10 lakhs</b>	[●] Equity Shares of face value of ₹10 each
<b>Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹10 lakhs</b>	[●] Equity Shares of face value of ₹10 each
<b>C) Retail Portion <sup>(4)</sup></b>	Not less than [●] Equity Shares of face value ₹10 each aggregating up to ₹[●] lakhs
<b>Pre and post Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	3,16,42,190 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value of ₹10 each
<b>Use of Net Proceeds</b>	See “Objects of the Issue” on page 104 for information on the use of the proceeds from the Issue.

- (1) The Issue has been authorised by our Board pursuant to resolutions passed at their meeting held on July 16, 2025, and by our Shareholders pursuant to a special resolution dated August 08, 2025. In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue
- (2) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription 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, 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 in proportion to their Bids
- (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 any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.
- (4) Further, (a) 1/3rd of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 2 lakhs and up to ₹ 10 lakhs, and (b) 2/3rd of the portion available to NIBs shall be reserved for applicants with application size of more than ₹ 10 lakhs. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of NIBs. The allocation to each NIB 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 allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.



(5) *Allocation to Bidders in all categories, except the Anchor Investors, NIBs and RIBs, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. The allocation 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 allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis.*

For details, including in relation to grounds for rejection of Bids, refer to “*Issue Structure*” and “*Issue Procedure*” on pages 330 and 334, respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 323.

*[The remainder of the page has been left blank intentionally]*

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 220 and 288, respectively.

*[The remainder of this page has intentionally been left blank]*

## GENERAL INFORMATION

Our Company was originally incorporated as ‘*Aastha Spintex Private Limited*’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, upon conversion of our Company into a public limited company, the name of our Company was changed to ‘*Aastha Spintex Limited*’, pursuant to resolution passed by our Board of Directors on January 03, 2025, and the resolution passed by our shareholders at extraordinary general meeting on January 27, 2025. A fresh certificate of incorporation dated February 12, 2025, was issued by Registrar of Companies, Central Processing Centre consequent to the conversion.

**Corporate identity number:** U17120GJ2013PLC076361

**Company registration number:** 076361

### Registered Office of our Company

#### **Aastha Spintex Limited**

Survey No 1441 1442 1448/1  
1449 1450/2 P2 & 1443/P2,  
Halvad Maliya Highway,  
Halvad, Surendra Nagar-363 330,  
Gujarat, India  
**Telephone:** +91 90815 35400  
**Email:** info@aasthaspintex.com  
**Website:** www.aasthaspintex.com

For details of our incorporation and changes in the registered office address of our Company, see “*History and Certain Corporate Matters*” on page 185.

### Registrar of Companies

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

RoC Bhavan, Opposite Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad-380013,  
Gujarat, India

### Board of Directors

The following table sets out the details of our Board as on the date of this Draft Red Herring Prospectus:

Name of director	Designation	DIN	Address
Patel Divyang Jashwantbhai	Chairman and Managing Director	03148915	Near Morbi Gate, Kanbipara, Halvad, Surendra Nagar-363 330, Gujarat, India.
Gothi Vivek Rasiklal	Whole-Time Director	03149400	202, Ravapar Road, Kamdhenu Apartment, Patel Society, Morvi-363 641, Gujarat, India.
Jashwantbhai Valjibhai Patel	Executive Director	00553419	Kanbipara, Outside Morbi Gate, Halvad, Surendra Nagar-363 330, Gujarat, India.
Amrutiya Pankajkumar Chaturbhai	Non-Executive Director	09000750	501 Mahadev Heights, Narsang Society, Ravapar Road, Morbi MDG, Morbi-363 641, Gujarat, India.
Anant Bharatbhai Bhatt	Independent Director	11210737	C-503, Om shanti Gold Plus, Near Om Shanti Nagar Phase 2, Narol, Lambha Vatva Canal Road, Ahmedabad-382 405, Gujarat, India
Vora Indira Suresh	Independent Director	10581630	A-2 Shiv Pujan Duplex, Nr. Shail Ganga Society Chandkheda Gandhinagar, Chandkheda Society Area, Mansa Gandhinagar-382 424, Gujarat, India
Rukaiya Mufazzal Shakir	Independent Director	11288288	3405, Mullaji Ni Sheri, Saifee Mohalla, Dahod- 389 151, Gujarat, India

Name of director	Designation	DIN	Address
Shyamsunder Kiranbhai Panchal	Independent Director	11210731	Chh/281/A, Ghorvado, Near Nagrik Bank, Khambat, Anand-388 620, Gujarat, India

For brief profiles and further details in relation to our Directors, see “*Our Management – Board of Directors*” on page 189 of this Draft Red Herring Prospectus.

### **Company Secretary and Compliance Officer**

Tushar Dhirubhai Devara is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Survey No 1441 1442 1448/1  
1449 1450/2 P2 & 1443/P2,  
Halvad Maliya Highway,  
Halvad, Surendra Nagar-363330,  
Gujarat, India.  
**Telephone:** +91 90815 35400  
**E-mail:** cs@aasthaspintex.com

### **Statutory Auditor**

#### **S.N. Shah & Associates**

#### **Chartered Accountants**

“Sapan House” 10/B Government Servant,  
Housing Cooperative Society,  
Opposite Municipal Market, B/h Vallabha Dining Hall,  
CG Road, Navrangpura, Ahmedabad-380 009,  
Gujarat, India.

**Contact Person:** Priyam S. Shah

**Telephone:** +91 79400 98280

**Email:** info@snshahassociates.com

**Firm registration number:** 109782W

**Peer review number:** 018603

### **Changes in auditors**

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

### **Investor Grievances**

For mechanism for redressal of investor grievances, please see “*Other regulatory and Statutory Disclosures – Disposal of investor grievances by our Company*” on page 312

### **Book Running Lead Managers**

#### **BOI Merchant Bankers Limited**

Bank of India Building, 2nd Floor  
70-80, M.G. Road, Fort, Mumbai- 400 001  
Maharashtra, India.

**Telephone:** +91 22 6904 2633

**E-mail:** info@boimb.com

**Website:** www.boimb.com

**Investor grievance e-mail:** compliance@boimb.com

**Contact Person:** Sanjay M. Phadke

**SEBI Registration Number:** INM000012201

#### **PNB Investment Services Limited**

PNB Pragati Towers, 2<sup>nd</sup> Floor,

C-9, G Block, Bandra Kurla Complex,  
Bandra East, Mumbai- 400 051,  
Maharashtra, India.  
**Telephone:** +91 84220 09515 / +91 86929 38109  
**E-mail:** projectaastha@pnbisl.com  
**Website:** www.pnbisl.com  
**Investor grievance e-mail:** complaints@pnbisl.com  
**Contact Person:** Sayalee Gaikwad / Shubham Vishwakarma  
**SEBI Registration Number:** INM000011617

### Statement of *inter-se* allocation of responsibilities amongst the Book Running Lead Managers

The responsibilities of the BRLMs for various activities in the Issue are set out below:

Sr. No	Activity	Responsibility	Co-Ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	BOI Merchant Bankers Limited
2.	Drafting and approval of all statutory advertisement.	BRLMs	BOI Merchant Bankers Limited
3.	Drafting and approval of all publicity material other than statutory advertisement and preparation of Audiovisual ("AV") presentation as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	PNB Investment Services Limited
4.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Monitoring Agency, Sponsor Banks, and Banker(s) to the Issue and other intermediaries including co-ordination of all agreements to be entered into with such intermediaries.	BRLMs	BOI Merchant Bankers Limited
5.	Preparation of road show presentation and frequently asked questions.	BRLMs	PNB Investment Services Limited
6.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> : Domestic marketing strategy Institutional marketing strategy; Finalizing the list and division of domestic investors for one-to-one meetings; and Finalizing domestic road show and investor meeting schedules.	BRLMs	BOI Merchant Bankers Limited
7.	Conduct non-institutional marketing of the Issue, which will cover inter-alia: Finalising media, marketing, public relations strategy and publicity budget Finalising brokerage, collection centers Finalising centres for holding conferences etc. Follow-up on distribution of publicity and Issue material including form, RHP/ Prospectus and deciding on the quantum of the Issue material	BRLMs	PNB Investment Services Limited
8.	Conduct retail marketing of the Issue, which will cover inter-alia: Finalising media, marketing, public relations strategy and publicity budget Finalising brokerage, collection centres Finalising centres for holding conferences etc. Follow-up on distribution of publicity and Issue material including form, RHP/ Prospectus and deciding on the quantum of the Issue material	BRLMs	PNB Investment Services Limited
9.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	BRLMs	PNB Investment Services Limited
10.	Managing the book and finalization of pricing in consultation with the Company and managing the Anchor Book related activities and submission of letters to regulators post completion of Anchor Offer	BRLMs	BOI Merchant Bankers Limited
11.	Post-Issue activities, management of escrow accounts, essential follow-up steps including follow-up with Banker(s) to the Issue and Self Certified	BRLMs	PNB Investment

Sr. No	Activity	Responsibility	Co-Ordinator
	Syndicate Banks to get quick estimates of subscription and advising the Issuer about the closure of the Issue, finalization of basis of allotment after weeding out the technical rejections. Coordination with various agencies connected with the post-Issue activity such as registrars to the Issue, Sponsor Bank, Banker(s) to the Issue, Self-Certified Syndicate Banks and underwriters etc., listing of instruments, demat credit and refunds/unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT. Coordination with SEBI and Stock Exchanges for submission of all post Issue reports including final post Issue report to SEBI.		Services Limited

### Syndicate Members

[•]

### Legal Counsel to the Issue

#### Desai & Diwanji

16th Floor, Tower C,  
DLF Epitome, Building No. 5,  
DLF Phase 3, Gurugram-122 002,  
Haryana, India

**Contact Person:** Akshay Bhagchandani

**Telephone:** +91 124 485 0300

**E-mail:** projectaastha@desaidiwanji.com

### Registrar to the Issue

#### Bigshare Services Private Limited

S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East), Mumbai-400073,  
Maharashtra, India

**Telephone:** +91 226 263 8200

**Email:** ipo@bigshareonline.com

**Investor grievance email:** investor@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Jibu John

**SEBI Registration No.:** INR000001385

### Banker(s) to the Issue

[•]

### Escrow Collection Bank(s)

[•]

### Refund Bank(s)

[•]

### Public Issue Bank(s)

[•]

### Sponsor Bank(s)

[•]

## **Designated Intermediaries**

### ***Self-Certified Syndicate Banks and mobile applications enabled for UPI mechanism***

The banks registered with SEBI, which offer the facility (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <https://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, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://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.

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 application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investors) 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 (<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 SEBI 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 or any such other website as may be prescribed by SEBI from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Issue using the stockbroker network of the stock exchange, 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 respective Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com>, as updated from time to time.

### **Registrar and Share 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 Stock Exchanges at [http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?andhttp://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?andhttp://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Collecting Depository Participants**

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 Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Experts**

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

Our Company has received written consent dated September 29, 2025, from our Statutory Auditor, S.N. Shah & Associates, Chartered Accountants holding a valid peer review certificate from ICAI to include their name in this Draft Red Herring Prospectus in their capacity as an ‘expert’ in respect of their examination report on the Restated Financial Statements dated September 21, 2025 and the Statement of Possible Tax Benefits dated September 29, 2025, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term ‘expert’ and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated September 15, 2025, from S.K. Patel, Independent Chartered Engineer to include his name as an ‘expert’ as defined under Section 2(38) of the Companies Act to the extent and in his capacity as Independent Chartered Engineer in respect of the certificate dated September 15, 2025, issued by him in connection with capacity details included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term ‘expert’ and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated September 30, 2025, from Dhyanam Vyas and Associates, Practicing Company Secretary to include their name in this Draft Red Herring Prospectus in their capacity as an “expert” in respect of certificate issued by them in their capacity as the independent practising company secretary to our Company submitted for the purposes of this Issue and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

### **Bankers to our Company**

#### **Bank of Baroda**

M.G. Road, Rajkot-360001,

Gujarat, India

**Telephone:** +91 281 222 8262

**Contact Person:** Hemraj Agarwal

**Email:** rajkot@bankofbaroda.com

**Website:** www.bankofbaroda.com

### **IPO Grading**

No credit agency registered with SEBI has been appointed for grading the Issue.

### **Monitoring Agency**

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilization of the Net Proceeds from the Issue prior to filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the Net Proceeds, see the section titled “*Object to the Issue*” on page 104.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed in relation to the Issue. For details, see ‘*Risk Factors – Risk Factor 61- Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*’ on page 59.

### **Credit Rating**

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

### **Debenture Trustee**

As this is an Issue of Equity Shares, the appointment of a debenture trustee is not required.

### **Green Shoe Option**



No green shoe option is contemplated under the Issue.

### **Filing of the Draft Red Herring Prospectus and the Prospectus**

A copy of the Draft Red Herring Prospectus is being filed electronically with SEBI online portal at <https://siportal.sebi.gov.in>, in accordance with SEBI master circular bearing reference no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, as specified in Regulation 25(8) of the SEBI ICDR Regulations.

It will also be filed with SEBI at the following address:

#### **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 (E),  
Mumbai-400 051, Maharashtra, India

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

### **Illustration of the Book Building Process**

Book building in the context of the Issue refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band and the minimum Bid Lot, which will be decided by our Company, in consultation with the Book Running Lead Managers, and will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Gujarati 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. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Managers, after the Bid/ Issue Closing Date.

**All Bidders (other than Anchor Investors) shall participate in this Issue mandatorily through the ASBA process by providing the details of their respective ASBA accounts in which the corresponding Bid Amount will be blocked by the 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. Anchor Investors are not permitted to participate in the Issue through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Issue will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws.**

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

**The Book Building process and Bidding Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.**

The Bidders should note that the Issue is also subject to obtaining (i) the final approval of the RoC after the

Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

### Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The extent of underwriting obligations and the Bids to be underwritten shall be as per the Underwriting Agreement. 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 Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details below have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus.)*

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone and e-mail of Underwriters	Indicative number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and will be finalised after the pricing and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

Based on representations made by the Underwriters, our Board of Directors are of the opinion that the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

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

*(In ₹ lakhs)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price*
<b>A.</b>	<b>Authorized Share Capital <sup>(1)</sup></b>		
	4,50,00,000 Equity Shares of face value of ₹ 10 each	4,500.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue</b>		
	3,16,42,190 Equity Shares of face value of ₹ 10 each	3,164.22	-
<b>C.</b>	<b>Present Issue in terms of this Draft Red Herring Prospectus <sup>(2)</sup></b>		
	Issue of up to [●] Equity Shares aggregating up to ₹ 16,000 lakhs	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue*</b>		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		1904.06
	After the Issue		[●]

\*To be updated upon finalization of the Issue Price.

(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" on page 185 of this Draft Red Herring Prospectus.

Our Board has authorised the Issue, pursuant to their resolution dated July 16, 2025 and Shareholders pursuant to their special resolution dated August 8, 2025.

## Notes to the Capital Structure

### 1. Equity Share Capital history of our Company

#### (a) History of Equity Share Capital of our Company

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

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
August 5, 2013	Patel Divyang Jashvantbhai	25,000	Initial subscription to Memorandum of Association	50,000	10	10	Cash	50,000	5,00,000
	Gothi Vivek Rasiklal	25,000							
March 15, 2014	Sanjaybhai Saidva	2,00,000	Preferential Issue	13,69,994	10	10	Cash	14,19,994	1,41,99,940
	Jay Patel	70,000							
	Kantilal K. Patel	1,00,000							
	Malaybhai A. Bavaria	1,00,000							
	Mayankbhai	3,00,000							
	Narayanbhai Sitapara	99,994							
	Prithyani	5,00,000							
March 20, 2014	Chintankumar Sitapara	27,00,000	Preferential Issue	96,40,000	10	10	Cash	1,10,59,994	11,05,99,940
	Patel Divyang Jashvantbhai	23,00,000							
	Jashwantbhai Valjibhai Patel	10,00,000							
	Gothi Vivek Rasiklal	22,00,000							
	Amrutiya Pankajkumar Chaturbhai	1,50,000							
	Varunbhai Gopalbhai	1,60,000							
	Arunbhai Bavariya	1,30,000							
	Rasiklal Valjibhai Patel	10,00,000							

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
March 29, 2014	Jalpa Punit Patel	1,12,000	Preferential Issue	1,68,000	10	10	Cash	1,12,27,994	11,22,79,940
	Meetaben Bavaria	56,000							
October 21, 2014	Devkinandan Paper Mill Private Limited	20,00,000	Rights Issue	1,00,00,000	10	10	Cash	2,12,27,994	21,22,79,940
	Patel Divyang Jashvantbhai	10,00,000							
	Gothi Vivek Rasiklal	10,00,000							
	Chintankumar Sitapara	20,00,000							
	Rasiklal Valjibhai Patel	20,00,000							
	Jashwantbhai Valjibhai Patel	10,00,000							
	Sanjaybhai Saidva	10,00,000							
March 16, 2015	Gothi Vivek Rasiklal	3,40,000	Rights Issue	60,81,900	10	10	Cash	2,73,09,894	27,30,98,940
	Chintankumar Sitapara	18,52,000							
	Rasiklal Valjibhai Patel	1,66,900							
	Jashwantbhai Valjibhai Patel	20,000							
	Sanjaybhai Saidva	22,60,000							
	Mayankbhai	2,00,000							
	Jalpa Punit Patel	1,62,000							
	Rajniben Mahendrabhai	2,00,000							
	Arunbhai Bavaria	2,00,000							
	Amrutiya Pankajkumar Chaturbhai	3,96,000							
	Jay Patel	2,85,000							
August 27, 2024	Vivek Hinduja	75,750	Rights Issue	75,750	10	82.50	Cash	2,73,85,644	27,38,56,440

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
September 20, 2024	Ashirwad Multimedia Private Limited	13,330	Rights Issue	16,350	10	82.50	Cash	2,74,01,994	27,40,19,940
	Dwinger Distributors Private Limited	600							
	Shrestha Saha	1,210							
	Sejal Kamdar	1,210							
October 18, 2024	Sejal Kamdar	23,780	Rights Issue	1,14,680	10	82.50	Cash	2,75,16,674	27,51,66,740
	Prem Prakash Sikka	75,750							
	Gondalia Kuldeep Parsotambhai	15,150							
October 28, 2024	Dwinger Distributors Private Limited	24,390	Rights Issue	1,94,380	10	82.50	Cash	2,77,11,054	27,71,10,540
	Eklingji Broking LLP	1,21,210							
	Shrestha Saha	48,780							
November 15, 2024	Hetalben Ankitkumar Zalariya	24,240	Rights Issue	24,240	10	82.50	Cash	2,77,35,294	27,73,52,940
November 25, 2024	Devilaben Mukeshbhai Patel	36,360	Rights Issue	82,700	10	82.50	Cash	2,78,17,994	27,81.79,940
	Sarojben Chetanbhai Patel	18,180							
	Ranjit Tater	9,980							
	Patel Mukeshkumar	18,180							
December 19, 2024	Ashirwad Multimedia Private Limited	90,900	Rights Issue	1,24,230	10	82.50	Cash	2,79,42,224	27,94,22,240
	Ankurkumar Chimanbhai Patel	12,120							
	Sangitaben Pradeepkumar Chevli	12,120							
	Ajmera Deepak	9,090							
	Ajmera Deepak	3,030	Rights Issue	33,320	10	82.50	Cash	2,79,75,544	27,97,55,440

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
January 1, 2025	Ankit Kirtikumar Bhavsar	4,840							
	Alpish Rana	2,420							
	Vikram Singh Chouhan	23,030							
January 21, 2025	Ashirwad Multimedia Private Limited	60,600	Rights Issue	90,900	10	82.50	Cash	2,80,66,444	28,06,64,440
	Leema Exports Private Limited	30,300							
January 28, 2025	Vikram Singh Chouhan	24,240	Rights Issue	24,240	10	82.50	Cash	2,80,90,684	28,09,06,840
February 24, 2025	Vikram Singh Chouhan	6,060	Rights Issue	30,300	10	82.50	Cash	2,81,20,984	28,12,09,840
	Shila Ratanlal Seksaria	12,120							
	Praful Shambhubhai Dobariya	12,120							
March 5, 2025	Avanishkumar Manojkumar Patel	1,21,200	Preferential allotment	1,75,740	10	82.50	Cash	2,82,96,724	28,29,67,240
	Jaydeepbhai Parsottambhai Gondalia	30,300							
	Manjulaben Marvania	12,120							
	Zankhanben Devang Marvania	12,120							
March 18, 2025	Praful Shambhubhai Dobariya	6,060	Preferential allotment	1,27,260	10	82.50	Cash	2,84,23,984	28,32,39,840
	Ketankumar Moradia	60,600							
	Makasana Arvindbhai Dharamshibhai	60,600							
March 22, 2025	Deepa Dinesh Vora	25,000	Preferential allotment	91,900	10	82.50	Cash	2,85,15,884	28,51,58,840
	Patel Jasmita Yogesh	60,600							

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
	Niyati Mohitkumar Shah	6,300							
March 25, 2025	Chetna Deepak Mehta	12,120	Preferential allotment	2,03,920	10	82.50	Cash	2,87,19,804	28,71,98,040
	Shreshtha Kukreja	10,000							
	Matgrow Renewables Private Limited	1,21,200							
	Jaydeep Parsottambhai Gondalia	60,600							
March 26, 2025	Mital Vithal Dadhania	24,240	Preferential allotment	1,81,440	10	82.50	Cash	2,89,01,244	28,90,12,440
	Parthiv Dipak Soni	12,000							
	Sushilaben Prabodhbhai Dave	12,000							
	Prabodhbhai Champaklal Dave	12,000							
	Makasana Arvindbhai Dharamshibhai	60,600							
	Truptiben Ketan Kumar Moradia	60,600							
March 28, 2025	Padmaja Paramjit Shethiya	5,000	Rights Issue	3,50,016	10	82.50	Cash	2,92,51,260	29,25,12,600
	Beena Brijesh Patel	25,454							
	Manishkumar P Kasundra	1,21,212							
	Sonal Desai	7,000							
	Khyati Nishit Thakkar	5,000							
	Prahladbhai M Patel	90,900							
	Auriga Corporate Advisors Private Limited	50,000							



Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
	Adroja Yagneshkumar Ramjibhai	30,300							
	Jaydeep Parshottambhai Gondalia	15,150							
March 29, 2025	Kunal Manoj Mehta	5,000	Preferential allotment	2,13,330	10	82.50	Cash	2,94,64,590	29,46,45,900
	Chetna Deepak Mehta	2,878							
	Auriga Corporate Advisors Private Limited	50,000							
	Madhur Mahesh Agarwal	1,39,392							
	Hasmukhbhai Premjibhai	6,060							
	Vishal Rohit Kaushik	10,000							
March 31, 2025	Hasmukhbhai Premjibhai	3,930	Preferential allotment	3,930	10	82.50	Cash	2,94,68,520	29,46,85,200
July 14, 2025	Auriga Corporate Advisors Private Limited	2,00,000	Allotment pursuant to conversion of 2,00,000 CCPS <sup>(1)</sup>	2,00,000	10	NA <sup>(1)</sup>	Cash	2,96,68,520	29,66,85,200
September 22, 2025	Eklingi Tradelink Private Limited	1,93,936	Allotment pursuant to conversion of 19,73,670 CCPS <sup>(2)</sup>	19,73,670	10	Not Applicable	Cash	3,16,42,190	31,64,21,900
	Mithlesh Consultancy LLP	4,36,360							
	Satvat Agro LLP	96,968							
	Pratik Mahendra Mehta HUF	36,000							
	Ambrish Khimji Kundariya	1,81,814							
	Deepak Mehta	9,000							
	Sunil Manglunia	3,63,632							
	Katyayani Tradelink Private Limited	2,42,416							

Date of allotment	Details of allottees		Reason for/ Nature of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
	Name	Number of Equity Shares of face value of ₹10							
	Monika Sunil Manglunia	2,42,424							
	Prahladbhai Mahipatbhai	12,120							
	Benami Capital Scheme I	40,000							
	VPK Global Ventures Fund-Scheme I	60,000							
	Parag Mansukhlal Mehta	10,000							
	Rita Nitin Goradia	10,000							
	Darshit Nitin Goradia	10,000							
	Kunal Nitin Goradia	10,000							
	Nitin Rasiklal Goradia	10,000							
	Devang Desai HUF	4,000							
	Taramati Bhogilal Bosmiya	2,500							
	Vibha P Shethiya	2,500							

\*While our Company was incorporated on August 12, 2013, the date of subscription to the Memorandum of Association is August 5, 2013.

<sup>(1)</sup> 200,000 0% convertible cumulative preference shares of face value of ₹ 10 each held by Auriga Corporate Advisors Private Limited were converted into 2,00,000 equity shares. The consideration was received at the time of allotment of the CCPS. The CCPS were issued at the price of ₹ 82.50 each and were converted to Equity Shares at the face value of ₹10 and a premium of ₹ 72.50 per Equity Share.

<sup>(2)</sup> 19,73,670 0% convertible cumulative preference shares of face value of ₹ 10 each held by various CCPS holders were converted into 19,73,670 equity shares. The consideration was received at the time of allotment of the CCPS. The CCPS were issued at the price of ₹ 82.50 each and were converted to Equity Shares at the face value of ₹10 and a premium of ₹ 72.50 per Equity Share.

Our Company has made the abovementioned issuances and allotments of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent applicable.

*(b) Preference Share capital history of our Company*

## Terms of Conversion of CCPS

As on the date of this Draft Red Herring Prospectus, there are no outstanding CCPS pending conversion into Equity Shares. Pursuant to a resolution of our Board of Directors dated July 14, 2025 and September 22, 2025 respectively, 2,00,000 and 19,73,670 Preference Shares of face value ₹10 each were converted into 21,73,670 Equity Shares of face value ₹10 each, at a conversion ratio of 1:1. The following table sets forth the history of preference share capital in our Company

Date of allotment	Details of allottees		Nature of allotment	Number of CCPS allotted/ converted	Face value per CCPS (₹)	Issue Price per CCPS (₹)	Nature of consideration	Cumulative number of Preference Shares	Cumulative paid-up Preference Share Capital (₹)
	Name	Number of 0% convertible cumulative Preference Shares							
March 28, 2025	Eklingi Tradelink Private Limited	1,93,936	Preferential allotment	6,42,048	10	82.50	Cash	6,42,048	64,20,480
	Mithlesh Consultancy LLP	1,93,936							
	Satvat Agro LLP	96,968							
	Pratik Mahendra Mehta HUF	36,000							
	Ambrish Khimji Kundariya	1,21,208							
March 29, 2025	Deepak Mehta	9,000	Preferential allotment	11,69,592	10	82.50	Cash	18,11,640	1,81,16,400
	Auriga Corporate Advisors Private Limited	2,00,000							
	Sunil Manglunia	3,63,632							
	Katyayani Tradelink Private Limited	2,42,416							
	Monika Sunil Manglunia	2,42,424							
	Prahladbhai Mahipatbhai	12,120							
	Benami Capital Scheme I	40,000							
	VPK Global Ventures Fund-Scheme I	60,000							
March 31, 2025	Parag Mansukhlal Mehta	10,000	Preferential allotment	59,000	10	82.50	Cash	18,70,640	1,87,06,400

	Rita Nitin Goradia	10,000							
	Darshit Nitin Goradia	10,000							
	Kunal Nitin Goradia	10,000							
	Nitin Rasiklal Goradia	10,000							
	Devang Desai HUF	4,000							
	Taramati Bhogilal Bosmiya	2,500							
	Vibha P Shethiya	2,500							
May 19, 2025	Mithilesh Consultancy LLP	2,42,424	Preferential allotment	3,03,030	10	82.50	Cash	21,73,670	2,17,36,700
	Ambrish Khimji Kundariya	60,606							
July 14, 2025	Auriga Corporate Advisors Private Limited	2,00,000	Conversion of 2,00,000 CCPS into 2,00,000 Equity Shares	(2,00,000)	10	N.A.	N.A.	19,73,670	1,97,36,700
September 22, 2025	Eklingi Tradelink Private Limited	1,93,936	Conversion of 19,73,670 CCPS into 19,73,670 Equity Shares	(19,73,670)	10	N.A.	Cash (₹ 82.50 paid at the time of allotment of CCPS)	-	-
	Mithlesh Consultancy LLP	4,36,360							
	Satvat Agro LLP	96,968							
	Pratik Mahendra Mehta HUF	36,000							
	Ambrish Khimji Kundariya	1,81,814							
	Deepak Mehta	9,000							
	Sunil Manglunia	3,63,632							
	Katyayani Tradelink Private Limited	2,42,416							
	Monika Sunil Manglunia	2,42,424							
	Prahladbhai Mahipatbhai	12,120							
	Benami Capital Scheme I	40,000							

	VPK Global Ventures Fund-Scheme I	60,000							
	Parag Mansukhlal Mehta	10,000							
	Rita Nitin Goradia	10,000							
	Darshit Nitin Goradia	10,000							
	Kunal Nitin Goradia	10,000							
	Nitin Rasiklal Goradia	10,000							
	Devang Desai HUF	4,000							
	Taramati Bhogilal Bosmiya	2,500							
	Vibha P Shethiya	2,500							

## 2. Issue of specified securities at a price lower than the Issue Price in the last one year

The Issue Price shall be determined by our Company, in consultation with the BRLM after the Bid/ Issue Closing Date. For details of allotments made by our Company at price lower than the Issue price in the last one year, see “Notes to Capital Structure- Share capital history of our Company” on page 80

## 3. Issue of Equity Shares for consideration other than cash or by way of Bonus Issue

Our Company has not issued any Equity Shares through bonus issue and for consideration other than cash in the past one year prior to the date of this Draft Red Herring Prospectus. For details of allottees see “Note to capital structure- Share capital history of our Company” on page 80

## 4. Issue of share out of revaluation reserves

Our Company has not issued any shares out of revaluation reserves since incorporation

## 5. Issue of Equity Shares pursuant to Employee Stock Option Scheme

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option schemes.

## 6. Allotment of Shares pursuant to any scheme of arrangement

Our Company has not issued or allotted any Equity Shares or preference shares pursuant to any scheme of arrangement approved under sections 391 to 394 of the erstwhile Companies Act, 1956 or sections 230-234 of the Companies Act, 2013, as applicable.

## 7. History of Build-up of Promoters’ Shareholding and shareholding of our Promoter and Promoter Group

As of the date of this Draft Red Herring Prospectus, our Promoters hold 2,06,37,023 Equity Shares, constituting 65.22 % of the issued, subscribed and paid-up equity share capital of our Company. All the Equity Shares held by our Promoters are held in dematerialised form.

### (a) Build-up of the Equity shareholding of our Promoters in our Company

Set forth below is the build-up of our Promoters’ equity shareholding since the incorporation of our Company:

Date of allotment / transfer	Number of Equity Shares allotted / transferred	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Percentage of the pre-Issue equity share capital (%)*	Percentage of the post-Issue equity share capital (%)
<b>Patel Divyang Jashwantbhai (A)</b>							
August 5, 2013 <sup>(1)</sup>	25,000	10	10	Subscription to Memorandum of Association	Cash	0.08	[●]
March 20, 2014	23,00,000	10	10	Preferential Issue	Cash	7.27	[●]
October 21, 2014	10,00,000	10	10	Rights Issue	Cash	3.16	[●]
March 23, 2021	4,89,167	10	18	Share transfer from Chintankumar Sitapara	Cash	1.54	[●]
October 29, 2021	1,94,444	10	18	Share transfer from Chintankumar Sitapara	Cash	0.61	[●]
December 28, 2021	55,556	10	18	Share transfer from Chintankumar Sitapara	Cash	0.17	[●]

Date of allotment / transfer	Number of Equity Shares allotted / transferred	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Percentage of the pre-Issue equity share capital (%)*	Percentage of the post-Issue equity share capital (%)
February 11, 2022	5,39,382	10	18	Share transfer from Chintankumar Sitapara	Cash	1.70	[●]
March 24, 2022	5,62,806	10	N.A.	Gift from Chintankumar Sitapara	N.A.	1.78	[●]
March 21, 2024	5,00,000	10	25	Share transfer from Devkinandan Paper Mill Private Limited	Cash	1.59	[●]
<b>Total (A)</b>	<b>56,66,355</b>					<b>17.91</b>	<b>[●]</b>
<b>Rasiklal Valjibhai Patel (B)</b>							
March 20, 2014	10,00,000	10	10	Preferential Issue	Cash	3.16	[●]
October 21, 2014	20,00,000	10	10	Rights Issue	Cash	6.32	[●]
March 16, 2015	1,66,900	10	10	Rights Issue	Cash	0.53	[●]
May 1, 2021	1,56,440	10	19.25	Share transfer from Rajniben Prithyani	Cash	0.49	[●]
	1,04,443	10	19.25	Share transfer from Nikhil Prithyani	Cash	0.33	[●]
	71,278	10	18	Share transfer from Chintankumar Sitapara	Cash	0.22	[●]
August 27, 2021	3,73,167	10	18	Share transfer from Chintankumar Sitapara	Cash	1.18	[●]
October 29, 2021	1,11,111	10	18	Share transfer from Chintankumar Sitapara	Cash	0.35	[●]
December 28, 2021	2,50,000	10	18	Share transfer from Chintankumar Sitapara	Cash	0.80	[●]
February 11, 2022	2,73,099	10	18	Share transfer from Chintankumar Sitapara	Cash	0.86	[●]
March 28, 2022	(1)	10	N.A.	Gift to Kusumben Rasikbhai Patel	N.A.	Negligible	[●]
March 21, 2024	5,00,000	10	25	Share transfer from Devkinandan Paper Products Private Limited	Cash	1.58	[●]
March 27, 2024	5,44,909	10	N.A.	Gift from Jashwantbhai Valjibhai Patel	N.A.	1.72	[●]
March 27, 2024	(2,73,099)	10	N.A.	Gift to Jalpa Punit Patel	N.A.	(0.86)	[●]
<b>Total (B)</b>	<b>52,78,247</b>					<b>16.68</b>	<b>[●]</b>
<b>Gothi Vivek Rasiklal (C)</b>							

Date of allotment / transfer	Number of Equity Shares allotted / transferred	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Percentage of the pre-Issue equity share capital (%)*	Percentage of the post-Issue equity share capital (%)
August 5, 2013 <sup>(1)</sup>	25,000	10	10	Subscription to Memorandum of Association	Cash	0.08	[●]
March 20, 2014	22,00,000	10	10	Preferential Issue	Cash	6.95	[●]
October 21, 2014	10,00,000	10	10	Rights Issue	Cash	3.16	[●]
March 16, 2015	3,40,000	10	10	Rights Issue	Cash	1.07	[●]
March 25, 2021	4,61,911	10	18	Share transfer from Chintankumar Sitapara	Cash	1.46	[●]
June 30, 2021	1,94,444	10	18	Share transfer from Chintankumar Sitapara	Cash	0.61	[●]
February 11, 2022	4,04,186	10	18	Share transfer from Chintankumar Sitapara	Cash	1.28	[●]
March 21, 2024	5,00,000	10	25	Share transfer from Devkinandan Paper Mill Private Limited	Cash	1.58	[●]
<b>Total (C)</b>	<b>51,25,541</b>					<b>16.20</b>	<b>[●]</b>
<b>Jashwantbhai Valjibhai Patel (D)</b>							
March 20, 2014	10,00,000	10	10	Preferential Issue	Cash	3.16	[●]
October 21, 2014	10,00,000	10	10	Rights Issue	Cash	3.16	[●]
March 16, 2015	20,000	10	10	Rights Issue	Cash	0.06	[●]
September 30, 2016	3,97,344	10	11.25	Share transfer from Mayanbhai Bavaria	Cash	1.26	[●]
December 30, 2020	1,14,833	10	18	Share transfer from Narayanbhai Sitapara	Cash	0.36	[●]
March 1, 2021	5,74,056	10	18	Share transfer from Rajniben Prithiyani	Cash	1.81	[●]
March 22, 2021	5,55,556	10	18	Share transfer from Chintankumar Sitapara	Cash	1.76	[●]
June 30, 2021	5,00,000	10	18	Share transfer from Chintankumar Sitapara	Cash	1.58	[●]
February 11, 2022	4,50,000	10	18	Share transfer from Chintankumar Sitapara	Cash	1.42	[●]
March 21, 2024	5,00,000	10	25	Share transfer from Devkinandan Paper Products Private Limited	Cash	1.58	[●]
March 27, 2024	(5,44,909)	10	N.A.	Gift to Rasiklal Valjibhai Patel	N.A.	(1.72)	[●]



Date of allotment / transfer	Number of Equity Shares allotted / transferred	Face value per (₹)	Issue / Transfer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Percentage of the pre-Issue equity share capital (%)*	Percentage of the post-Issue equity share capital (%)
<b>Total (D)</b>	<b>45,66,880</b>					<b>14.43</b>	<b>[•]</b>
<b>Total (A)+(B)+(C)+(D)</b>	<b>2,06,37,023</b>					<b>65.22</b>	<b>[•]</b>

<sup>(1)</sup> While our Company was incorporated on August 12, 2013, the date of subscription to the Memorandum of Association is August 5, 2013.

\*The Pre-Issue Equity Share capital (%) has been rounded off up to two decimal places.

#### (b) Details of the Shareholding of our Promoters and members of the Promoter Group

None of our Promoters and members of the Promoter Group hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below:

Sr. No.	Name of the shareholder	Pre-Issue		Post-Issue	
		Number of Equity Shares held	Percentage of the pre-Issue paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Issue paid-up Equity Share capital (%)
Promoters (A)					
	Patel Divyang Jashvantbhai	56,66,355	17.91	[●]	[●]
	Rasiklal Valjibhai Patel	52,78,247	16.68	[●]	[●]
	Gothi Vivek Rasiklal	51,25,541	16.20	[●]	[●]
	Jashwantbhai Valjibhai Patel	45,66,880	14.43	[●]	[●]
Total (A)		2,06,37,023	65.22	[●]	[●]
Promoter Group (B)					
	Ripal Divyang Patel	6,86,044	2.17	[●]	[●]
	Kusumben Rasikbhai Patel	5,02,778	1.59	[●]	[●]
	Hashumati Jashwantbhai Patel	2,77,778	0.88	[●]	[●]
	Sheetal Vivek Patel	2,90,490	0.92	[●]	[●]
	Ramesh Patel Bapodarya	5,46,198	1.73	[●]	[●]
	Jalpa Punit Patel	2,73,099	0.86	[●]	[●]
	Suchit B Patel	2,73,099	0.86	[●]	[●]
Total (B)		28,49,486	9.01	[●]	[●]
Total (A) + (B)		2,34,86,509	74.23	[●]	[●]

## 8. Secondary Transactions

The secondary transfers of Equity Shares by our Promoters and members forming part of the Promoter Group, since incorporation of our Company is set forth below:

Date of transfer of equity shares	Number of equity shares transferred	Details of transferor(s)	Details of transferee(s)	Face value per Equity share (₹)	Transfer price of equity shares (₹)	Nature of consideration
September 30, 2016	3,97,344	Mayankbhai Bavaria	Jashwantbhai Valjibhai Patel	10	11.25	Cash
December 30, 2020	1,14,833	Narayanbhai Sitapara	Jashwantbhai Valjibhai Patel	10	18	Cash

Date of transfer of equity shares	Number of equity shares transferred	Details of transferor(s)	Details of transferee(s)	Face value per Equity share (₹)	Transfer price of equity shares (₹)	Nature of consideration
December 31, 2020	5,74,506	Rajniaben Prithiyani	Jashwantbhai Valjibhai Patel	10	18	Cash
March 1, 2021	1,58,266	Narayanbhai Sitapara	Ripal Divyang Patel	10	18	Cash
March 1, 2021	2,52,777	Rajniaben Prithiyani	Kusumben Rasikbhai Patel	10	18	Cash
March 1, 2021	2,77,778	Nikhil Prithiyani	Hashumati Jashwantbhai Patel	10	18	Cash
March 19, 2021	2,77,778	Chintankumar Sitapara	Ripal Divyang Patel	10	18	Cash
March 19, 2021	2,77,778	Chintankumar Sitapara	Sheetal Vivek Patel	10	18	Cash
March 22, 2021	5,55,556	Chintankumar Sitapara	Jashwantbhai Valjibhai Patel	10	18	Cash
March 23, 2021	4,89,167	Chintankumar Sitapara	Patel Divyang Jashvantbhai	10	18	Cash
March 24, 2021	2,85,811	Chintankumar Sitapara	Sheetal Vivek Patel	10	18	Cash
March 25, 2021	4,61,911	Chintankumar Sitapara	Gothi Vivek Rasiklal	10	18	Cash
May 1, 2021	1,56,440	Rajniaben Prithiyani	Rasiklal Valjibhai Patel	10	19.25	Cash
May 1, 2021	1,04,443	Nikhil Prithiyani	Rasiklal Valjibhai Patel	10	19.25	Cash
May 1, 2021	71,278	Chintankumar Sitapara	Rasiklal Valjibhai Patel	10	18	Cash
June 30, 2021	1,94,444	Chintankumar Sitapara	Gothi Vivek Rasiklal	10	18	Cash
June 30, 2021	5,00,000	Chintankumar Sitapara	Jashwantbhai Valjibhai Patel	10	18	Cash
August 27, 2021	3,73,167	Chintankumar Sitapara	Rasiklal Valjibhai Patel	10	18	Cash
October 29, 2021	1,11,111	Chintankumar Sitapara	Rasiklal Valjibhai Patel	10	18	Cash
October 29, 2021	1,94,444	Chintankumar Sitapara	Patel Divyang Jashvantbhai	10	18	Cash
October 29, 2021	2,50,000	Chintankumar Sitapara	Ripal Divyang Patel	10	18	Cash
December 28, 2021	2,50,000	Chintankumar Sitapara	Rasiklal Valjibhai Patel	10	18	Cash
December 28, 2021	55,556	Chintankumar Sitapara	Patel Divyang Jashvantbhai	10	18	Cash
December 28, 2021	2,50,000	Chintankumar Sitapara	Kusumben Rasikbhai Patel	10	18	Cash
February 11, 2022	2,73,099	Chintankumar Sitapara	Rasiklal Valjibhai Patel	10	18	Cash
February 11, 2022	4,50,000	Chintankumar Sitapara	Jashwantbhai Valjibhai Patel	10	18	Cash
February 11, 2022	5,39,382	Chintankumar Sitapara	Patel Divyang Jashvantbhai	10	18	Cash
February 11, 2022	4,04,186	Chintankumar Sitapara	Gothi Vivek Rasiklal	10	18	Cash
March 24, 2022	5,62,806	Chintankumar Sitapara	Patel Divyang Jashvantbhai	10	N.A.	Gift
March 28, 2022	1	Rasiklal Valjibhai Patel	Kusumben Rasikbhai Patel	10	N.A.	Gift
March 21, 2024	5,00,000	Devkinandan Paper Mill Private Limited	Jashwantbhai Valjibhai Patel	10	25	Cash

Date of transfer of equity shares	Number of equity shares transferred	Details of transferor(s)	Details of transferee(s)	Face value per Equity share (₹)	Transfer price of equity shares (₹)	Nature of consideration
March 21, 2024	5,00,000	Devkinandan Paper Mill Private Limited	Gothi Vivek Rasiklal	10	25	Cash
March 21, 2024	5,00,000	Devkinandan Paper Mill Private Limited	Rasiklal Valjibhai Patel	10	25	Cash
March 21, 2024	5,00,000	Devkinandan Paper Mill Private Limited	Patel Divyang Jashvantbhai	10	25	Cash
March 27, 2024	5,44,909	Jashwantbhai Valjibhai Patel	Rasiklal Valjibhai Patel	10	N.A.	Gift
March 27, 2024	2,73,099	Rasiklal Valjibhai Patel	Jalpa Punit Patel	10	N.A.	Gift
March 27, 2024	2,73,099	Sheetal Vivek Patel	Suchit B Patel	10	N.A.	Gift

## 9. Lock-in requirements

### (a) Details of Minimum Promoter's contribution and lock-in

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoters' contribution and locked-in for a period of 36 months from the date of Allotment ("Minimum Promoter's Contribution"). Our Promoters' shareholding in excess of 20% shall be locked in for a period of 12 months from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 36 months, from the date of Allotment as Minimum Promoters' Contribution are set forth below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares locked-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 (₹)	Issue/ Acquisition price per Equity Share (₹)	Pre-Issue Equity Share capital (%)	Post-Issue Equity Share capital (%)
Patel Divyang Jashvantbhai	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Rasiklal Valjibhai Patel	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Gothi Vivek Rasiklal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Jashwantbhai Valjibhai Patel	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Note: To be updated prior to filing of the Prospectus with the RoC.*

The Promoters have given their consent to include such number of Equity Shares held by them as may, in aggregate, constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as the Minimum Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Minimum Promoters' Contribution from the date of filing the Draft Red Herring Prospectus until the expiry of the lock-in 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.

Our Company undertakes that the Equity Shares 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 "*Notes to the Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding – Build-up of Promoters' shareholding in our Company*" on page 90.

In this connection, we confirm the following:

- i. The Equity Shares issued towards Minimum Promoters' Contribution have not been acquired during the three immediately preceding years (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, which are otherwise ineligible for computation of Minimum Promoters' Contribution;
- ii. the Minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- iii. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company;
- iv. The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge with any creditor; and
- v. All the Equity Shares held by our Promoters are held in dematerialised form as on the date of the Draft Red Herring Prospectus.

**(b) Details of Equity Shares locked-in for twelve months**

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

- i. the Minimum Promoters' Contribution and any Equity Shares held by our Promoters in excess of the Minimum Promoters' Contribution, which shall be locked in as above;
- ii. any Equity Shares allotted to employees, whether currently an employee or not, pursuant to any employee stock option schemes prior to the Issue;
- iii. Equity Shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme;
- iv. Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI;
- v. the entire pre-Issue equity share capital held by persons other than our Promoters, will be locked-in for a period of six months from the date of Allotment.

In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI shall not be locked-in for a period of twelve 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 such shareholders.

**(c) Lock-in of Equity Shares Allotted to 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.

**(d) Other requirements in respect of lock-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

The Equity Shares held by our Promoters, which are locked-in, may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SIs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations. In terms of Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of 36 months from the date of Allotment may be pledged only with the entities mentioned above, provided that such loans have been

granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans. Further, pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of six months from the date of Allotment, may be pledged only with the entities mentioned above, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked in for a period of twelve months may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and in compliance with the provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

The Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of twelve months may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the applicable lock-in and the transferee being ineligible to transfer such Equity Shares until expiry of the lock-in period, and in compliance with the provisions of the Takeover Regulations.

## 10. Shareholding Pattern of our Company

Set forth below is the shareholding pattern of our Company as on 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 Equity shares underlying convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialize d form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class (Equity Shares)	Class (Others )	Total								
(A)	Promoters and Promoter Group	11	2,34,86,509	-	-	2,34,86,509	74.23	2,34,86,509	-	2,34,86,509	74.23	-	-	-	-	-	-	2,34,86,509
(B)	Public	77	81,55,681	-	-	81,55,681	25.77	81,55,681	-	81,55,681	25.77	-	-	-	-	-	-	81,55,681
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Total	88	3,16,42,19 0	-	-	3,16,42,19 0	100.00	3,16,42,19 0	-	3,16,42,19 0	100.0 0	-	-	-	-	-	-	3,16,42,190
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## 11. Details of Equity Shareholding of the major Equity Shareholders of our Company

- (a) Set forth below is a list of 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 on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares held*	Percentage of the pre-Issue Equity Share Capital	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
1.	Patel Divyang Jashvantbhai	56,66,355	17.91	[●]	[●]
2.	Patel Rasiklal Valjibhai	52,78,247	16.68	[●]	[●]
3.	Gothi Vivek Rasiklal	51,25,541	16.20	[●]	[●]
4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43	[●]	[●]
5.	Punit Prahladbhai Patel	10,92,396	3.45	[●]	[●]
6.	Raj Sanjaybhai Saidava	8,19,296	2.59	[●]	[●]
7.	Patel Ripal Divyangbhai	6,86,044	2.17	[●]	[●]
8.	Bapodarya Ramesh Patel	5,46,198	1.73	[●]	[●]
9.	Amrutiya Pankajkumar Chaturbhai	5,46,198	1.73	[●]	[●]
10.	Saidva Manoj Pranjivan	5,46,198	1.73	[●]	[●]
11.	Patel Kusumben Rasikbhai	5,02,778	1.59	[●]	[●]
12.	Jaykumar K Patel	4,46,198	1.41	[●]	[●]
13.	Mithlesh Consultancy LLP	4,36,360	1.38	[●]	[●]
14.	Sunil Manglunia	3,63,632	1.15	[●]	[●]

\* Based on the beneficiary position statement dated September 29, 2025 and register of members of our Company, as applicable.

- (b) Set forth below is a list of 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 ten days prior to filing this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares held*	Percentage of the pre-Issue Equity Share Capital	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
1.	Patel Divyang Jashwantbhai	5666355	17.91	[●]	[●]
2.	Patel Rasiklal Valjibhai	5278247	16.68	[●]	[●]
3.	Gothi Vivek Rasiklal	5125541	16.20	[●]	[●]
4.	Jaswantbhai Valjibhai Patel	4566880	14.43	[●]	[●]
5.	Punit Prahladbhai Patel	1092396	3.45	[●]	[●]
6.	Raj Sanjaybhai Saidva	819296	2.59	[●]	[●]
7.	Ripal Divyang Patel	686044	2.17	[●]	[●]
8.	Manojbhai Saidva	546198	1.73	[●]	[●]
9.	Bapodariya Ramesh Patel	546198	1.73	[●]	[●]
10.	Pankajbhai Amrutiya	546198	1.73	[●]	[●]
11.	Patel Kusumben Rasikbhai	502778	1.59	[●]	[●]
12.	Jaykumar K Patel	446198	1.41	[●]	[●]

\* Based on the beneficiary position statement dated September 18, 2025 and register of members of our Company, as applicable.

- (c) Set forth below is a list of 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 one year prior to filing this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
1.	Patel Divyang Jashvantbhai	56,66,355	17.91	[●]	[●]
2.	Rasiklal Valjibhai Patel	52,78,247	16.68	[●]	[●]
3.	Gothi Vivek Rasiklal	51,25,541	16.20	[●]	[●]



Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43	[●]	[●]
5.	Puneetkumar Prahaladbhai Patel	10,92,396	3.45	[●]	[●]
6.	Raj Sanjaybhai Saidva	8,19,296	2.59	[●]	[●]
7.	Ripal Divyang Patel	6,86,044	2.17	[●]	[●]
8.	Pankajbhai Amrutiya	5,46,198	1.73	[●]	[●]
9.	Ramesh Patel Bapodarya	5,46,198	1.73	[●]	[●]
10.	Manojbhai Pranjivanbhai Saidva	5,46,198	1.73	[●]	[●]
11.	Kusumben Rasikbhai Patel	5,02,778	1.59	[●]	[●]
12.	Jay Kantilal Patel	4,46,198	1.41	[●]	[●]

(d) Set forth below is a list of 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 two years prior to filing this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares held	Percentage of the pre-Issue Equity Share Capital	Number of Equity Shares on a fully diluted basis	Percentage of the pre-Issue Equity Share Capital on a fully diluted basis (%)
1.	Patel Divyang Jashvantbhai	51,66,355	16.33	[●]	[●]
2.	Gothi Vivek Rasiklal	46,25,541	14.62	[●]	[●]
3.	Jashwantbhai Valjibhai Patel	46,11,789	14.57	[●]	[●]
4.	Rasiklal Valjibhai Patel	45,06,437	14.24	[●]	[●]
5.	Sanjaybhai Parjivanbhai Saidva	23,14,298	7.31	[●]	[●]
6.	Devkinandan Paper Mill Private Limited	20,00,000	6.32	[●]	[●]
7.	Ripal Divyang Patel	6,86,044	2.17	[●]	[●]
8.	Sheetal Vivek Patel	5,63,589	0.92	[●]	[●]
9.	Pankajbhai Amrutiya	5,46,198	1.78	[●]	[●]
10.	Puneetkumar Prahaladbhai Patel	5,46,222	1.78	[●]	[●]
11.	Kusumben Rasikbhai Patel	5,02,778	1.59	[●]	[●]
12.	Jay Kantilal Patel	4,46,198	1.41	[●]	[●]
13.	Ramesh Patel Bapodarya	4,16,667	1.73	[●]	[●]

## 12. Details of the Shareholding of our Directors, our Key Managerial personnel and our Senior Management Personnel

Except as disclosed below, as on the date of this Draft Red Herring Prospects, neither our Directors, nor our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares in our Company

S. No.	Name of the Shareholder	Number of Equity Shares held	Percentage (%) of pre-Issue Equity Share capital	Percentage (%) of post-Issue Equity Share capital
<b>Directors</b>				
1.	Patel Divyang Jashvantbhai	56,66,355	17.91	[●]
2.	Rasiklal Valjibhai Patel	52,78,247	16.68	[●]
3.	Gothi Vivek Rasiklal	51,25,541	16.20	[●]

4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43	●
5.	Amrutiya Pankajkumar Chaturbhai	5,46,198	1.73	●
<b>Total</b>		<b>2,11,83,221</b>	<b>66.95</b>	●

**13. Recording of non-transferability of Equity Shares that are locked in**

As required under Regulation 16(a) of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares that are locked-in are recorded by the relevant depository. Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011, the specified securities held by the promoters and locked-in as per regulation 16 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the specified securities held by persons other than the promoters and locked-in as per regulation 16 may be transferred to any other person (including promoter or promoter group) holding the specified securities which are locked-in along with the securities proposed to be transferred. Provided that the lock-in on such specified securities shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

14. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
15. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be allotted pursuant to the Issue.
16. As of on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs 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.
17. All issuances of Equity Shares by our Company from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus have been made in compliance with Companies Act, 1956 and Companies Act 2013. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued pursuant to the Issue shall be fully paid up at the time of Allotment.
18. As of the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options, debentures, loans or other instruments convertible instruments into Equity Shares.
19. Our Company has not made any public issue since its incorporation and has not made any rights issue of any kind or class of securities since its incorporation, other than as disclosed in “–Share Capital History of our Company” on page 80.
20. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with the issuance of Fresh Equity Shares pursuant to IPO.
21. No person connected with the Issue, including our Company, the BRLMs, the Member of the Syndicate, our Promoters, member of our Promoter Group, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
22. Except as disclosed under “Notes to the Capital Structure – History of Equity Share capital of our Company” and “Notes to the Capital Structure – History of build-up of Promoters’ shareholding and lock-in of Promoters’ shareholding - Build-up of Promoters’ shareholding in our Company” on pages 80 and 85, 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.

23. Our Company may alter its capital structure within a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of 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 Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for acquiring assets or for business purposes or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
24. 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.
25. Our Promoters and members of the Promoter Group shall not participate in the Issue.
26. Our Company does not have any outstanding compulsorily convertible debentures as on the date of this Draft Red Herring Prospectus.
27. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is 88 (Eighty Eight). Further our Company is in compliance with Section 25 of Companies Act, 2013 and has not had more than 200 shareholders in any financial year since its incorporation.
28. Our Company will ensure that there shall be only one denomination of Equity Shares, unless otherwise permitted by law.
29. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters and members of our Promoter Group are pledged or otherwise encumbered.
30. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme / Stock Appreciation Rights Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme / Stock Appreciation Right Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2021.
31. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

We confirm that the Book Running Lead Managers are not associates of the Company as per Regulation 21A of the SEBI Merchant Bankers Regulations.

## OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue of [●] Equity Shares of face value of ₹ 10 each, aggregating up to ₹ 16,000 lakhs by our Company. For details, see “*Summary of the Issue Document*” and “*The Issue*” on pages 21 and 28, respectively.

### Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. Part of Payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited; and
2. General Corporate Purposes

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image amongst our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake the activities for which funds are proposed to be raised by our Company through the Issue.

### Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

Particulars	Estimated Amount (in ₹ lakhs)
<b>Gross Proceeds of the Issue</b>	Up to [●]
<i>Less: Issue related expenses in relation to the Fresh Issue</i>	[●] <sup>(1)</sup>
<b>Net Proceeds of the Issue*</b>	[●] <sup>(2)</sup>

<sup>(1)</sup> See “*Objects of the Issue - Issue related Expenses*” on page 110.

<sup>(2)</sup> Subject to the finalisation of the Basis of Allotment.

### Requirement of Funds and Utilisation of Net Proceeds

Our Company proposes to utilise the Net Proceeds of the Fresh Issue towards funding the following objects:

S. No.	Particulars	Amount (in ₹ lakhs)*
1.	Part Payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited	11,151
2.	General Corporate Purpose*	[●]
	<b>Net Proceeds*</b>	[●]

\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be 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 lakhs)						
S. No.	Particulars	Total amount for acquisition*	Amount utilised till date	Amount to be utilised on or before January 1, 2026	Amount to be utilised from Net Proceeds	Estimated deployment of Net Proceeds Fiscal 2026
1.	Part Payment of the purchase consideration for the	13,151	1,000 <sup>#</sup>	1,000 <sup>#</sup>	11,151	11,151

	acquisition of Falcon Yarns Private Limited					
2.	General Corporate Purpose*	●	-		●	
<b>Total Net Proceeds **</b>		●	-		●	

<sup>#</sup>According to clause 2.2.2 (a) and (b) respectively of the Share Purchase Agreement dated September 22, 2025 between our Company, Falcon Yarns Private Limited (“**Falcon**”) and the shareholders of Falcon (“**Sellers**”) (collectively “**Falcon SPA**”) identified in Schedule I of the SPA, our Company has paid 1,000 lakhs from our internal accruals as on the date of this Draft Red Herring Prospectus and is required to pay a second tranche consideration amounting to ₹1,000 lakhs to the Sellers on or before January 1, 2026 from our internal accruals.

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

\*\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC

In the event the estimated utilisation of the Net Proceeds is not completely utilised for the Objects during the respective periods stated above due to factors including but not limited to (i) global or domestic economic or business conditions; (ii) timely completion of the Issue; (iii) market conditions beyond the control of our Company; (iv) rapid change in technology; and (v) any other commercial considerations, the balance Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by the Board of Directors of our Company, in accordance with applicable laws. In the event of any increase in the actual utilisation of funds earmarked and allocated for the purposes set forth above, such additional funds for that particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements, or both. We believe that such alternate arrangements would be available with our Company to fund any such shortfalls. For further details, please see section titled “*Risk Factors – Risk Factors 22- We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the “Objects of the Issue”. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations, and financial performance.*” on page 44.

The above-stated fund requirements, deployment of the funds, and the intended use of the Net Proceeds as described in this section are based on current business plan, management estimates, market conditions, external commercial and technical factors, and also based on quotations obtained from certain vendors, which are subject to change in the future. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution, or any other independent agency. Our Company’s historical capital and operational expenditure may not be reflective of our future capital expenditure plans. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, revision in quotations at the time of actual expenditure, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital, and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. See “*Risk Factors- Risk Factor 61 – Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.*” on page 59.

## Means of finance

The aggregate purchase consideration under Falcon SPA is up to ₹13,151 lakhs, of which our Company has paid ₹1,000 lakhs as part consideration. A second tranche of ₹1,000 lakhs will be payable by the Company in accordance with the terms of the SPA on or before January 1, 2026, from our internal accruals. Save and except the foregoing, the entire requirement of funds for the Objects of the Fresh Issue is proposed to be met from the Net Proceeds after netting proceeds for GCP. We confirm that there is no requirement to make firm arrangements of finance towards at least 75% of the stated means of finance through verifiable means, excluding the amount to be raised through the Fresh Issue. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 7(1)(e) of the SEBI ICDR Regulations.

In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options, including utilising our internal accruals or availing additional debt for capital expenditure.

## Details of the Objects

### 1. Part Payment of Purchase Consideration for the acquisition of Falcon Yarns Private Limited

In order to grow and expand our business, we evaluate targets for acquisitions and seek opportunities to acquire businesses which complement our product offerings, strengthen or establish our presence in the targeted domestic and international markets, and provide synergy to our existing businesses and operations. Our emphasis on inorganic growth & acquisitions is targeted towards adding capabilities, value chain enlargement, spreading product offerings and building a sustainable business model.

For details in relation to our business and the industry in which we operate, please see “Our Business” and “Industry Overview” on pages 156 and 129, respectively.

The typical framework and process followed by us for acquisitions involves the identification of the strategic acquisitions based on the following criteria: (a) expertise in the domain we operate in or wish to expand into; (b) compatibility with the industry in which we operate; (c) presence in our targeted domestic and international markets; (d) new capabilities to serve existing customers; and (e) newer technology infrastructure, service/product offerings. We typically engage external advisors and consultants to assist us in the process of such acquisition, with whom (and with the potential target) we enter into customary non-disclosure agreements. We may be required at various stages of the process to procure: (i) corporate authorizations and approvals of corporate actions by way of Board and Shareholder resolutions, (ii) applicable judicial/regulatory approvals; and (iii) financing, including by way of raising of capital or borrowings/financial assistance from banks/financial institutions. We have also entered into requisite non-disclosure agreements and undertaken due diligence of the target. On satisfactory conclusion of the diligence exercise, we have entered into definitive agreements after the approval of our Board and the shareholders.

Pursuant to a Falcon SPA, our Company will acquire 3,94,53,600 equity shares having a face value of ₹ 10 each from the Sellers for a cash consideration of up to ₹ 13,151 lakhs aggregating to 100 % of the shareholding of Falcon Yarns Private Limited in three tranches as follows:

- i. Part consideration of ₹1,000 lakhs paid towards 30,00,046 shares representing 7.60% of paid-up share capital of Falcon paid by our Company pursuant to which ‘First Tranche closing certificate’ has been executed on September 27, 2025 (“**Tranche I**”);
- ii. Part consideration of ₹1,000 lakhs to be paid by our Company on or before January 1, 2026, towards 30,00,046 shares representing additional 7.60% of paid-up share capital of Falcon (“**Tranche II**”); and
- iii. Balance consideration of ₹11,151 lakhs to be paid by our Company post completion of the proposed initial public offering or prior to the long stop date i.e. July 31, 2027, whichever is earlier towards 3,34,53,508 shares representing the remaining 84.79% of the paid-up share capital of Falcon (“**Tranche III**”).

Hence, as set out above, we propose to utilize a sum of up to ₹ 11,151 lakhs from the Net Proceeds towards the discharge of the balance consideration payable to the Sellers. The total cost of acquisition has been agreed upon taking the base of valuation report dated September 15, 2025 issued by CA Rohit Maloo.

The Shareholders’ Agreement (“**Falcon SHA**”) has been executed between our Company, Falcon and the Sellers dated September 22, 2025 pursuant to approval of the Board of Directors of our Company dated September 19, 2025. The key terms of the Falcon SHA are as follows:

- (i) Our Company shall be entitled to nominate 2 (two) Non-Executive directors to the Board of Directors of Falcon;
- (ii) Our Company shall have the right to first refusal in terms of the Agreement in case any of the Sellers wish to sell their shares held by them;
- (iii) Any and all Intellectual Property owned by Falcon shall be solely owned by and belong to our Company; and

- (iv) The quorum of all board meetings shall mandatorily include one director appointed by Falcon and one Director appointed by Aastha.

Upon completion of the aforementioned acquisition, Falcon will be designated as a wholly owned Subsidiary of our Company. Consequently, our Company will be required to publish its consolidated financial results, which will include the financial results of Falcon for the relevant fiscal year, on our Company's website.

We may enter into additional amendments to extend the timelines for consummation of the transactions, if required and agreed to by our Company, Falcon and shareholders of Falcon in writing.

Also see “*Risk Factors – Risk Factor 7– Our acquisition-driven growth strategy, including the acquisition of Falcon Yarns Private Limited, exposes us to risks of integration, hidden liabilities, and increased financial commitments*” on page 38.

#### Details of Falcon Yarns Private Limited

##### *Corporate Information*

Falcon Yarns Private Limited was incorporated on June 30, 2015, as a private limited company under the Companies Act, 2013. Its registered office is situated at S.No. 177/1, N.H. 27, Near Bharudi Toll Plaza, Bharudi, Bhunava, Rajkot- 360 311, Gujarat, India. Its CIN is U17120GJ2015PTC083705.

##### *Nature of Business*

The principal business of Falcon Yarns Private Limited is, among others, to manufacturing and trading of cotton yarns, cotton bales and cotton related by-products.

##### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Falcon is ₹ 51,00,00,000 divided into 5,10,00,000 equity shares of ₹ 10 each. The issued and paid-up share capital of Falcon is ₹ 39,45,36,000 divided into 3,94,53,600 equity shares of ₹ 10 each.

##### *Impact of acquisition of Falcon*

For the illustration of the acquisition of Falcon, as if the acquisition had consummated on April 1, 2024, please see “Pro Forma Consolidated Financial Information” on page 269.

##### *Financial Information*

Set forth below are the brief highlights of the audited financial statements of Falcon in Fiscal 2025, Fiscal 2024, and Fiscal 2023:

*(in ₹ lakhs unless otherwise stated)*

Particulars	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023
<b>Statement of Assets and Liabilities'</b>			
<b>Equity and Liabilities</b>			
<b>Shareholder's Fund</b>			
Share Capital	3945.36	3400.00	3400.00
Reserve and Surplus	1084.46	3282.49	2986.36
<b>Total Shareholders' Fund</b>	<b>5029.82</b>	<b>6682.49</b>	<b>6386.36</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3002.42	789.34	1117.21
Deferred tax Liabilities (Net)	490.77	449.31	420.12
Other Long term liabilities	0.00	0.00	0.00

Long Term Provisions	0.00	0.00	0.00
<b>Total Non-Current Liabilities</b>	<b>3493.19</b>	<b>1238.65</b>	<b>1537.33</b>
<b>Current Liabilities</b>			
Short Term Borrowings	963.55	1704.88	1722.2
Trade Payables'	79.80	0.02	656.37
Other Current Liabilities	133.83	140.7	48.16
Short Term Provisions	78.81	184.63	147.76
<b>Total Current Liabilities </b>	<b>1255.99</b>	<b>2030.23</b>	<b>2574.49</b>
<b>Total Liabilities </b>	<b>9779.01</b>	<b>9951.36</b>	<b>10498.18</b>
<b>Assets</b>			
<b>Fixed Assets</b>			
Property Plant and Equipment Gross Block	13734.53	12561.59	12548.44
Depreciation	7547.88	6762.27	5971.31
Net Block	6186.65	5799.32	6577.13
Capital Work in Progress	0	37.39	0
<b>Other Non-Current Assets</b>			
Non-current investment	23.27	23.27	23.27
Long Term Loan and Advances	48.46	49.41	52.36
<b>Total Other Non-Current Assets</b>	<b>71.73</b>	<b>72.68</b>	<b>75.63</b>
<b>Current Assets</b>			
Inventories	1468.33	2029.20	1725.98
Trade Receivables	1.51	0.57	100.03
Cash and Cash Equivalents	279.35	512.99	414.01
Short Term Loan and advances	1680.99	1499.2	1605.4
Other Current Assets	90.45	0	0
<b>Total Current Assets</b>	<b>3520.63</b>	<b>4041.96</b>	<b>3845.42</b>
<b>Total Assets</b>	<b>9779.01</b>	<b>9951.36</b>	<b>10498.18</b>
<b>Particulars</b>	<b>As at and for the Financial Year ended March 31, 2025</b>	<b>As at and for the Financial Year ended March 31, 2024</b>	<b>As at and for the Financial Year ended March 31, 2023</b>
<b>Statement of Profit and Loss</b>			
Revenue from Operations	24944.39	22035.14	22875.33
Other Income	574.74	788.33	779.58
<b>Total Income</b>	<b>25519.13</b>	<b>22823.47</b>	<b>23654.91</b>
<b>Expenses</b>			
Cost of Material Consumed	21036.27	18621.12	19168.83
Changes in Inventories	309.52	(129.51)	153.67
Employee benefits Expense	1142.90	1074.62	1099.68
Finance Cost	176.59	178.77	227.06
Depreciation	785.60	790.97	876.01
Other Expenses	1875.22	1883.36	1606.97
<b>Total Expenses</b>	<b>25326.1</b>	<b>22419.33</b>	<b>23132.22</b>
<b>Profit Before Tax</b>	<b>193.03</b>	<b>404.14</b>	<b>522.69</b>
<b>Tax Expenses</b>			
Current Tax	14.48	78.83	55.35
Less: MAR Credit Entitlement	0.00	0.00	0.00
Deferred tax (Net)	41.46	29.19	59.80
<b>Profit for the Period from continuing operations</b>	<b>137.09</b>	<b>296.12</b>	<b>407.54</b>
Earning Per Equity Share (In ₹)			
Basic	<b>0.36</b>	<b>0.87</b>	<b>1.20</b>
Adjusted	<b>0.36</b>	<b>0.87</b>	<b>1.20</b>



Particulars	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023
<b>Statement of Cash Flow</b>			
<b>Cash Flow From Operating Activities</b>			
Net Profit before tax and extraordinary items	193.02	404.15	522.70
Adjustment for			
Depreciation	785.60	790.97	876.01
Interest Expenses	176.59	178.77	225.81
Interest Income	(92.26)	(126.98)	(120.51)
Income Tax Payment of Earlier year	--	--	(0.81)
<b>Total Adjustment</b>	<b>869.93</b>	<b>842.75</b>	<b>980.50</b>
Operating Profit before Working Capital Changes	1062.95	1246.90	1503.20
(Increase)/Decrease in Trade and other receivables	(0.93)	99.45	(99.83)
(Increase)/Decrease in Inventories	560.87	(303.22)	(383.46)
(Increase)/Decrease in Short Term loans and advances	(181.78)	106.19	(361.29)
(Increase)/Decrease in Trade payables	79.79	(656.36)	654.09
(Increase)/Decrease in Current Liabilities & Provisions	(48.34)	105.93	16.35
(Increase)/Decrease in working capital	319.15	(648.00)	(174.13)
Cash generated from operations	1382.10	598.90	1329.07
Direct Tax Paid	197.21	55.34	192.26
<b>Net Cash From operating activities</b>	<b>1184.90</b>	<b>543.56</b>	<b>1136.81</b>
<b>Cash Flow From Investing Activities</b>			
Purchase of Fixed assets	(1135.41)	(13.16)	(98.54)
Capital Work in Process	0	(37.39)	0
Other Deposits and Investments	(0.95)	(2.95)	(2.95)
Interest Received	92.26	126.98	120.51
<b>Net cash Generated/(used) in investing activities</b>	<b>(1044.10)</b>	<b>73.48</b>	<b>19.01</b>
<b>Cash Flow from Financing Activities</b>			
payment for Buyback of Shares	(1669.61)	0	0
Proceed from Unsecured Loan	1609.61	0	0
Proceed from Borrowings	(137.85)	(11.41)	89.77
Repayment of Borrowings	0	(327.87)	(1213.41)
Interest paid	(176.59)	(178.77)	(225.81)
<b>New Cash generated/(used) in Finance activities</b>	<b>(374.44)</b>	<b>(518.05)</b>	<b>(1349.45)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(233.65)</b>	<b>98.99</b>	<b>(193.62)</b>
<b>Cash and Cash Equivalent (Op. Balance)</b>	<b>513.00</b>	<b>414.01</b>	<b>607.63</b>
<b>Cash and Cash Equivalent (Cl. Balance)</b>	<b>279.35</b>	<b>513.00</b>	<b>414.01</b>

## 2. General Corporate Purpose

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, 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. Such general corporate purposes may include, but are not restricted to, the following:

- (i) strategic initiatives such as expansion into new business lines by marketing, by upgrading existing machinery;
- (ii) administrative expenses;
- (iii) meeting ongoing general corporate contingencies;
- (iv) employee and other personnel expenses;
- (v) funding any shortfall in any of the abovementioned objects; and
- (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

In the event our Company is unable to utilise the Net Proceeds towards other Objects for any of the reasons as aforementioned, our Company may at its discretion utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in Fiscal 2026, we will utilise such unutilised amount(s) in the subsequent Fiscals.

#### **Interim use of Net Proceeds**

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

#### **Issue Related Expenses**

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Issue, escrow collection bank to the Issue and sponsor bank(s), including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, 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 expenses are as under:

(₹ in lakhs)			
Expenses*	Estimated expenses (₹ in lakhs)**	As a % of the total estimated Issue expenses**	As a % of the Issue Proceeds**
Fixed fees payable to Book Running Lead Managers	[●]	[●]	[●]

Expenses*	Estimated expenses (₹ in lakhs)**	As a % of the total estimated Issue expenses**	As a % of the Issue Proceeds**
Underwriting /Selling Commission to the BRLMs	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and fees payable to sponsor bank(s) for bids made by RIBs, Bankers to the Issue(s), Brokerage and Syndicate Fees, bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(1)(2)(3)(4)(5)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
<b>Other expenses including but not limited to:</b>			
Listing fees, SEBI filing fees, upload fees, BSE and SE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
Printing and distribution of stationery	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to legal counsel	[●]	[●]	[●]
Fees payable to other advisors to the Issue, including but not limited to Statutory Auditors, industry report provider, practising company secretary, cost assessment report provider and independent chartered engineer; and	[●]	[●]	[●]
Miscellaneous expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*Issue expenses include taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Prospectus with the RoC. Issue expenses are estimates and are subject to change.

\*\*Amounts and Amounts as a % of Issue Proceeds will be finalised and incorporated in the Issue Document on determination of the Issue Price including applicable taxes, where applicable.

<sup>(1)</sup> Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and, Non-Institutional Bidders, which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for Retail Individual Bidders	[●]% 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. No additional uploading/ processing fees shall be payable by our Company and the Promoter Selling Shareholders to the SCSBs on the applications directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of stock exchanges.

<sup>(2)</sup> Processing fees payable to the SCSBs for processing the Bid cum Application for the portion of Retail Individual Bidders and Non-Institutional Bidders which are procured by the Syndicate Member/ Sub-Syndicate Members/ Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Bidders	₹ [●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders	₹ [●] per valid application (plus applicable taxes)

In case the total ASBA processing charges payable to SCSBs exceeds ₹ [●] lakhs the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ [●] lakhs.

<sup>(3)</sup> For Syndicate (including their Sub-Syndicate Members), RTAs and CDPs, Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism) and portion for Non-Institutional Bidders (up to 5 lakhs) which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders*	[●]% 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 RIIs and

NII's and 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 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 payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of stock exchanges.

- (4) Uploading charges/ processing fees for applications made by UPI Bidders would be as follows:

Members of Syndicate/RTAs/CDPs/Registered Brokers	₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	₹ [●] per valid Bid cum Application Form (plus applicable taxes)  The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI 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

\*In case the total uploading charges payable under this head exceeds ₹[●] lakhs, the amount payable would be proportionately distributed based on the number of valid applications such that the total uploading charges payable does not exceed ₹ [●] lakhs.

- (5) Uploading charges of ₹ [●] per valid applications (plus applicable taxes) are applicable only in case of Bid uploaded by the members of the Syndicate, Registered Brokers, RTAs and CDPs: (a) for applications made by Retail Individual Bidders using 3-in-1 type accounts; and (b) for Non-Institutional Bids using Syndicate ASBA mechanism / using 3-in-1 type accounts. (In case the total uploading charges payable under this head exceeds ₹ [●] lakhs, the amount payable would be proportionately distributed based on the number of valid applications such that the total processing charges payable does not exceed ₹ [●] lakhs.)

Pursuant to SEBI ICDR Master Circular, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate/ Sub-Syndicate Members shall not be able to Bid the Application Form above ₹ 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the stock exchange bidding platform. To identify bids submitted by Syndicate/ Sub-Syndicate Members to SCSB a special Bid-cum application form with a heading/ watermark "Syndicate ASBA" may be used by Syndicate/Sub-Syndicate Members along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for bid by Retail Individual Investor and bids by Non-Institutional Investors up to ₹ 5 lakhs will not be eligible for brokerage.

Further the processing fees for Bid cum application forms which are procured by the Registered Brokers/ RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes). The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after a written confirmation is provided by such banks in compliance with the SEBI ICDR Master Circular.

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

### **Interim Use of Funds**

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will 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, for the necessary duration, as may be approved by the Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

### **Bridge Loan**

Our Company has not raised any bridge loans as on date of this Draft Red Herring Prospectus which are required to be repaid from the Net Proceeds.

### **Appraising Entity**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law. For details, see “*Risk Factors – Risk Factor 61- Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior approval of the shareholders of our Company*” on page 59.

### **Monitoring of Utilization of Funds**

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Gross Proceeds as the size of the Fresh Issue exceeds ₹ 10,000 lakhs. Our Audit Committee and the monitoring agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Gross Proceeds towards the general corporate purposes) and 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. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our 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, if any, of such unutilised Gross Proceeds.

Pursuant to the Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Gross Proceeds of the Issue from the Objects as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee. We will disclose the utilization of the Gross Proceeds under a separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilized clearly specifying the purpose for which such Gross Proceeds have been utilized.

### **Deployment of Funds**

Except as disclosed in “*Objects of the Issue- Part Payment of the purchase consideration for the acquisition of Falcon Yarns Private Limited*” on page 108, as on date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the Objects of the Issue.

### **Variation in Objects of the Issue**

In accordance with Sections 27 of the Companies Act, 2013 and Schedule XI and XX of the SEBI ICDR Regulations, any material deviation in the Objects of the Issue requires the Company to obtain the approval of its Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “**Postal Ballot Notice**”) shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Pursuant to the Companies Act, 2013, the Promoters or controlling Shareholders

will be required to provide an exit opportunity to the Shareholders who do not agree to such material deviation of the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Schedule XX of the SEBI ICDR Regulations.

### ***Other Confirmations***

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, Group Companies, Senior Management Personnel or Key Managerial Personnel. Except as disclosed in this Draft Red Herring Prospectus, our Company has not entered into, nor is planning to enter into, any arrangement or agreement with our Promoters, Promoter Group, our Directors, Group Companies, Senior Management Personnel or Key Managerial Personnel in relation to the utilisation of the Net Proceeds of the Issue.

Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the Issue as set out above. Our Promoters, Promoter Group, our Directors, Group Companies, Senior Management Personnel or Key Managerial Personnel do not have any interest in the proposed Objects

## BASIS OF ISSUE PRICE

The Floor Price, Price Band and the Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10 each, and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The financial information included herein is derived from our Restated Financial Information. The Prospective Investors should also refer to “Risk Factors”, “Our Business”, “Restated Financial Information”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 156, 220 and 288, respectively, to have an informed view before making an investment decision.

### Qualitative factors

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

- Fully integrated cotton spinning infrastructure with modern technologies to support our product portfolio.
- Long standing relationship with key customers.
- Strategically located manufacturing facility with adequate storage facility and scope for future expansion.
- Strong Renewable Energy Infrastructure Enabling Sustainable and Cost-Efficient Manufacturing.
- Strong financials and operating metrics.
- Strong Promoters and Experienced Management Team

For further details, see “Our Business – Our Strengths” on page 160.

### Quantitative factors

Some of the quantitative factors, which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings Per Equity Share (EPS), as adjusted for change in capital:

As derived from the Restated Financial Information

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial year ended March 31, 2025	8.50	8.50	3
Financial year ended March 31, 2024	5.96	5.96	2
Financial year ended March 31, 2023	0.39	0.39	1
<b>Weighted Average</b>	<b>6.30</b>	<b>6.30</b>	

Notes:

1. Earnings per share calculations are in accordance with Ind AS 33 (Earnings per Share). The Face value of Equity Shares is ₹ 10 each
2. The ratios have been computed as below:
  - a. Basic earnings per equity share (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year.
  - b. Diluted earnings per equity share (₹) = Restated profit for the year attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.
  3. The weighted average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.
  4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
  5. Basic earnings per equity share and Diluted earnings per equity share are after adjustment of bonus.

#### 2. Price Earning Ratio (P/E) in relation to Issue Price of ₹ [●] per Equity Share:

As derived from the Restated Financial Information:

Particulars	P/E at lower end of the Price Band	P/E at higher end of the Price Band	P/E at Issue Price (no. of times)
Based on basis EPS as per Restated financial Information for Fiscal 2025	[●]	[●]	[●]
Based on diluted EPS as per Restated financial Information for Fiscal 2025	[●]	[●]	[●]

### 3. Industry P/E ratio

Based on the peer group information (excluding our Company) which has been given below:

Particulars	Industry P/E
Highest	85.43
Lowest	11.62
<b>Average</b>	<b>48.53</b>

Notes:

- (1) Highest, Lowest, and Average P/E Ratio has been computed based on the closing market price of equity shares on September 25, 2025, on [www.nseindia.com], divided by the Diluted EPS as on March 31, 2025 as disclosed in Standalone audited financials submitted by the respective entity with the stock exchange for financial year 2024-25.
- (2) All the financial information for listed industry peer mentioned above is sourced from the Standalone audited financial statements of the relevant company for Fiscal 2025, Fiscal 2024, Fiscal 2023 as available on the websites of the Stock Exchanges [www.nseindia.com].

### 4. Average Return on Net Worth (RoNW):

As per Restated Financial Information of the Company

Period	RoNW (%)	Weight
Financial year ended March 31, 2025	19.32%	3
Financial year ended March 31, 2024	21.32%	2
Financial year ended March 31, 2023	1.76%	1
<b>Weighted Average</b>	<b>17.06%</b>	

Notes:

1. Return on Net Worth (%) = Profit after tax/ Restated Net worth at the end of the year .
2. 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 Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulations. Capital reserve being reserve created on account of business acquisition will be excluded from calculation of Net Worth.
3. The weighted average return on Net Worth is a product of return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.

### 5. Net Asset Value (NAV) per Equity Share:

As at	NAV per Equity Share (in ₹)
March 31, 2025	₹ 44.01
March 31, 2024	₹ 27.97
March 31, 2023	₹ 21.97
<b>After the completion of the Offer:</b>	
<b>(i) At Floor Price</b>	₹ [●]
<b>(ii) At Cap Price</b>	₹ [●]
<b>(iii) At Issue Price</b>	₹ [●]

Notes:

1. Net Asset Value per equity share represents average net worth attributable to Equity Shareholder (average Equity Share capital together with other equity as per Restated Financial Information) as at the end of the fiscal divided by Weighted No. of Equity Shares.
2. For the purposes of the above, "Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulation. Capital Reserve being reserve created on account of business acquisition will be excluded from calculation of Net Worth.

### 6. Comparison of accounting ratios with Listed Industry Peers



Name of Company	Latest financial year	Face Value (₹ per share)	Closing price on 25/09/2025 (₹)	Revenue from Operations (in ₹ Lacs)	EPS (₹ per share)		NAV (₹ per share)	P/E	RONW (%)
					Basic	Diluted			
Aastha Spintex Limited	Fiscal 2025	10	[●]	35,116.02	8.50	8.50	44.01	[●]	19.32%
Ambika Cotton Mills Limited	Fiscal 2025	10	₹ 1,464.10	70,207.04	114.83	114.83	1,579.14	12.75	7.27%
Lagnam Spintex Limited	Fiscal 2025	10	₹ 84.58	60,556.46	7.28	7.28	68.41	11.62	10.64%
Pashupati Cotspin Limited	Fiscal 2025	10	₹ 709.95	63,670.28	8.31	8.31	97.78	85.43	8.35%

Notes:

1. All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports as available of the respective company for the relevant year ended March 31, 2025.
2. P/E Ratio has been computed based on the closing market price of equity shares on NSE on September 25, 2025, divided by the Diluted EPS for the Fiscal 2025.
3. Return on Net Worth (%) = Profit after tax/ Restated Net worth at the end of the year.
4. Net Worth = 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 Financial Information / Audited Standalone Financial information (as applicable), but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
5. Net asset value per share = Net worth / weighted average number of equity shares outstanding at the end of the year.

## 7. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Issue Price. The key financial and operational metrics set forth above, have been approved and verified by the Audit Committee pursuant to its resolution dated September 25, 2025. Further, the Audit Committee has on September 25, 2025 taken on record that other than the key financial and operational metrics set out below, our Company has not disclosed any other key performance indicators during the three years preceding this Draft Red Herring Prospectus with its investors. The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. Additionally, the KPIs have been certified by way of certificate dated September 29, 2025 issued by our Statutory Auditor, who hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to make an assessment of our Company's performances and make an informed decision.

A list of Key Performance Indicators for Fiscal 2025, Fiscal 2024, Fiscal 2023, is set out below.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations <sup>(1)</sup> (₹ Lakhs)	35,116.02	30,486.16	23,926.50
PAT for the year/ period <sup>(2)</sup> (₹ Lakhs)	2,349.83	1,628.76	105.83
Cash Flow from Operations <sup>(3)</sup> (₹ Lakhs)	(1,871.62)	1,293.13	1,547.49
EBITDA <sup>(4)</sup> (₹ Lakhs)	4,694.39	3,424.59	1,160.02
EBITDA Margin <sup>(5)</sup> (%)	13.37%	11.23%	4.85%
PAT Margin <sup>(6)</sup> (%)	6.69%	5.34%	0.44%
Net Worth <sup>(7)</sup> (₹ Lakhs)	12,163.43	7,637.83	6,000.94
Current Ratio <sup>(8)</sup>	1.64	1.29	1.23
Total Debt / Equity <sup>(9)</sup>	0.78	1.08	1.35
Debt Service Coverage Ratio <sup>(10)</sup>	2.37	1.35	0.65
ROE <sup>(11)</sup> (%)	23.73%	23.88%	1.78%
ROCE <sup>(12)</sup> (%)	19.12%	18.95%	4.58%
Inventory turnover ratio <sup>(13)</sup>	3.15	4.31	4.01
Trade Receivables turnover ratio <sup>(14)</sup>	6.28	6.96	18.00
Trade payables turnover ratio <sup>(15)</sup>	6.19	4.97	8.31
Working Capital Turnover Ratio <sup>(16)</sup>	6.41	12.29	12.14
Fixed Assets Turnover Ratio <sup>(17)</sup>	4.17	3.79	3.68
Installed Capacity in M.T. (Ginning Division) <sup>(18)</sup>	12,000	12,000	12,000

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Installed Capacity in M.T. (Spinning Division) <sup>(18.1)</sup>	7,700.00	7,700.00	6,400.00
Utilised Capacity M.T. (Ginning Division) <sup>(19)</sup>	9,897.00	9,526.00	8,531.00
Utilised Capacity M.T. (Spinning Division) <sup>(19.1)</sup>	7,436.00	7,361.00	6,137.00

Note:

(1) Revenue from Operations is defined as sales.

(2) PAT for the period/year is defined as profit for the year.

(3) Cash flow from operations as per Restated Cash Flow Statement

(4) EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation.

(5) EBITDA Margin is calculated as EBITDA/revenue from operation

(6) PAT margin is calculated as "PAT"/revenue from operation.

(7) 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 Financial Information

(8) Current ratio means current assets divided by current liabilities.

(9) Total debt /Equity is calculated as total debt /total net worth.

(10) Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment.

(11) ROE is calculated as profit after tax /average total net worth.

(12) ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability.

(13) Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares.

(14) Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables.

(15) Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables.

(16) Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities.

(17) Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.

(18) Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division).

(18.1) Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (Spinning Division).

(19) Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division).

(19.1) Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (Spinning Division) .

### Explanation for the Key Performance Indicators metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is defined as sales
PAT for the year/period	PAT for the period/year is defined as profit for the year
Cash flow from operations	Cash flow from operations as per Restated Cash Flow Statement
EBITDA	EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation
EBITDA Margin	EBITDA Margin is calculated as EBITDA/revenue from operation
PAT Margin(%)	PAT margin is calculated as "PAT"/revenue from operation
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 Restated Financial Information
Current Ratio	Current ratio means current assets divided by current liabilities
Total Debt / Equity	Total debt /Equity is calculated as total debt /net worth
Debt Service Coverage Ratio	Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment
ROE	ROE is calculated as profit after tax /average total net
ROCE	ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability
Inventory turnover ratio	Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares
Trade Receivables turnover ratio	Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables
Trade payables turnover ratio	Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables
Working Capital Turnover Ratio	Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities
Fixed Assets Turnover Ratio	Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.

Installed Capacity in M.T. (Ginning Division)	Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division)
Installed Capacity in M.T. (Spinning Division)	Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (spinning Division)
Utilised Capacity M.T. (Ginning Division)	Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division)
Utilised Capacity M.T. (Spinning Division)	Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (spinning Division)

*The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 156 and 288, respectively, 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 our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the “Objects of the Issue” on page 104, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

8. Comparison of Key Performance Indicators with Listed Industry Peers

Particulars	Aastha Spintex Limited			Ambika cotton Limited			Lagnam spintex Limited			Pashupati cotspin Limited		
	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations <sup>(1)</sup> (₹ Lakhs)	35,116.02	30,486.16	23,926.50	70,207.04	82,345.99	84,750.14	60,556.46	43,750.24	30,465.93	63,670.28	65,837.68	44,273.28
PAT for the year/ period <sup>(2)</sup> (₹ Lakhs)	2,349.83	1,628.76	105.83	6,574.16	6,297.36	11,189.40	1,285.47	1,457.32	976.28	1,288.03	830.39	410.77
Cash Flow from Operations <sup>(3)</sup> (₹ Lakhs)	(1,871.62)	1,293.13	1,547.49	12,905.04	(13,775.47)	(7,982.38)	2,407.05	2,180.80	1,287.71	2,945.27	5,185.95	6,540.59
EBITDA <sup>(4)</sup> (₹ Lakhs)	4,694.39	3,424.59	1,160.02	12,982.56	13,202.03	18,869.62	6,567.62	4,536.60	3,103.10	3,893.19	3,952.38	2,462.47
EBITDA Margin <sup>(5)</sup> (%)	13.37%	11.23%	4.85%	18.49%	16.03%	22.27%	10.85%	10.37%	10.19%	6.11%	6.00%	5.56%
PAT Margin <sup>(6)</sup> (%)	6.69%	5.34%	0.44%	9.36%	7.65%	13.20%	2.12%	3.33%	3.20%	2.02%	1.26%	0.93%
Net Worth <sup>(7)</sup> (₹ Lakhs)	12,163.53	7,637.83	6,000.94	90,405.59	85,889.39	81,661.54	12,086.89	10,895.10	9,428.84	15,433.81	11,855.41	11,139.66
Current Ratio <sup>(8)</sup>	1.64	1.29	1.23	4.18	4.48	5.53	1.06	1.09	1.35	1.68	1.24	1.16
Total Debt / Equity <sup>(9)</sup>	0.78	1.08	1.35	0.06	0.10	Not Applicable	3.21	3.47	1.95	0.64	1.27	1.56
Debt Service Coverage Ratio <sup>(10)</sup>	2.37	1.35	0.65	NA	NA	NA	1.16	1.09	0.79	1.03	0.91	0.62
ROE <sup>(11)</sup> (%)	23.73%	23.88%	1.78%	7.46%	7.52%	14.52%	10.64%	13.38%	10.35%	9.44%	7.22%	7.22%
ROCE <sup>(12)</sup> (%)	19.12%	18.95%	4.58%	14.36%	15.37%	0.23%	9.06%	7.05%	12.25%	11.28%	10.14%	10.14%
Inventory turnover ratio <sup>(13)</sup>	3.15	4.31	4.01	1.07	1.56	2.16	5.78	5.00	4.33	14.18	15.51	7.61
Trade Receivables turnover ratio <sup>(14)</sup>	6.28	6.96	18.00	26.71	24.82	19.23	10.04	10.72	8.87	11.26	9.58	6.56
Trade payables turnover ratio <sup>(15)</sup>	6.19	4.97	8.31	4.29	5.20	7.22	48.76	47.71	92.23	17.64	32.43	53.03
Working Capital Turnover Ratio <sup>(16)</sup>	6.41	12.29	12.14	1.08	1.32	1.39	44.79	30.47	8.72	9.75	18.66	16.51
Fixed Assets Turnover Ratio <sup>(17)</sup>	4.17	3.79	3.68	2.97	3.68	3.83	1.20	1.06	1.53	3.27	3.45	2.64
Installed Capacity in M.T. (Ginning Division) <sup>(18)</sup>	12,000	12,000	12,000	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Installed Capacity in M.T. (Spinning Division) <sup>(18.1)</sup>	7,700.00	7,700.00	6,400.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Utilised Capacity M.T. (Ginning Division) <sup>(19)</sup>	9,897.00	9,526.00	8,531.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

Utilised Capacity M.T. (Spinning Division) <sup>(19.1)</sup>	7,436.00	7,361.00	6,137.00	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
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Notes:

(1) Revenue from Operations is defined as sales.

(2) PAT for the period/year is defined as profit for the year.

(3) Cash flow from operations as per Restated Cash Flow Statement

(4) EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation.

(5) EBITDA Margin is calculated as EBITDA/revenue from operation

(6) PAT margin is calculated as "PAT"/revenue from operation.

(7) 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 Financial Information

(8) Current ratio means current assets divided by current liabilities.

(9) Total debt /Equity is calculated as total debt /total equity.

(10) Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment.

(11) ROE is calculated as profit after tax /average total net worth.

(12) ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability

(13) Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares.

(14) Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables.

(15) Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables.

(16) Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities.

(17) Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.

(18) Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division).

(18.1) Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (Spinning Division).

(19) Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division).

(19.1) Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (Spinning Division).

(20) All the financial information for the Company mentioned above is based on the Restated Financial information for the period March 31 2025, March 31, 2024 and March 31, 2023.

(21) All the financial information for listed industry peers mentioned above is on a basis and is sourced from the audited financial results for the respective companies for the period 31<sup>st</sup> March 2025, March 31, 2024 and March 31, 2023 available on the website of NSE Limited at [www.nseindia.com](http://www.nseindia.com).

### Weighted average cost of acquisition (WACA), Floor Price and Cap Price

a. *The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities)*  
Other than reported below, The Company has not issued any Equity Shares or convertible securities or employee stock options during the 18 months preceding the date of this certificate, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of transaction	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Type of Shares	Nature of consideration	Total consideration (₹ in lakhs)
March 05, 2025	1,75,740	10.00	82.50	Equity	Cash	144.99
March 18, 2025	1,27,260	10.00	82.50	Equity	Cash	104.99
March 22, 2025	91,900	10.00	82.50	Equity	Cash	75.82
March 25, 2025	2,03,920	10.00	82.50	Equity	Cash	168.23
March 26, 2025	1,81,440	10.00	82.50	Equity	Cash	149.69
March 28, 2025	3,50,016	10.00	82.50	Equity	Cash	288.76
March 28, 2025	6,42,048	10.00	82.50	CCPS*	Cash	529.69
March 29, 2025	2,13,330	10.00	82.50	Equity	Cash	176.00
March 29, 2025	11,69,592	10.00	82.50	CCPS*	Cash	964.91
March 31, 2025	3,930	10.00	82.50	Equity	Cash	3.24
March 31, 2025	59,000	10.00	82.50	CCPS*	Cash	48.68
<b>Total</b>						<b>2,655.00</b>

\* The company has made private placement of Compulsorily Convertible Preference Shares at ₹ 82.50/- per CCPS of which only 25% amount was called off as of March 31, 2025, in the month of September 2025 the Company has called the balance amount and converted the CCPS into Equity shares.

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

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter or members of the Promoter Group, during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days

c. Not applicable, since there are transactions to report under (a) above, therefore, this information for price per share based on the last five primary or secondary transactions (secondary transactions where the Promoters, members of the Promoter Group, Selling Shareholders or shareholders with special rights to nominate director(s) in the Board of our Company are a party to the transaction), not older than three years prior to the date of the filing of the Draft Red Herring Prospectus is irrespective of the size of transactions, and is accordingly not applicable.

### Weighted average cost of acquisition ₹ 82.50 per Equity Share

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. ₹ /●/)
Weighted average cost of acquisition of primary issuances as set out in (a) above	82.50	[●] times	[●] times
Weighted average cost of acquisition of secondary issuances as set out in (b) above	Not Applicable	[●] times	[●] times

Incase there are no such transactions to report to under (a) and (b) above, the following are the details as per (c) above basis the last five primary or secondary transactions (secondary transactions where the Promoters, members of the Promoter Group, Promoter Selling Shareholder or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Prospectus irrespective of the size of transactions.	Not Applicable	[●] times	[●] times
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## 1. Justification for Basis of Issue price

- (i) The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Promoters, members of the Promoter Group, or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs for the Financial Years 2025, 2024 and 2023

[●]\*

*\*to be computed after finalization of Price Band*

- (ii) The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Promoters, members of the Promoter Group, or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our financial ratios for the for the Financial Years 2025, 2024 and 2023

[●]\*

*\*to be computed after finalization of Price Band*

- (iii) The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired by the Promoters/ Selling Shareholder, members of the Promoter Group, or other shareholders with rights to nominate directors by way of primary and secondary transactions in view of external factors, if any

[●]\*

*\*to be computed after finalization of Price Band*

*The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the aforementioned information along with "Risk Factors", "Our Business", "Restated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 33, 156, 220 and 288, 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" and you may lose all or part of your investments.*

## STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors,  
**Aastha Spintex Limited**

**(Formerly known as Aastha Spintex Private Limited)**

SURVEY NO 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2

HALVAD MALIYA HIGHWAY' HALVAD, Surendra Nagar – 363330

Gujarat

**Sub: Statement of possible special tax benefits available to Aastha Spintex Limited (Formerly known as Aastha Spintex Private Limited) (the “Issuer” or the “Company”), and its shareholders under the direct and indirect tax laws, prepared in accordance with the requirements under 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”) in relation to the Proposed initial public offering of equity shares by the Company through a fresh issue of Equity (“the Company” and such an offering, “the Offer”, and such equity shares, “the Equity Shares”)**

1. We, S.N. SHAH & Associates ('we' or 'us' or 'the Firm'), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Exhibit prepared and issued by the Company, which provides the possible special tax benefits under the direct and indirect tax laws presently in force in India, including the Income-tax Act, 1961, ('Act'), the Income-tax Rules, 1962, ('Rules'), the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”), Foreign Trade Policy and Handbook of Procedures, and the rules made thereunder, (collectively the “**Taxation Laws**”), regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2025 as applicable to the assessment year 2026-27 relevant to the financial year 2025-26, presently in force in India, available to the Company and its Shareholders. There is no Material Subsidiary of the Company identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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 Taxation laws. 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.
2. This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI 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, the same would include those benefits as enumerated in the statement. Any benefits under the 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, 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, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this 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 (Revised 2016)’ issued by the Institute of Chartered Accountants of India (the “Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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. 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 issued at specific request of the Company. The enclosed Exhibit 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 Offer 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 our 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.

**For S.N Shah & Associates**

**Chartered Accountants**

ICAI Registration No.: 109782W

**CA Priyam Shah**

**Partner**

Membership No.: 144892

Place: Ahmedabad

Date: 29/09/2025

UDIN: 25144892BMHWN4259

## **EXHIBIT TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS**

### **A. Direct Taxation**

This statement of possible special direct tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2025 read with the relevant rules, circulars and notifications applicable for the Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force.

#### **1. Special Income Tax benefits available to the Company in India under the Income Tax Act, 1961 (‘Act’)**

- Subject to the fulfilment of prescribed conditions, for the year, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the year, for three assessment years including the assessment year relevant to the year in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from a Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.
- As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its Shareholders on or before one month prior to due date of filing of its Income-Tax return for the relevant year.

#### **2. Special Income Tax benefits available to the shareholders of Company under the Act in relation to transfer of Equity Shares of the Company.**

- There are no special tax benefit available to the Shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.
- Section 112A of the Act provides for concessional rate of tax as mentioned hereinunder:-
  - at the rate of 12.50% on long term capital gain arising on transfer of equity shares with effect from July 23, 2024 (i.e., Assessment Year 2025-26) subject to conditions. Any long term capital gain, exceeding INR 1,25,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax (‘STT’) is paid on both acquisition and transfer, income tax is charged at a rate of 12.50% without giving effect to indexation. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.
- Section 111A of the Act provides for concessional rate of tax as mentioned hereinunder:-
  - at the rate of 20% in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an Equity Share in a company or a unit of an equity-oriented fund wherein STT is paid on both acquisition and transfer.
- 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 shareholder has fiscal domicile.

### **B. Special tax benefits under the indirect tax regulations in the hands of company and the shareholders of the Company**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with

respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

**A. Special tax benefits to the Company**

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

**B. Special tax benefits to the shareholder**

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

**C. Special tax benefits to the subsidiary company- not applicable**

**Note:**

1. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be 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.
2. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders
3. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.
4. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders
5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Red Herring Prospectus

## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

The industry research report titled “Outlook for Textile Industry 2025” dated September 29, 2025 (“Infomerics Report”) is exclusively prepared and issued for the purpose of the Issue by Infomerics Analytics & Research Private Limited. Unless noted otherwise, the information in this section is obtained or extracted from Infomerics Report. Further, Infomerics Analytics & Research Private Limited is an independent agency, and is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or the BRLM. This report will be available on the website of our Company at [www.aasthaspintex.com](http://www.aasthaspintex.com). The data included herein includes excerpts from the Infomerics Report and may have been selective or re-ordered for the purposes of presentation here.

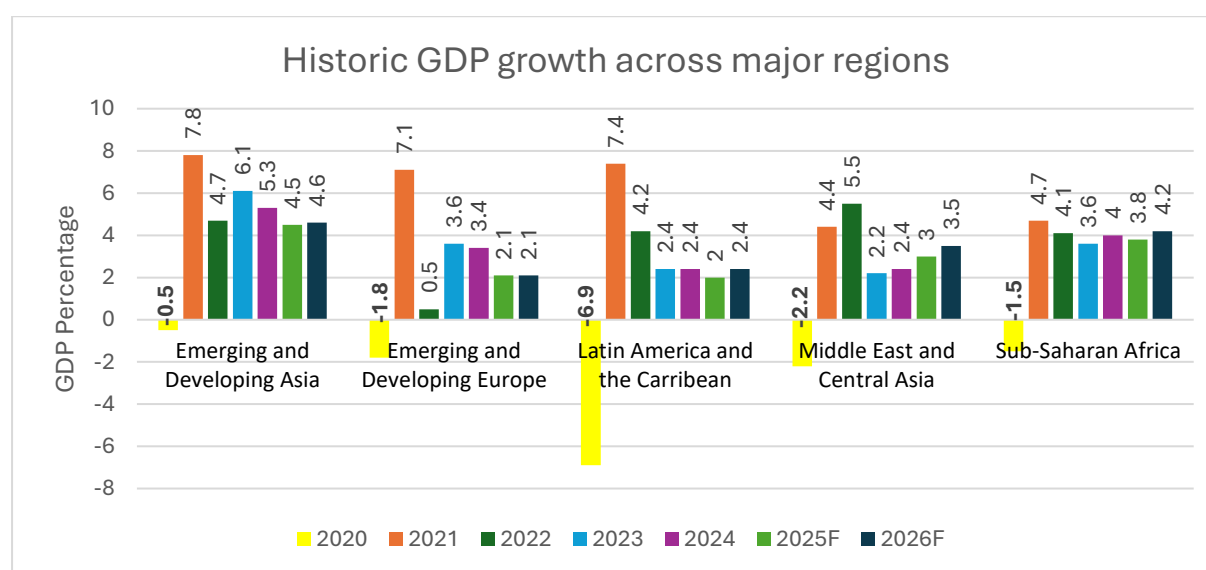
The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, see “Certain Conventions, Presentation of Financial, Industry and Market Data—Industry and Market Data” on page 15. Also see “Risk Factor 67- This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Infomerics Analytics & Research Private Limited (“Infomerics Analytics & Research”), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue.” on page 61.

### GLOBAL ECONOMIC OUTLOOK

At the midpoint of the year, so far in 2025 the global economy continues to exhibit mixed performance, with divergence in outcomes across regions due to differences in economic growth, inflation dynamics, and policy responses. The global GDP growth is projected at 2.8% in CY 2025, down from an estimated 3.3% in CY 2024. While short-term prospects have improved since early 2024 due to easing inflation and gradual loosening of monetary policy in several regions, the broader environment remains challenging. Structural headwinds—such as tighter credit conditions, supply-side bottlenecks, and lingering geopolitical risks—are keeping global growth below historical averages.

#### GDP Growth Across Major Regions

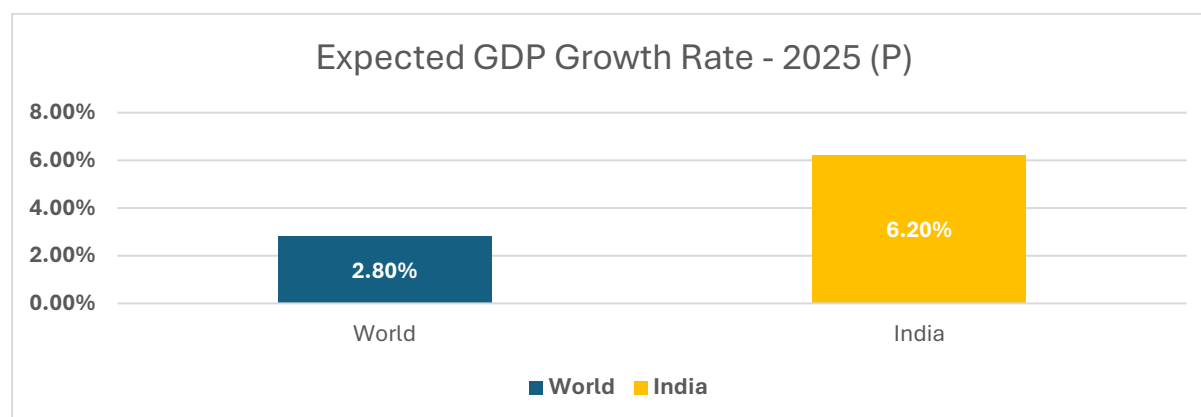
GDP growth across major global regions including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa continue to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2025

### Global and India Growth Outlook Projections (Real GDP Growth)

The global economy continues to face persistent challenges, including the lingering effects of the COVID-19 pandemic, heightened geopolitical tensions, and climate-related disruptions that have affected energy and food supply chains. Global real GDP growth is projected at 2.8% in 2025, indicating a moderation in global momentum. In contrast, India's real GDP is projected to grow at 6.2% in 2025, continuing its trend of significantly outpacing global averages and reaffirming its position as the fastest-growing major economy. This implies that India is expected to grow at more than twice the pace of global GDP, supported by strong domestic demand, structural reforms, and increased infrastructure investment. India's resilience among the G20 economies further strengthens its role as a key driver of global economic growth in the coming years.



Notes: P-Projection; Source: IMF- World Economic Outlook, April 2025

### India's Economic Growth Outlook

In FY 2024-25, India was the fifth-largest economy globally, with an estimated real Gross Domestic Product (GDP) at constant prices of INR 184.88 lakh crore, against the Provisional Estimate of GDP for the year 2023-24 of INR 173.82 lakh crore registering a GDP growth rate of 6.4% as compared to 8.2% in FY 2023-24. Since FY 2005, India's GDP growth has consistently outpaced global economic growth, often growing at nearly twice the global average, and this trend is expected to continue over the medium term. (Source: MOSPI, first advance estimates of GDP 2024-25 released on January 7th, 2025).

In June 2025, India became the fourth-largest economy in the world and retained its position as the fastest-growing major economy. The country is projected to become the world's third largest economy by 2030, with an estimated GDP of USD 7.3 trillion. (Source: PIB, Press Release - India Becoming an Economic Powerhouse posted on June 16, 2025).

### GDP Growth Rate Projections for India

GDP growth projections by Government of India and other agencies are summarised below:

	Estimated GDP Growth Rate		
	FY 25E	FY 26E	FY 27E
Ministry of Finance, GOI	6.4%	6.3%-6.8%	N.A.
IMF*	6.2%	6.3%	N.A.
RBI#	6.6%	6.5%	N.A.
National Statistical Office (NSO)@	6.4%	N.A.	N.A.
PHDCCI@	6.5%	6.7%	6.7%

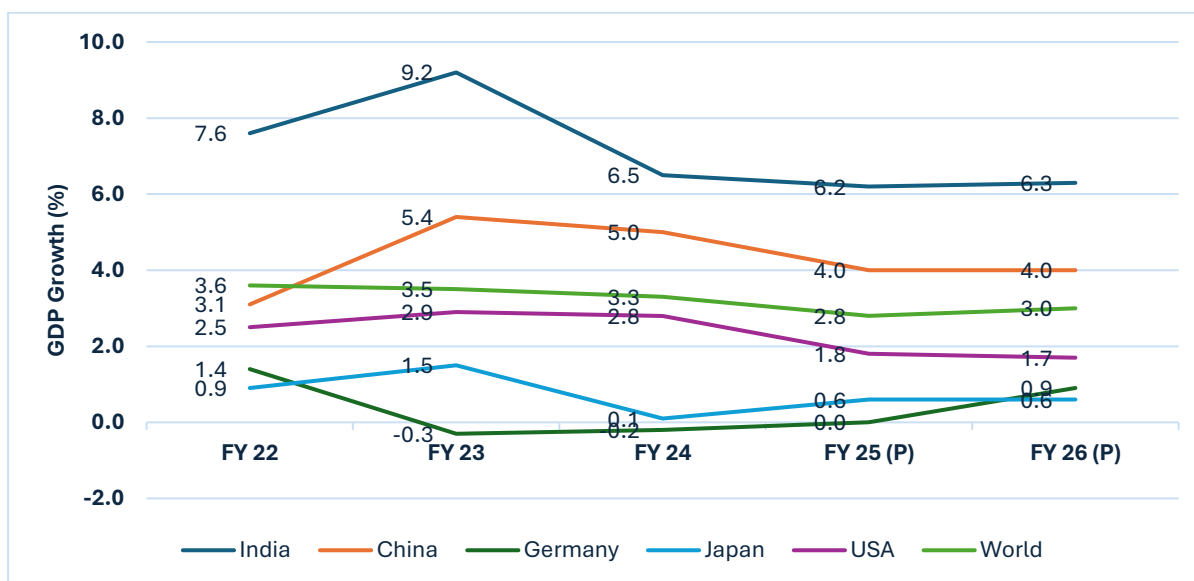
<b>S&amp;P Global@</b>	6.8%	6.5%	6.8%
<b>Morgan Stanley@</b>	6.3%	6.5%	6.5%
<b>Asian Development Bank#</b>	6.5%	6.7%	N.A.
<b>Moody's Agency</b>	6.1%	N.A.	N.A.
<b>Fitch Ratings@</b>	6.3%	6.5%	6.3%

\*Source: World Economic Outlook Update April 2025 (Data is updated as of March 25, #updated as of April 10<sup>th</sup>, 2025)

## India and Top 5 Global Economies GDP Growth Forecast

In September 2024, India achieved a significant milestone by overtaking Japan to become the third most powerful nation in the Asia-Pacific region, as per the Asia Power Index 2024. India's overall score rose to 39.1, reflecting a 2.8-point increase from the previous year, driven by growing influence across economic, military, and diplomatic dimensions.

Key factors behind India's rise include its strong economic performance, expanding and youthful workforce, and increasing strategic engagement across the region. India's Economic Capability improved significantly, supported by its position as the world's third-largest economy in terms of purchasing power parity (PPP). Additionally, a notable increase in its Future Resources score highlights the demographic advantage that is expected to sustain its growth trajectory in the coming years.



Note: P = Projections, Source: IMF World Economic Outlook April 2025 update.

## INDUSTRY OVERVIEW – GLOBAL AND INDIAN OUTLOOK OF THE TEXTILE INDUSTRY

Some perceive textiles as flowing silks adorning high-fashion runways, while others view them as durable fabrics for backpacks or advanced fibres for performance wear. Today, the textile industry encompasses a vast spectrum of fibres, designs, technologies, and applications—creating a vibrant, multifaceted sector that permeates nearly every aspect of modern life.

It represents far more than cloth; it is a dynamic force integrated with fashion, agriculture, healthcare, technology, and sustainability. Traditional handlooms coexist with advanced machinery; natural dyes are complemented by biotechnological pigments; and recycled polyester derived from plastic bottles is driving a transition toward a circular economy. This diversity underpins the industry's global competitiveness and creative potential. Across India's rural landscapes, artisans are reviving age-old practices—such as cultivating kala cotton in Kutch or

extracting organic dyes from Odisha's aul trees—thus reconnecting with sustainability and cultural heritage. These traditions increasingly collaborate with urban enterprises to create garments infused with storytelling and purpose.

Simultaneously, large-scale manufacturers operating in industrial hubs are integrating automation with eco-innovation. Initiatives such as blockchain-enabled cotton traceability, zero liquid discharge systems, waterless dyeing processes, and solar-powered mills align closely with national programmes like PM-MITRA and Switch-Asia. Startups are advancing this transformation further by developing spider silk-inspired fibres, microbe-based dyes, algae-derived leather, and yarns spun from industrial and agricultural waste. Social enterprises are fostering circular ecosystems—upcycling fabric scraps, weaving plastic waste in communities such as Dharavi, and creating sustainable livelihood opportunities for women. India's textile sector is no longer defined solely by production; it is evolving into a continuum of innovation, inclusivity, and impact.

### Segmentation of Textile Industry

The textile industry is a sprawling ecosystem that threads together fibres, fashion, function, and innovation. It spans the entire value chain from fibre and yarn to fabrics and finished goods—serving diverse applications in apparel, home décor, technical uses, and beyond.

Segmentation Criteria	Sub-segments	Description
<b>1. Product Type</b>	Fibre & Yarn Fabric/Greige Finished Goods	Segmentation based on the stage of processing in the textile value chain. Fibre and yarn form the raw material base, fabrics are semi-finished inputs, and finished goods include ready-to-use textile products such as garments, home furnishings, and industrial textiles.
<b>2. Raw Material</b>	Natural Fibres (cotton, silk, wool, jute) Man-made Fibres (Polyester, nylon, viscose, blends)	Classified by source of origin. Natural fibres are plant or animal-based and preferred for their comfort and biodegradability, while man-made fibres offer durability, performance, and cost efficiency across multiple applications.
<b>3. Application</b>	Apparel & Fashion Home Textiles (bedding, towels, curtains) Technical & Industrial Textiles (medical, automotive, agricultural, construction, protective)	Based on end-use industry. Apparel dominates consumer demand, home textiles cater to interior and lifestyle segments, and technical textiles serve specialised functional needs in industrial and infrastructure sectors.
<b>4. Distribution Channel</b>	Offline Retail (traditional stores, wholesalers) Modern Retail (department stores, multi brand outlets) E-commerce & Direct-to Consumer (online platforms, brand websites)	Differentiates market access routes. Offline channels remain strong in tier-2/3 cities, while modern retail and digital platforms are witnessing rapid growth, driven by changing consumer preferences and digital penetration.

### Value Chain Overview – Textile Industry

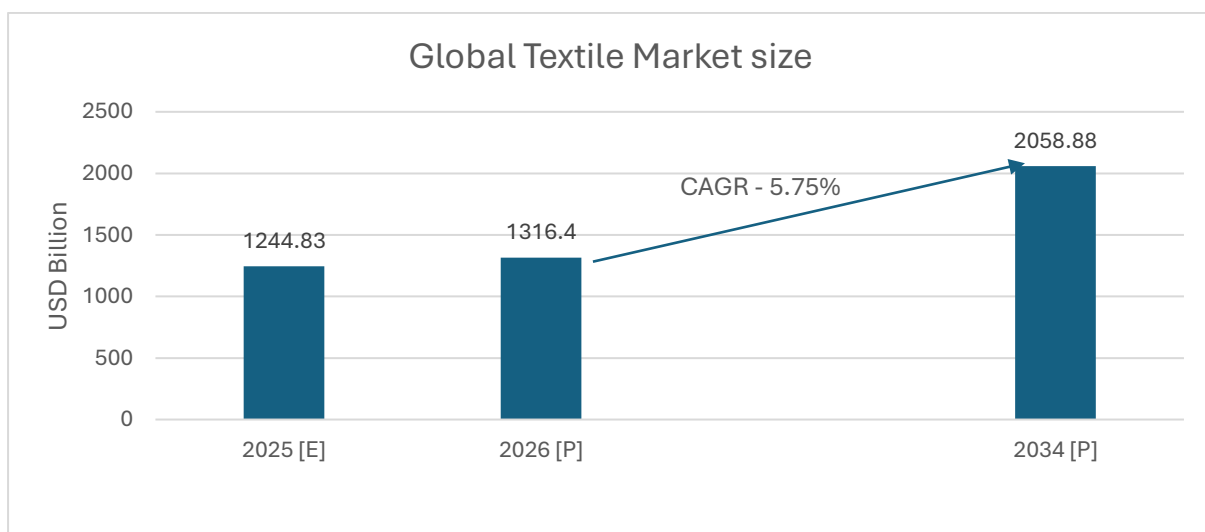
The textile industry value chain is a comprehensive and interconnected system that transforms raw materials into finished textile products. It encompasses several key stages, each adding value through various processes, technologies, and services. Here's a breakdown of the main components:



Process Stage	Description
<b>Raw Material Supply</b>	This stage involves the cultivation and sourcing of natural fibres such as cotton, wool, jute, and silk, as well as the manufacturing of man-made fibres like polyester, viscose, and acrylic. India plays a prominent role globally, particularly as a leading producer of cotton and jute, offering a strong foundation for its textile industry.
<b>Spinning</b>	This stage involves transforming raw fibres into yarn through methods such as ring spinning or open-end spinning. India holds the distinction of having the second-largest installed spinning capacity globally, supporting both domestic fabric manufacturing and international export demand.
<b>Weaving/ Knitting</b>	In this stage, yarns are converted into fabrics through interlacing methods such as weaving (loom-based) or knitting (needle-based). The industry comprises both organized textile mills and a widespread decentralized network of power looms and handlooms, with key hubs in regions like Surat, Bhilwadi, and Erode.
<b>Wet Processing (Dyeing &amp; Finishing)</b>	This stage focuses on processing grey fabric through bleaching, dyeing, printing, and finishing to enhance its appearance, texture, and functional characteristics. It plays a crucial role in defining the final look and performance of the textile. Given its high-water usage and chemical intensity, strict adherence to environmental regulations is essential at this stage.
<b>Garmenting / Made ups</b>	At this stage, fabric is transformed into finished products like garments, home furnishings, and technical textiles. Key activities include cutting, stitching, embroidery, and packaging. India holds a competitive edge in this segment due to its skilled, cost-effective labour force and rich heritage of traditional craftsmanship.
<b>Distribution &amp; Retail</b>	Finished textile products are distributed to both domestic and international markets via wholesale, retail, and e-commerce channels. The rise of digitalization and the growth of organized retail are significantly boosting consumption, particularly in Tier II and Tier III cities as well as key export centres.

### Global Textile Industry – Market Size

The Global Textile Market is estimated at USD 1244.83 billion in CY 2025 and is expected to reach USD 1,316.4 billion in CY 2026, growing further to USD 2,058.88 billion by CY 2034 at a CAGR of 5.75% during the forecast period. This growth is driven by rising global demand for apparel, increasing urbanization, expansion of technical textiles in industries like automotive and healthcare, and a shift towards sustainable and eco-friendly materials. Asia-Pacific remains the dominant market due to cost advantages and high production capacity, while developed markets like North America and Europe focus on innovation and sustainability.



Source: Infomerics Analytics & Research. Note: E (Estimated), F (Forecasted)

## **Global Textile Industry – Key Growth Drivers**

The global textile industry is undergoing rapid transformation, driven by rising consumer demand, the expansion of e-commerce, and an accelerating shift toward sustainability. Key trends shaping this evolution include supply chain diversification under the “China+1” strategy, adoption of digital technologies, and increasing consumer preference for ethical and eco-friendly textiles. These developments, supported by government initiatives and innovation in technical textiles, are redefining the future of the global textile landscape.

### **1. Rising Population and Urbanization**

- The growing global population, particularly in emerging economies, is fuelling demand for textiles across fashion, home furnishings, and industrial applications.
- Urbanization is contributing to the rising adoption of fast fashion and branded apparel.

### **2. Expansion of E-commerce and Omni-channel Retail**

- Online platforms are reshaping textile distribution and enhancing consumer accessibility.
- Global brands are increasingly leveraging direct-to-consumer (D2C) and omni-channel strategies to achieve rapid market expansion.

### **3. Shift in Global Sourcing – “China+1” Strategy**

- In response to geopolitical tensions, rising costs, and overdependence on China, global buyers are diversifying their sourcing bases.
- Countries such as India, Vietnam, and Bangladesh are emerging as key beneficiaries, gaining a larger share of global textile exports.

### **4. Demand for Sustainable and Ethical Textiles**

- Heightened consumer awareness is driving demand for organic cotton, recycled polyester, and circular fashion models.
- Compliance with certifications such as GOTS, OEKO-TEX, and BCI has become essential for access to premium global markets.

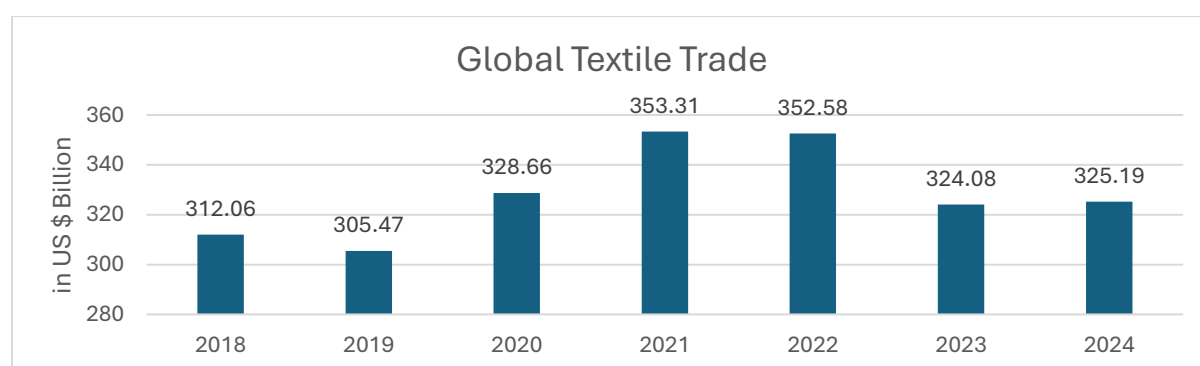
### **5. Government Policy and Incentive Schemes**

- Policy support, including export incentives (RoSCTL), Production Linked Incentive (PLI) schemes, and infrastructure investments (e.g., PM MITRA Parks in India and special economic zones in Vietnam), is enhancing global competitiveness.
- Trade agreements and FTAs are expanding market opportunities. Notably, India and the United Kingdom signed a landmark Free Trade Agreement (FTA) in 2025, aimed at doubling bilateral trade to over USD 100 billion by 2030, up from USD 56 billion at present. This Comprehensive Economic and Trade Agreement (CETA) is India’s 16th trade pact and eliminates duties on labour-intensive exports such as leather, footwear, and apparel in the UK market.
- At the state level, the Government of Gujarat has introduced multiple incentive schemes to strengthen the textile and allied sectors. These include a power tariff subsidy of ₹1 per unit for up to five years for eligible units engaged in spinning, weaving, dyeing, processing, and garmenting. The state also provides interest subsidies of up to 5% per annum (7% for spinning and garment/made-up units) for five years, promoting cost efficiency and competitiveness. Historically, benefits such as VAT remission and input tax set-offs have now transitioned into input tax credit under GST, further reducing the tax burden on raw materials and intermediate goods.

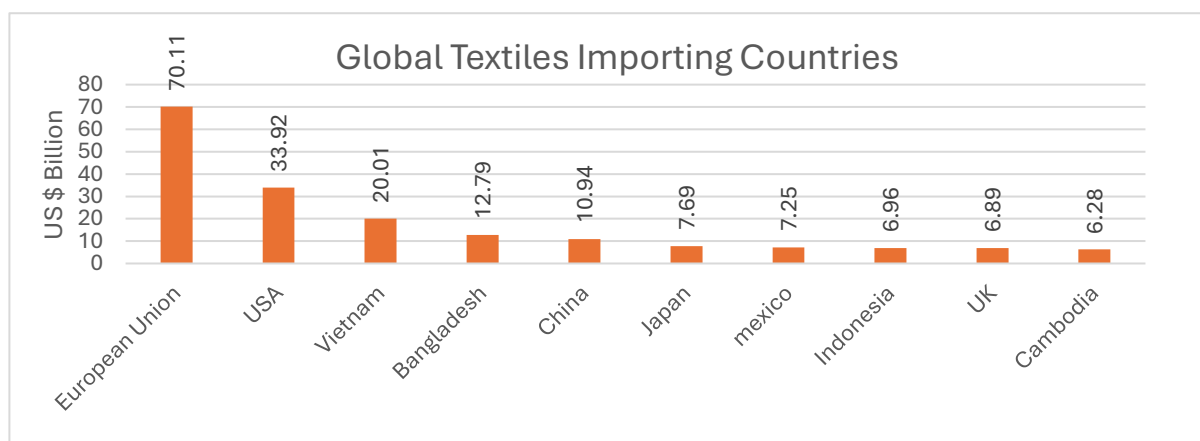
## Overview of Global Textile Trade – India’s Position in Import and Export Segment

The global textile trade plays a vital role in connecting production hubs with consumer markets, forming a key pillar of international commerce. With rising demand for apparel, home furnishings, and technical textiles, global trade in this sector has grown steadily over the past decade. Countries such as China, Bangladesh, Vietnam, and India dominate the export landscape, leveraging their manufacturing strengths and cost advantages. India holds a strategic position as one of the world’s top textile exporters, supported by its vast raw material base, skilled workforce, and diversified product mix. As global supply chains evolve and trade agreements reshape market access, India’s performance in both exports and imports of textiles reflects its growing integration into international markets. Understanding this global positioning provides essential context for analysing opportunities, competitiveness, and future growth potential of India’s textile industry.

The global textile trade has exhibited fluctuating trends over the period from CY 2018 to 2024. Starting at USD 312.06 billion in CY 2018, the trade value slightly dipped in CY 2019 to USD 305.47 billion, likely due to global economic softening. However, there was a notable rebound in CY 2020 and 2021, reaching USD 328.66 billion and USD 353.31 billion, respectively, driven by post-pandemic recovery and increased demand for textiles and apparel. The trade remained steady in CY 2022 at USD 352.58 billion. However, a decline followed in CY 2023 to USD 324.08 billion, possibly due to inflationary pressures, geopolitical tensions, and weakening consumer demand. The market showed signs of stabilization in 2024, with trade value marginally improving to USD 325.19 billion, indicating a cautious recovery.



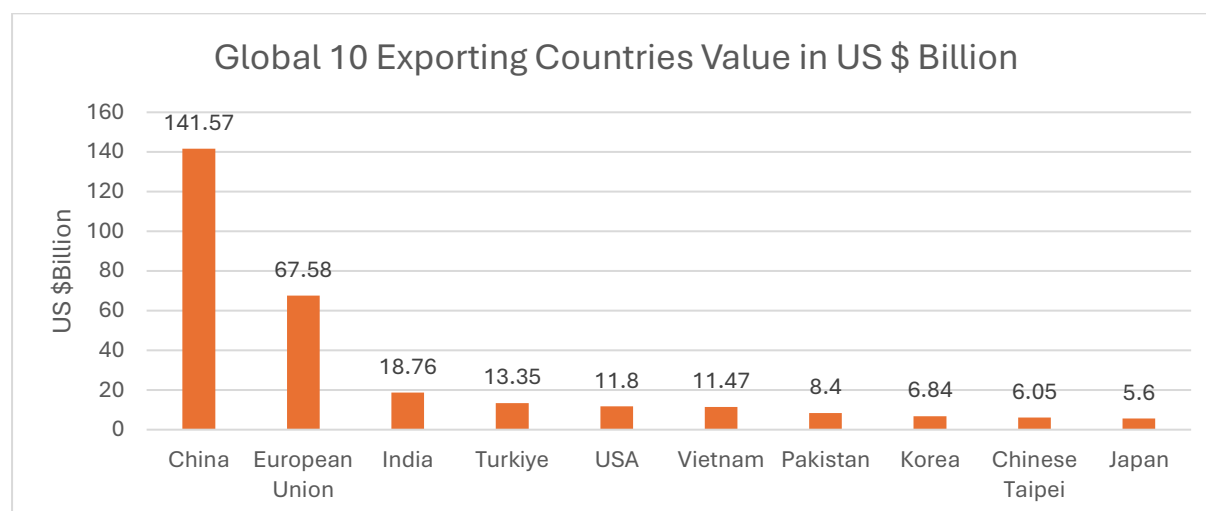
Source: WTO (S13\_AGG\_MATE)



Source: WTO

The European Union leads the global textile import market with a substantial value of USD 70.11 Billion, indicating its strong demand and diversified consumption base across member countries. The USA follows as the second-largest importer at USD 33.92 Billion, reflecting its large apparel and home furnishing industries. Vietnam and Bangladesh, both major manufacturing hubs, appear prominently due to their reliance on imported raw materials and semi-finished textiles to support their export-driven garment sectors.

Other countries such as China and Japan maintain significant import volumes, despite also being major producers themselves suggesting a mix of domestic demand and specialization in high-end or technical textiles. Countries like Mexico, Indonesia, UK, and Cambodia round out the top ten, each with imports ranging from USD 6.28 to 7.25 billion, underscoring their growing textile and apparel industries and integration in global value chains.



Source: WTO

The global textile export market is led by China, with exports valued at USD 141.57 billion, far ahead of other countries due to its vast manufacturing capacity and integrated supply chains. The European Union follows with USD 67.58 billion, driven by high-quality and technical textiles. India ranks third at USD 18.76 billion, supported by its strong base in cotton and apparel exports. Other significant exporters include Türkiye, USA, and Vietnam, each with over USD 11 billion in exports. Pakistan, South Korea, Chinese Taipei, and Japan complete the top 10, showcasing a mix of traditional and advanced textile offerings across global markets.

### India's Global Export Stading in the Textile Industry

India holds the third-largest position in the global textile export market, reflecting its strong manufacturing capabilities and diverse product range. While China and the European Union lead by a significant margin, India's export base of US \$18.76 billion underscores its importance as a reliable supplier in the global textile value chain. India's strengths lie in its abundant raw material availability, skilled workforce, and competitive pricing, which allow it to serve a wide spectrum of international markets. However, compared to China's overwhelming dominance and the EU's integrated value-added supply network, India's share remains modest, indicating considerable room for growth. With ongoing policy support, trade agreements, and rising global demand for sustainable and value-added textiles, India is well-positioned to further consolidate and expand its standing in the global textile industry.

India's textile and apparel exports as per PIB (including handicrafts) rose from USD 20,007 million in Apr–Oct FY24 to USD 21,358 million in the same period of FY25, marking a 7% year-on-year growth. The export composition during this period was:

- Readymade Garments (RMG): USD 8,733 million (41% share)
- Cotton Textiles: USD 7,082 million (33% share)
- Man-Made Textiles: USD 3,105 million (15% share)

On the import front, India's textile and apparel imports declined by 1%, from USD 5,464 million (Apr–Oct FY24) to USD 5,425 million in FY25. However, the import pattern showed category-wise divergence:

- Cotton textile imports increased by 13% to USD 1,721 million.
- Man-made textile imports declined by 13%, settling at USD 1,859 million

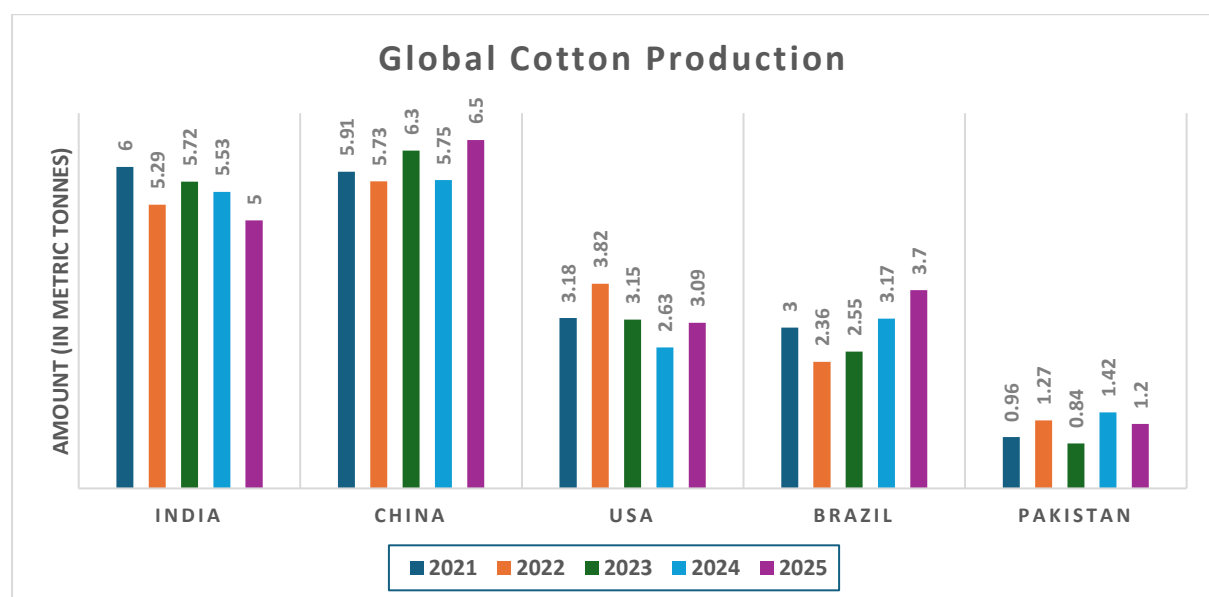
## GLOBAL COTTON PRODUCTION AND CONSUMPTION

Cotton holds a central position in the global textile industry, being one of the most extensively cultivated and consumed natural fibres worldwide. As a vital agricultural commodity, it sustains the livelihoods of millions of farmers and contributes significantly to the economies of both developed and developing countries. The global cotton market is largely concentrated among a few leading producers—namely India, China, the United States, Brazil, and Pakistan—which together account for a substantial share of total output. On the demand side, consumption is driven by major textile manufacturing hubs and emerging economies experiencing rising apparel needs. Analysing global trends in cotton production and consumption is therefore critical to understanding trade flows, price dynamics, and the broader sustainability agenda across the value chain.

### Top 5 Countries – Production of Cotton

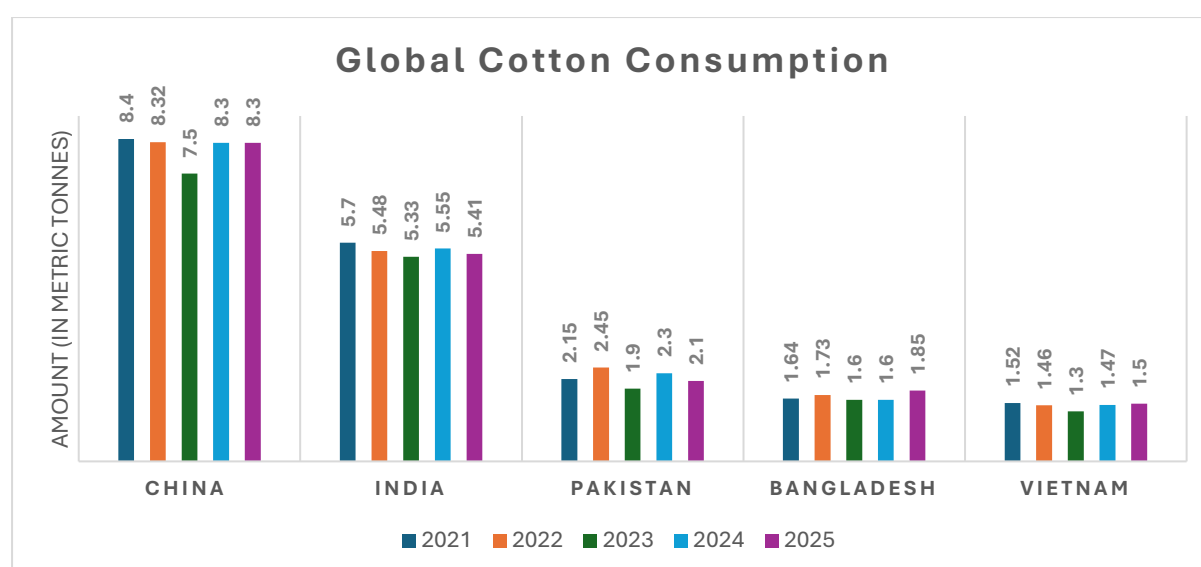
Top 5 Countries illustrates the production trends of cotton (in metric tonnes) between 2021 and 2025 across India, China, the USA, Brazil, and Pakistan. India, which led production in 2021 with 6 million tonnes, shows a consistent decline over the years, reaching just 5 million tonnes by 2025. This downward trend reflects challenges such as climate dependency, stagnating yields, and limited irrigation coverage. In contrast, China has maintained stable production levels, fluctuating only slightly but rebounding strongly to an estimated 6.5 million tonnes in 2025, underscoring its strong agri-tech infrastructure and high productivity. The USA demonstrates a more volatile trend—peaking at 3.82 million tonnes in 2022 and dipping to 2.63 million tonnes in 2024, before recovering to 3.09 million tonnes in 2025—suggesting sensitivity to weather conditions and shifting crop priorities. Brazil stands out with steady

growth, rising from 2.36 million tonnes in 2022 to a projected 3.7 million tonnes in 2025, driven by increased acreage and investment in cotton farming. Pakistan, on the other hand, shows significant fluctuations with a low of 0.84 million tonnes in 2023, recovering to 1.42 million tonnes in 2024, and slightly decreasing again in 2025. These patterns highlight shifting global dynamics in cotton production, with China and Brazil showing resilience and growth, while India and Pakistan face structural challenges that may impact their long-term competitiveness in the global cotton market.



World: ICAC Journal 'Cotton This Month' – 01.07.2025'; India: COPC Meeting dated 24.03.2025

## Top 5 Countries - Global Consumption of Cotton



World: ICAC Journal 'Cotton This Month' – 01.07.25', India: COCPC Meeting dated 24.03.2025

This highlights the trends in cotton consumption (in metric tonnes) from 2021 to 2025 across the leading consumer nations—China, India, Pakistan, Bangladesh, and Vietnam. China consistently ranks as the world's largest consumer of cotton, reaching a peak of 8.4 million tonnes in 2021. Although there was a dip to 7.5 million tonnes in 2023, consumption recovered and stabilized at 8.3 million tonnes by 2025, reflecting steady demand from its expansive textile and apparel industry.

India, the second-largest consumer, displays a stable consumption pattern, fluctuating modestly between 5.33 and 5.7 million tonnes during 2021 to 2025. The marginal drop in 2025 may be attributed to supply constraints or shifts in domestic textile production. Pakistan's consumption is marked by greater volatility, climbing to 2.45 million tonnes in 2022, before tapering off to 2.1 million tonnes in 2025, likely due to economic pressures and lower domestic output. Bangladesh, an important hub for global garment manufacturing, shows consistent growth in cotton consumption—from 1.64 million tonnes in 2021 to a projected 1.85 million tonnes by 2025—driven by export-led expansion in its textile sector. Vietnam's consumption remains relatively steady, ranging between 1.52 and 1.3 million tonnes during 2021 to 2023, with slight recovery anticipated by 2025, supported by ongoing foreign investment and industrial growth.

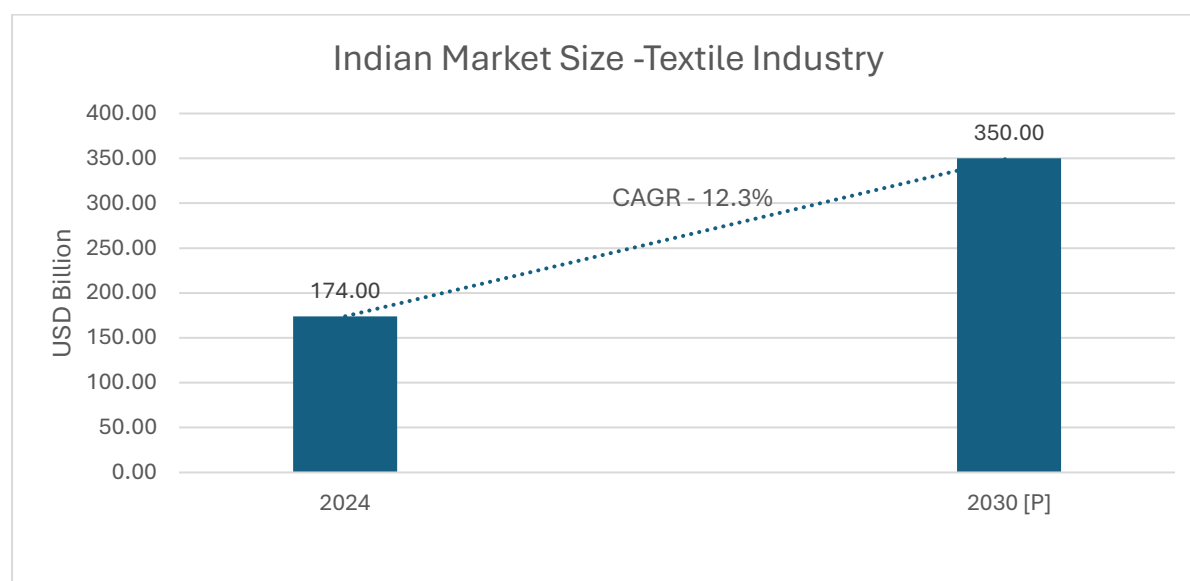
## INDIAN TEXTILE INDUSTRY

India's textile sector holds a strategically vital position in the national economy, making significant contributions to GDP, industrial output, exports, and employment. Its strength lies in a robust, integrated value chain—from raw fibre production to finished garments—backed by a large domestic consumer base, a skilled labour force, and strong policy support from the Government of India.

### Market Size

The Indian textile industry is valued at \$174 billion in 2024 and is projected to reach \$350 billion by 2030, at a CAGR of 12.3%, driven by strategic investments, policy support, and innovation. Initiatives like the PM MITRA textile parks and the Production Linked Incentive (PLI) scheme are strengthening the integrated textile value chain and boosting competitiveness. Rising adoption of sustainable practices, smart fabrics, and technological advancements is enhancing efficiency and aligning with global standards. Strong export potential, backed by a skilled workforce and abundant raw materials, further supports growth. However, the sector faces challenges such

as trade barriers, environmental concerns, and cost pressures, which need careful management to achieve the projected expansion.



Source – PIB, Infomerics Analytics & Research

The textile and apparel industry contributes 2.3% to our GDP, 13% to industrial production, and 12% to exports. India exported textile items worth US\$ 34.4 billion in 2023-24, with apparel constituting 42% of the export basket, followed by raw materials/semi-finished materials at 34% and finished non-apparel goods at 30%. It is also the second largest employment generators, after agriculture, with over 45 million people employed directly, including many women and the rural population. As further evidence of the industry’s inclusive nature, nearly 80% of its capacity is distributed across Micro, Small, and Medium Enterprise (MSME) clusters in the country.

### Break-up of Indian Textile Industry

1. **Cotton Yarn:** Cotton textiles form the largest segment of the Indian textile industry, accounting for approximately 38–40% of the total market. This segment includes cotton yarn, woven and knitted fabrics, as well as cotton-based garments, catering to both domestic and international demand. India is the world’s Second largest producer of cotton, and cotton remains the most widely used fibre in the country, comprising nearly 60% of the total fibre consumption. The Cotton Corporation of India (CCI) plays a vital role in supporting this segment by procuring cotton under the Minimum Support Price (MSP) scheme to ensure price stability for farmers. In FY24, CCI procured around 42 lakh bales of cotton under MSP, benefiting nearly 7.8 lakh farmers across major cotton-producing states.
2. **Technical textiles:** Technical textiles constitute around 5–7% of the Indian textile industry and represent one of its fastest-growing segments. This category includes specialised fabrics and products designed for specific functional uses across sectors such as healthcare (Meditech), agriculture (agrotech), geo-engineering (Geotech), and protective wear. The segment is witnessing robust growth, with an expected CAGR of approximately 11–12% over the coming years, driven by rising domestic demand, infrastructure development, and increased industrial applications. The Government of India has launched the National Technical Textiles Mission (NTTM) to promote research, innovation, and investments in this space. Furthermore, the mandatory enforcement of Quality Control Orders (QCOs) for technical textiles has been a significant regulatory push, ensuring the production of high-quality, globally competitive products.
3. **Man-Made Fibre (MMF) Textiles:** Man-Made Fibre (MMF) textiles account for approximately 18–20% of the Indian textile industry and include a wide range of synthetic fibres such as polyester, viscose, nylon, and acrylic yarns and fabrics. This segment is experiencing rapid growth, primarily driven by rising global demand for fast fashion, functional wear, and performance-oriented textiles. MMF-based products are gaining preference over natural fibres due to their versatility, durability, and cost-effectiveness. The Government of India has identified MMF as a key focus area under the Production Linked Incentive (PLI) scheme, aiming to boost domestic

manufacturing and exports. With policy support, The Government has approved the Production Linked Incentive (PLI) Scheme for Textiles, with an approved outlay of Rs 10,683 crore over a five-year period (2024-25 to 2028-29), to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive.

4. **Home Textiles:** Home textiles constitute around 10–12% of the Indian textile industry, with cotton-based products forming the backbone of this segment. Key offerings include cotton bed linen, bath towels, curtains, and other furnishings, which are globally recognized for their superior quality, durability, and affordability. India has built a strong export footprint in home textiles, particularly in cotton bed and bath linen, with the United States, United Kingdom, and Europe as its leading markets. As of 2023–24, the Indian home textiles market was valued at approximately USD 10 billion, with cotton products contributing the largest share. The segment is projected to grow at a CAGR of 7–8%, reaching nearly USD 16 billion by 2030, driven by global demand for natural fibres, growing consumer preference for sustainable products, and innovations in cotton-based fabrics and designs.
5. **Silk, Wool and Jute:** Silk, wool, and jute textiles collectively account for about 3–4% of the Indian textile industry and represent some of the most traditional and culturally significant segments. These sectors are largely dominated by handloom-based and heritage-driven production methods, often involving skilled artisans and small-scale units. Jute and silk production receive targeted support through various central government schemes aimed at enhancing productivity, ensuring sustainability, and promoting exports. These textiles are regionally concentrated, with jute being predominant in West Bengal, silk production flourishing in parts of South India such as Karnataka and Tamil Nadu, and woollen and handcrafted textiles being prominent in the Northeastern states.
6. **Handloom and Handicrafts:** Handloom and handicrafts account for approximately 2–3% of the Indian textile industry and play a vital role in rural employment and cultural preservation. These segments are deeply rooted in India’s artisanal traditions and are predominantly operated by small-scale weavers and craftspeople across the country. The government actively supports this sector through various marketing and skill development initiatives such as the India Handloom Brand and the SAMARTH scheme, which aim to enhance product quality, branding, and workforce capabilities. With growing consumer interest in sustainable and handmade products, there is an increasing focus on expanding domestic retail presence and tapping into international niche markets through dedicated e-commerce platforms and export facilitation.

### Fibre-wise break up of Indian textile market

The textile industry relies on a broad range of fibres that serve as the fundamental raw materials for yarn and fabric production. These fibres are primarily classified into three categories: Natural Fibres, Man-made Fibres (including synthetic and regenerated fibres), and Blended Fibres. Each category offers distinct characteristics suited to different textile applications and end-user preferences.

### Types of Fibre

Fibres are primarily classified into Natural, Man-made (Synthetic and Regenerated), and Blended categories. Each type offers unique physical, mechanical, and aesthetic properties suited for various end-use applications.

#### 1. Natural Fibres

Natural fibres are derived from plant or animal sources and are widely appreciated for their comfort, breathability, and biodegradability. India has a rich tradition in natural fibre cultivation and processing, especially cotton, jute, silk, and wool.

Fibre Type	Source	Key Characteristics	Primary Applications
Cotton	Seed fibre from cotton plant	Soft, breathable, absorbent	Apparel, home textiles
Jute	Bast fibre from jute plant	Coarse, biodegradable, high tensile strength	Sacks, geotextiles, floor coverings



Wool	Hair from sheep and goats	Warm, resilient, moisture-wicking	Winterwear, knitwear
Silk	Cocoon of silkworms	Lustrous, lightweight, high tensile strength	Sarees, luxury garments, scarves
Flax (Linen)	Bast fibre from flax plant	Strong, breathable, wrinkle-prone	Shirts, home linen, summer wear
Hemp	Stalk of hemp plant	Durable, antimicrobial, eco-friendly	Sustainable apparel, industrial textiles
Coir	Outer husk of coconut	Coarse, water-resistant	Mattresses, mats, brushes

## 2. Man-made Fibres

Man-made fibres are manufactured through chemical processes and are divided into **synthetic fibres** (derived from petrochemicals) and **regenerated fibres** (from natural polymers such as cellulose). These fibres offer enhanced durability, strength, elasticity, and cost advantages.

### (a) Synthetic Fibres

Fibre Type	Composition	Key Characteristics	Common Applications
Polyester	Petrochemical-based polymer	Strong, wrinkle-resistant, moisture-wicking	Apparel, industrial fabrics, home textiles
Nylon	Polyamide polymer	Elastic, abrasion-resistant, lightweight	Hosiery, outdoor wear, luggage
Acrylic	Synthetic polymer	Soft, wool-like, colourfast	Sweaters, blankets, knitwear
Spandex (Lycra)	Polyurethane-based fibre	Exceptional stretch, shape retention	Activewear, fitted garments

### (b) Regenerated Fibres

Fibre Type	Source	Key Characteristics	Applications
Viscose (Rayon)	Cellulose from wood pulp	Soft, breathable, absorbent	Dresses, linings, kurtis
Modal	Cellulose from beechwood	Smooth, durable, retains colour	Innerwear, nightwear, casualwear
Lyocell (Tencel)	Sustainably sourced wood pulp	Eco-friendly, biodegradable, silky smooth	Premium apparel, eco-fashion, home linen

India is a key global player in the man-made fibre ecosystem, with strong capabilities in polyester and viscose production.

## 3. Blended Fibres

Blended fibres are created by combining two or more different fibre types to achieve a balanced set of properties, such as softness, strength, cost-efficiency, wrinkle resistance, and stretchability. These are widely used in both fashion and industrial applications.

Blend Type	Typical Ratio	Benefits	Typical Usage
Cotton-Polyester	65/35, 50/50	Comfort of cotton + durability and wrinkle-resistance of polyester	Casualwear, uniforms, workwear
Cotton-Viscose	60/40, 50/50	Improved softness, breathability, better drape	Shirts, kurtis, sportswear

Wool-Acrylic	50/50, 60/40	Warmth of wool + ease of care and cost-efficiency of acrylic	Sweaters, knitwear, winter garments
Cotton-Spandex	95/5, 98/2	Added elasticity and shape retention	Denim, leggings, activewear

Blended textiles also support design innovation and cost optimisation, making them increasingly important in both domestic and export markets.

The fibre ecosystem constitutes the foundation of India's textile value chain. With an abundant base of natural fibres, growing capacity in synthetic and regenerated fibres, and widespread use of blended materials, Indian textile players are strategically positioned to serve a diverse and evolving consumer base across global and domestic markets. Additionally, the growing focus on sustainability and eco-friendly fibres is expected to shape future investment and innovation in the industry.

## Raw Material Support

### 1. Cotton

Cotton is one of the most significant cash crops globally, contributing approximately 23% to total global fibre production. In India, annual cotton consumption for FY 2024-25 stands at around 326 lakh bales (each bale weighing 170 kg). The country ranks first globally in terms of cotton acreage, with 113.60 lakh hectares under cultivation—accounting for about 36% of the world's total cotton-growing area (316.20 lakh hectares). Notably, 62% of India's cotton is grown in rain-fed regions, while the remaining 38% is cultivated under irrigation. In the 2024-25 cotton season, India's productivity is estimated at 448 kg per hectare. Over the years, India has firmly positioned itself as one of the leading producers, consumers, and exporters of cotton on the global stage.

As of December 31, 2024, during the ongoing 2024-25 cotton season, the Cotton Corporation of India (CCI) has procured 55.80 lakh bales of cotton under the Minimum Support Price (MSP) operations, with a total value of approximately ₹21,451 crore. This initiative has benefitted nearly 10.50 lakh cotton farmers across all major cotton-producing states in India.

### 2. Jute

India is the world's largest producer of raw jute, with an annual output of approximately 90 lakh bales (equivalent to 16 lakh metric tonnes). The jute industry plays a vital role in the eastern region, particularly in West Bengal, which serves as the hub of jute manufacturing in the country. The industry directly employs around 4 lakh workers across organized mills and diversified jute units, including those in allied and tertiary sectors. Additionally, it supports the livelihoods of an estimated 40 lakh farm families. A significant number of people are also engaged in the jute trade and related activities.

As of October 31, 2024, there are 115 composite jute mills in India. Of these, West Bengal accounts for 85 mills, followed by Andhra Pradesh (15), Bihar (4), Uttar Pradesh (3), Odisha (3), Assam (2), Chhattisgarh (2), and Tripura (1). In terms of ownership, 6 mills are run by the Government of India, while 1 mill each is owned by the governments of Tripura and Odisha. One mill in Assam operates in the cooperative sector, and the remaining 106 mills are privately owned.

The Government of India supports jute farmers through MSP procurement via the Jute Corporation of India. Moreover, a significant boost comes from the annual purchase of jute sacking worth around ₹12,000 crore for food grain packaging, mandated under the Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987. This initiative not only sustains the incomes of jute growers but also secures employment for mill workers across the value chain.

### 3. Silk

Silk, often referred to as the “Queen of Textiles,” is a natural insect fibre renowned for its lustre, drape, and strength—qualities that distinguish it across the global textile industry. India, known for its rich cultural heritage, has long been associated with silk and holds a unique place in its global history and production. Today, India is the world’s second-largest producer of silk and its largest consumer. Uniquely, it is the only country that produces all four commercially known varieties of silk: Mulberry, Tropical & Oak Tasar, Muga, and Eri.

The Indian sericulture industry stands out for its high employment potential, low capital investment needs, and attractive income generation for rural silk farmers. In 2023–24, India produced 38,913 metric tonnes (MT) of silk, with Mulberry silk accounting for the largest share at 76.82% (29,892 MT). This was followed by Eri (18.46% or 7,183 MT), Tasar (4.08% or 1,586 MT), and Muga (0.65% or 252 MT).

Production of bivoltine raw silk, which is known for its finer quality, witnessed a growth of 8.66%, rising from 8,904 MT in 2022–23 to 9,675 MT in 2023–24. Additionally, vanya silks—which include Tasar, Eri, and Muga—saw a 1.04% increase in production during the same period. These trends reflect the sector’s growing resilience and the increasing demand for diverse silk varieties in both domestic and international markets.

### 4. Wool

To support the comprehensive development of the wool sector, the Ministry of Textiles has continued and rationalized the Integrated Wool Development Programme (IWDP) under the Central Sector Scheme, as approved by the Standing Finance Committee (SFC) in its meeting held on June 15, 2021. The IWDP aims to position India as a competitive and high-quality manufacturer and supplier of woollen products by introducing technological advancements and streamlining various segments of the wool value chain.

The key objectives of the IWDP include:

- Enhancing backward and forward linkages in the wool supply chain by improving raw wool procurement capacities of State Governments.
- Establishing infrastructure to connect wool producers directly with the wool industry, thereby improving efficiency.
- Providing marketing platforms to small-scale woollen product manufacturers through exhibitions and expos.
- Expanding the coverage of machine shearing, which improves the quality and uniformity of raw wool.
- Upgrading the quality of finished woollen goods by setting up modern wool processing machinery.
- Boosting the availability of wool testing and bale forming facilities, along with providing tools for manufacturing.
- Promoting the utilization of coarse wool and encouraging R&D for the use of wool in technical textiles.
- Facilitating skill development and capacity building for artisans producing traditional, handmade woollen products.
- Supporting the branding of Pashmina and carpet-grade wool to enhance their market value.
- Advancing the development of the Pashmina wool sector specifically in the Himalayan region.

This integrated approach is intended to strengthen the entire wool ecosystem—from raw material procurement to finished product marketing—while supporting employment, innovation, and exports.

### 5. Man Made Fibre

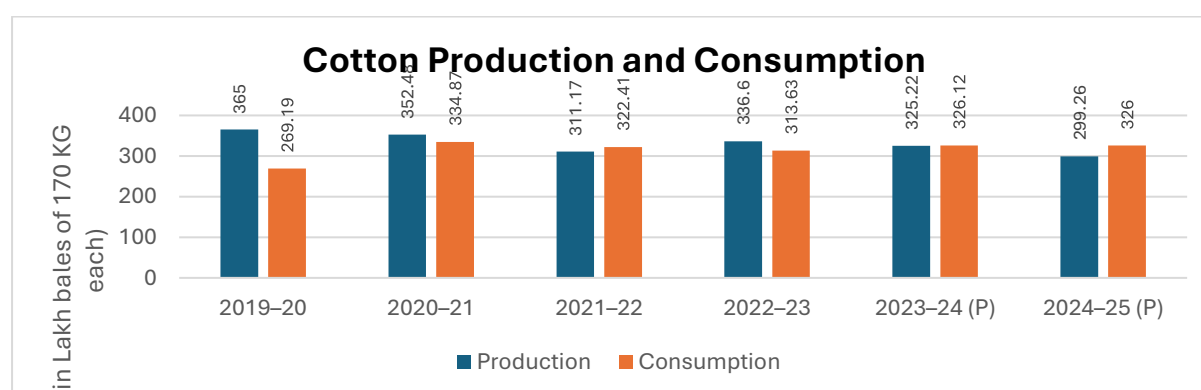
The man-made fibre (MMF) value chain in India is vertically integrated, encompassing the entire spectrum from raw materials to finished products. While global textile consumption is largely dominated by MMF, India has traditionally focused on cotton-based textiles. To increase India’s share in the global MMF market, there is now a growing emphasis on expanding and modernizing the MMF sector alongside cotton textiles.

To support this transition, the Ministry of Textiles has constituted a Textile Advisory Group on MMF—an informal forum tasked with reviewing and recommending solutions across the entire MMF value chain. In FY 2023–24, India exported MMF-based textiles and apparel worth USD 8.19 billion, highlighting the sector’s growing potential.

To enhance product quality and curb the inflow of substandard materials, the government has also enforced a Quality Control Order (QCO) on the import of Viscose Staple Fibre (VSF). This initiative is aimed at protecting domestic manufacturers, improving raw material standards, and promoting globally competitive MMF production in India.

## Cotton Production and Consumption Trends in India

Cotton plays a pivotal role in India's textile economy, serving as the backbone of the country’s textile value chain. As the world’s Second largest producer and second-largest consumer of cotton, India holds a dominant position in the global cotton landscape. With vast cultivation across major states and deep integration into spinning and fabric manufacturing, the performance of the cotton sector significantly influences the overall health of the textile industry. Understanding the trends in cotton production and consumption is essential to assess the raw material availability, price stability, export potential, and competitiveness of India’s textile exports. This section outlines recent production and consumption patterns, key drivers, and policy interventions shaping the sector.



Source: Ministry of Textiles, Annual Report 2024-25, Note: P - Provisional

The graph depicting cotton production and consumption in India from 2019–20 to 2024–25 (projected) highlights a notable shift in the balance between supply and demand. Cotton production peaked at 365 lakh bales in 2019–20 but has since witnessed a declining trend, reaching a low of 311.17 lakh bales in 2021–22. Although production recovered slightly in 2022–23 and 2023–24, it is estimated to decline again to 299.26 lakh bales in 2024–25. In contrast, cotton consumption has remained relatively stable and resilient throughout the period. It stood at 268.19 lakh bales in 2019–20 and gradually increased, surpassing production for the first time in 2021–22 with 322.41 lakh bales. This trend of higher consumption compared to production has continued, with estimated consumption for 2024–25 estimated at 326 lakh bales—significantly higher than projected production. This growing gap between consumption and production indicates a tightening supply scenario, which may lead to increased dependence on imports, higher raw material costs, and potential stress on the spinning and textile manufacturing ecosystem.

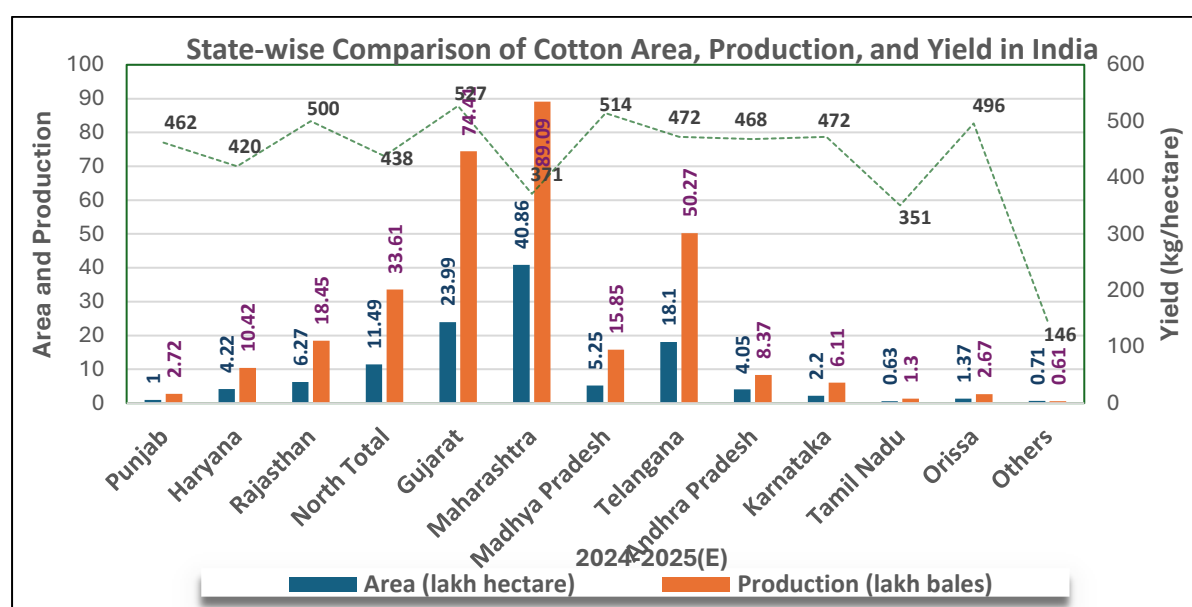
## Expected Growth

Looking ahead, based on industry forecasts and current trends, India’s cotton production is expected to see modest growth of around 1–2% annually over the next five years. This growth will likely be driven more by improvements in yield through technological adoption, better irrigation practices, and high-yield varieties, rather than expansion in cultivated area. However, factors such as competition for arable land from other crops, climate variability, and

fragmented farm structures could constrain production growth, suggesting that the supply-demand gap may persist unless mitigated by strategic interventions in the cotton ecosystem.

### Region-wise Dominance in the Indian Cotton Market

India's cotton market is highly diversified and regionally segmented, reflecting the country's vast agro-climatic zones and varied cropping patterns. As the world's largest cotton producer, India cultivates cotton across multiple states, each contributing differently in terms of acreage, yield, and output quality. The regional distribution of cotton production is influenced by factors such as irrigation availability, rainfall patterns, soil types, and the adoption of high-yielding varieties. Understanding the region-wise share of the cotton market is crucial for policymakers, traders, and industry stakeholders to identify production trends, address logistical needs, and plan procurement strategies effectively.



Source: Meeting of Committee on Cotton Production and Consumption (COCPC)

The chart titled “State-wise Comparison of Cotton Area, Production, and Yield in India (2024–2025E)” offers a comprehensive view of regional performance in India's cotton sector for the estimated year 2024–25. It simultaneously presents three critical indicators: area under cultivation (blue bars), total cotton production (orange bars), and yield in kilograms per hectare (green dotted line with markers), enabling a comparative assessment of scale, output, and productivity across key states.

The data reveals that Maharashtra leads in both area and production, with 40.86 lakh hectares of cultivated land resulting in 89.09 lakh bales. However, its yield remains relatively low at 371 kg/hectare, highlighting scope for improving farming efficiency. Gujarat, on the other hand, strikes an optimal balance with 23.99 lakh hectares of cotton area, producing 74.41 lakh bales, and achieving the highest yield nationally at 527 kg/hectare. This makes Gujarat the most productive state on a per-hectare basis. Telangana also shows strong performance, ranking third in production with 50.27 lakh bales, driven by 18.1 lakh hectares of area and a healthy yield of 472 kg/hectare. Madhya Pradesh follows with high yield (514 kg/hectare) and a modest production volume (15.85 lakh bales), reflecting efficient cultivation despite limited land use.

In Northern India, Rajasthan achieves an impressive yield of 500 kg/hectare, but its area (6.27 lakh hectares) and production (18.45 lakh bales) are significantly lower than Western and Southern states. Punjab and Haryana contribute moderately in terms of both area and production, with yields of 462 and 420 kg/hectare respectively.

Other states such as Andhra Pradesh, Karnataka, Orissa, and Tamil Nadu show smaller contributions. Tamil Nadu has a notably low yield of 351 kg/hectare, while the “Others” category reports the lowest yield at just 146 kg/hectare, suggesting either marginal cultivation zones or poor agronomic conditions.

## Overview of Cotton Yarn Industry

Yarn is a long continuous length of interlocked fibres, primarily used in the production of textiles through weaving, knitting, or other fabric-making techniques. Yarns can be broadly classified into natural and man-made (synthetic) categories, and further subdivided based on fibre origin, spinning technology, and structural form.

### Types of Yarn

#### 1. Cotton Yarn

Cotton yarn is made from natural cotton fibres obtained from the seed hair of the cotton plant. India is one of the largest producers and exporters of cotton yarn globally. Cotton yarn is spun into various counts based on the thickness and strength of fibres and is commonly used in casual wear, innerwear, home textiles, and denim manufacturing.

Yarn Type	Characteristics	Applications	Market Insights
<b>Carded Yarn</b>	More short fibres and neps, rougher surface, cost effective, lower tensile strength.	Low- cost garments, towels and bed linen, workwear and industrial fabrics.	Carded yarn is widely used in domestic and export markets for low-to-mid range textile applications.
<b>Combed Yarn</b>	Higher tensile strength, smoother texture, less prone to piling and breakage, more lustrous and breathable	High-end t-shirts and shirts, bedsheets and pillows, babywear and skin sensitive apparel.	Indian spinners use combed yarn primarily for export-quality garments and value-added textile products. It is popular in international markets like the EU, USA, and Japan.
<b>Compact Yarn</b>	Very low hairiness, less lint and pilling, exceptional strength, abrasion resistance, improves weaving efficiency	Dress Shirts and business apparel, fine woven fabrics for fashion wear, performance wear.	India has increasingly adopted compact spinning machines to meet global quality benchmarks. Compact yarn fetches a premium in international markets and is used by brands requiring superior fabric performance.

The Indian textile industry is gradually shifting from carded to combed and compact yarns in response to rising demand for finer, value-added products—especially in export markets. Technological investments in compact spinning frames and automated combers are increasing, especially in Tamil Nadu, Gujarat, and Maharashtra textile clusters.

#### 2. Man-Made Fibre (MMF) Yarn

Man-made yarns are produced from chemical processes, either from natural polymers (like cellulose) or synthetic polymers (like petroleum-based compounds). MMF yarns are classified into:

#### **a) Spun MMF Yarn**

This is produced by cutting continuous synthetic filaments into staple lengths (like natural fibres) and then spinning them using conventional methods like ring spinning or open-end spinning.

- Common materials: Polyester, viscose, acrylic, modal.
- Applications: Blended fabrics (e.g., poly-cotton), uniforms, sarees, knitwear.

#### **b) Filament MMF Yarn**

Filament yarns are made from continuous strands of fibre extruded through spinnerets. These yarns are smoother, shinier, and stronger compared to spun yarns.

- Types:
  - Monofilament (single continuous strand)
  - Multi-filament (group of continuous strands twisted together)
  - Textured filament yarn (bulkier, more stretch)
- Applications: Sportswear, leggings, lingerie, automotive fabrics, furnishings.

### **3. Silk Yarn**

Silk yarn is obtained from the natural protein fibre secreted by silkworms during the formation of cocoons. India is the second-largest producer of silk globally. The yarn is fine, lustrous, and strong, with natural sheen and elasticity.

- Types: Mulberry (most common), Tussar, Eri, and Muga silk.
- Applications: Luxury garments, sarees, scarves, ties, home décor.

### **4. Wool Yarn**

Wool yarn is made from animal fleece, predominantly sheep wool. The wool is carded, combed, and spun into yarn. Indian wool production is largely coarse wool, suitable for carpets and rougher textiles.

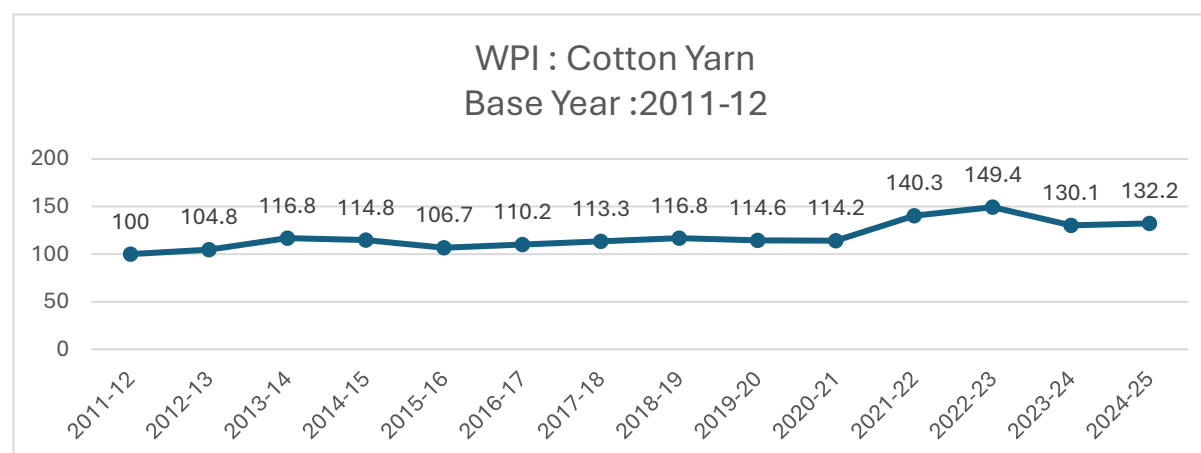
- Types:
  - Worsted yarn (fine and strong)
  - Woolen yarn (bulkier, warm)
- Applications: Sweaters, coats, shawls, carpets.

### **5. Jute Yarn**

Jute yarn is a natural, eco-friendly fibre derived from the stalks of the jute plant. India is the largest producer of jute and jute products globally.

- **Types: Fine jute yarn (hessian), coarse jute yarn (sacking, ropes)**
- **Applications:** Gunny bags, carpets, upholstery, geo-textiles, decorative items.

## WPI of cotton Yarn



Source - CMIE

The Wholesale Price Index (WPI) for cotton yarn in India has shown a dynamic and cyclical pattern over the years, reflecting the sector's sensitivity to both domestic and global factors. Starting from the base level of 100 in 2011–12, the index registered steady inflation in the early years, peaking at 116.8 in 2013–14. This growth phase was largely driven by rising input costs, increased domestic consumption, and robust export demand.

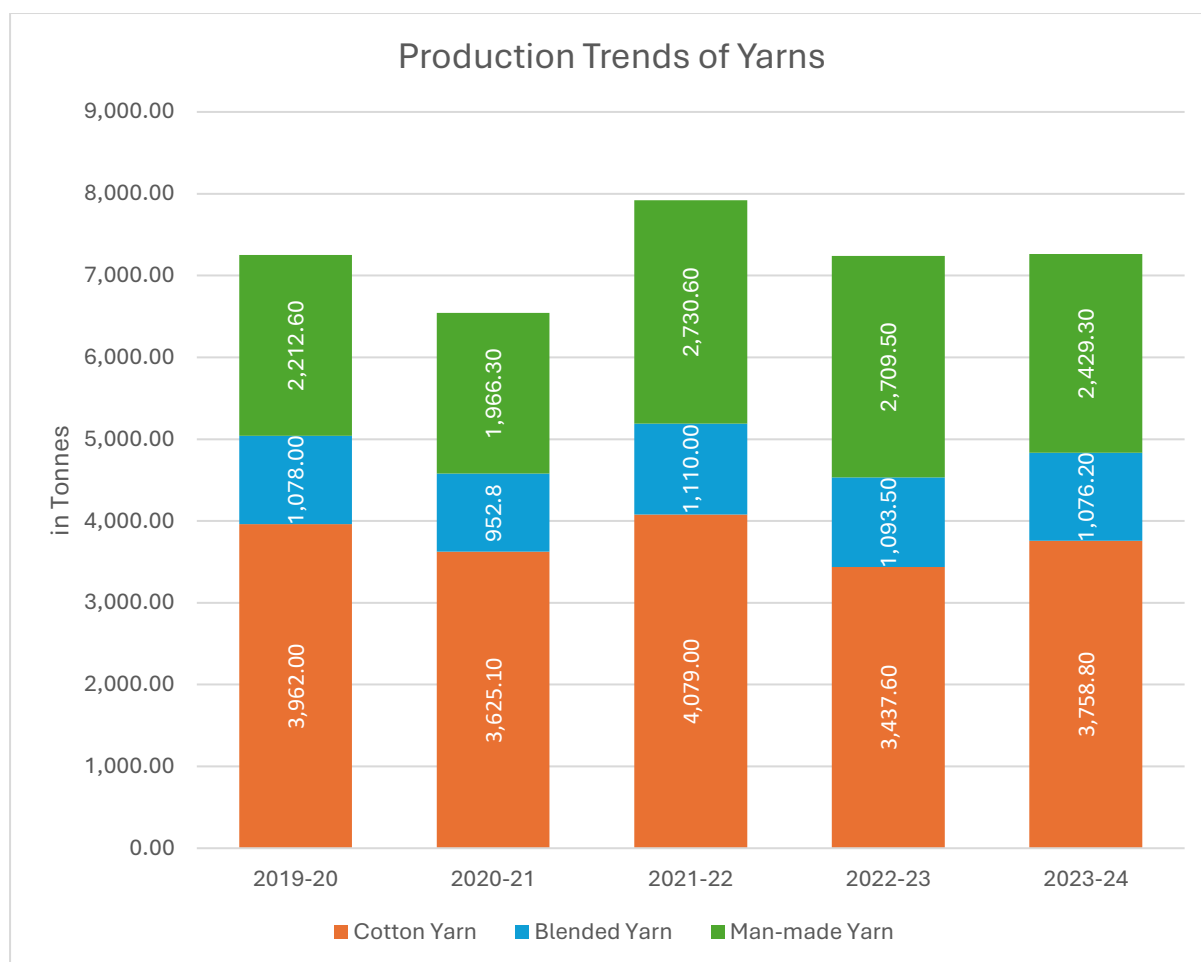
However, the subsequent period saw a mild correction, with the index softening through 2014–15 to 2016–17 due to oversupply of cotton, weakening export orders, and subdued fibre prices. Between 2017–18 and 2020–21, the index stabilized in the range of 113 to 116, indicating a relatively balanced supply-demand environment and price moderation across global textile markets.

A sharp surge occurred in 2021–22 and 2022–23, with the index reaching as high as 149.4. This increase was fuelled by post-COVID recovery, global raw material shortages, logistic disruptions, and a spike in international cotton prices. However, this price rally was short-lived, as the index witnessed a significant correction in 2023–24 to 130.1, before modestly increasing again in 2024–25 to 132.2, reflecting stabilizing market forces and improved supply chain efficiency.

Overall, the WPI trend highlights the vulnerability of cotton yarn pricing to external shocks, commodity cycles, and global textile trade flows, while also underlining periods of recovery and consolidation based on domestic production trends and policy interventions.

## Production Trends of Cotton Yarn, Blended Yarn and Man-made Yarn



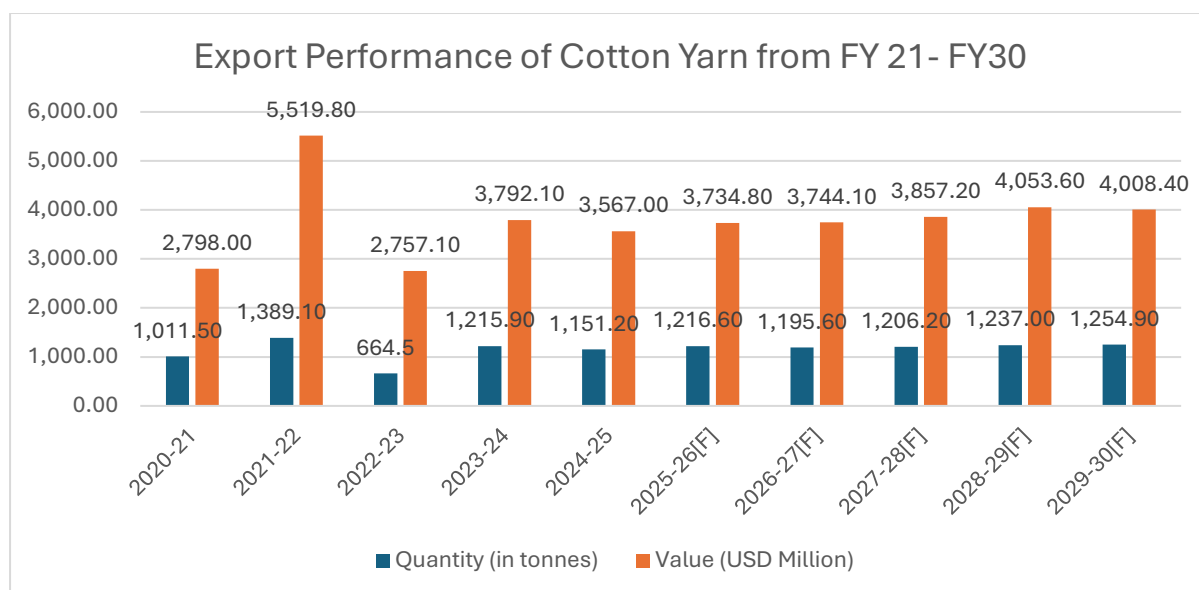


Source – CMIE, Infomerics Analytics & Research

Between 2019–20 and 2023–24, **cotton yarn** production in India ranged from 3,962 tonnes to 4,079 tonnes, 2021-22, remaining the largest segment despite fluctuations due to raw cotton availability and market conditions. **Blended yarn** showed steady performance, maintaining production between 952.8 tonnes and 1,110 tonnes, reflecting consistent demand for polyester-cotton and other blends. **Man-made yarn** exhibited volatility, rising sharply from 2,212 tonnes in 2019–20 to 2,730 tonnes in 2021–22 before stabilizing around 2,429 tonnes in 2023–24, highlighting its sensitivity to fibre prices and export demand. Overall, cotton yarn dominates, blended yarn demonstrates stable growth, and man-made yarn shows cyclical trends, indicating a gradual shift in the yarn segment composition.

### Export Performance of Cotton Yarn in India

The cotton yarn segment holds strategic importance in India’s textile value chain, acting as a critical link between raw cotton and finished textile products. India is one of the largest producers and exporters of cotton yarn globally, with a strong presence in key markets such as China, Bangladesh, and Vietnam. Over the years, the export performance of cotton yarn has been influenced by factors such as raw cotton availability, global demand fluctuations, and trade policies. In addition, domestic and international price trends have played a significant role in shaping the competitiveness of Indian cotton yarn in global markets.



Source: CMIE

The export trends of cotton yarn from India over the period 2020–21 to 2029–30, both in terms of quantity (in tonnes) and value (in USD million). The data reflects notable year-on-year fluctuations in both export volumes and earnings, with a particularly sharp spike in value observed in 2021–22. During this year, export value surged significantly despite only a moderate increase in quantity, indicating a sharp rise in global cotton yarn prices due to post-pandemic demand recovery, supply chain disruptions, and high raw cotton prices.

Following this peak, both export quantity and value dipped in 2022–23, suggesting normalization in global demand and price corrections. From 2023–24 onwards, a gradual and consistent upward trend is projected in both quantity and value, implying a stable recovery in export demand. The projected stabilization and moderate growth in export earnings from 2024–25 to 2029–30 indicate a balanced outlook, driven by steady global consumption, favourable trade conditions, and India’s competitive pricing. Overall, the chart reflects India’s resilient cotton yarn export performance and the potential for steady value growth in the coming years despite short-term volatilities.

### Long term demand Outlook of Cotton Yarn

The long-term demand outlook for cotton yarn remains robust, underpinned by both domestic consumption growth and sustained export opportunities. India, being the Second largest producer of cotton and cotton yarn globally, is strategically positioned to cater to rising global and domestic textile demand. Over the coming decade, multiple structural and cyclical factors are expected to drive sustained growth in cotton yarn demand.

On the domestic front, rising disposable incomes, urbanisation, increasing fashion consciousness, and a growing preference for natural and breathable fabrics are likely to support higher consumption of cotton-based textiles. The apparel segment, which consumes the bulk of cotton yarn, is poised for expansion with increasing penetration of branded garments, a shift towards formal and casual wear in rural and semi-urban regions, and the growth of e-commerce-driven retail. Additionally, government schemes such as the Production Linked Incentive (PLI) Scheme for Textiles, the National Technical Textiles Mission, and state-level textile policies are expected to enhance downstream capacity creation, leading to greater demand for cotton yarn as a key raw material.

On the export front, India’s cotton yarn exports are expected to benefit from the gradual shift of global sourcing away from China due to rising costs and trade tensions, coupled with the strong positioning of Indian mills in terms of cost competitiveness, raw material availability, and spinning capacity. Demand from key export markets such as Bangladesh, China, Vietnam, and the European Union is expected to remain stable or grow, particularly as global fashion brands increasingly focus on diversifying their sourcing base. Furthermore, the signing of

bilateral trade agreements (such as with UAE, Australia, and UK) is expected to improve market access and competitiveness for Indian cotton yarn exports.

However, the sector also faces long-term challenges including volatile raw cotton prices, dependence on monsoon patterns, and increasing competition from man-made fibres (MMF) due to their cost-efficiency and suitability for fast fashion. Nevertheless, with global consumers gradually shifting toward sustainable and eco-friendly textiles, cotton yarn is expected to retain strategic importance as a natural fibre. The push for sustainable fashion, especially in developed economies, will further reinforce long-term demand for organic and recycled cotton yarns.

### Production of Fabrics in India

India is among the leading global producers of textile fabrics, supported by an abundant raw material base, skilled labour, and a vast network of power loom and processing clusters. Fabric production in the country is dominated by **cotton woven fabrics** and an increasing share of **polyester/viscose blended fabrics**, reflecting both traditional strengths and emerging trends in fibre preferences.

The table below provides year-wise production of cotton woven and polyester/viscose blended fabrics in India over the last five fiscal years:

Year	Production	
	Cotton Woven Fabrics (in '000 run MT)	Polyester/ Viscose Blended Fabrics (in '000 run Mt)
2020-21	236,628.5	83,295.5
2021-22	377,209.2	104,494.7
2022-23	377,091.2	115,717.9
2023-24	384,343.3	123,342.5
2024-25	371,200.4	136,951.8

Source: CMIE (sourced from Central Statistics Office)

Production of cotton woven fabrics saw a sharp recovery in FY 2021–22 following the pandemic-induced disruptions, rising by approximately 59% over the previous year. This momentum was largely sustained in the following two years, with output reaching a peak of 384,343.3 million run metres in FY 2023–24. A marginal decline of 3.4% in FY 2024–25 to 371,200.4 million run metres may be attributed to demand normalization in key domestic and export markets.

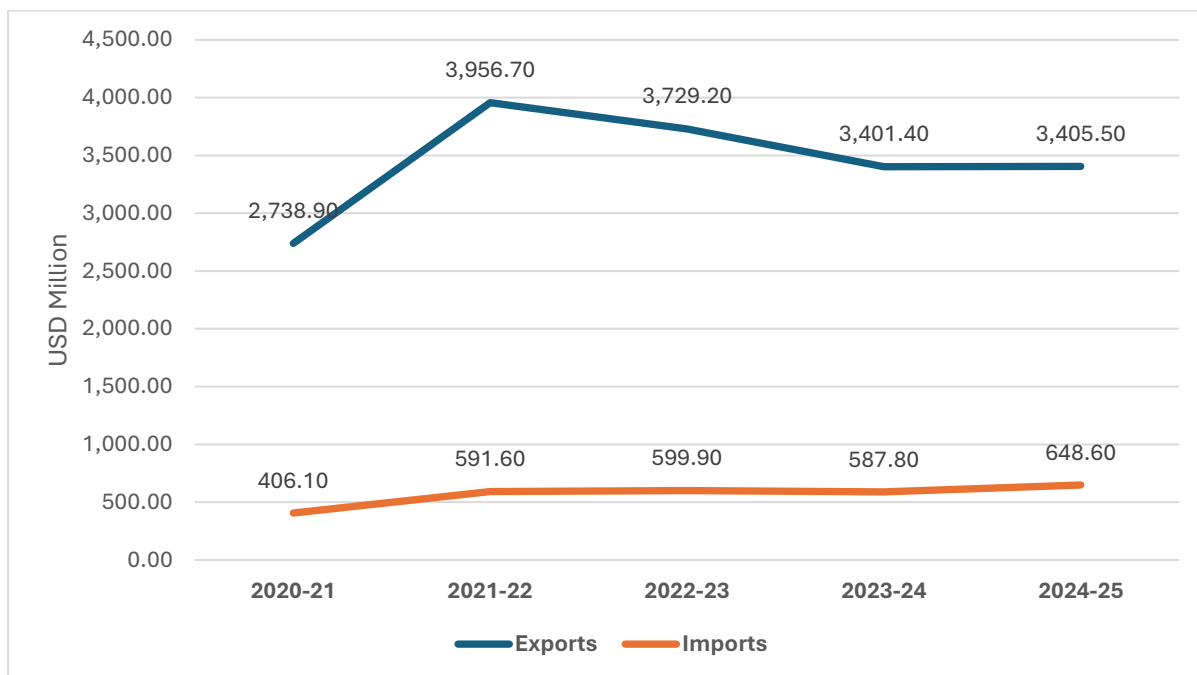
Meanwhile, production of polyester/viscose blended fabrics has witnessed a consistent upward trajectory over the five-year period. From 83,295.5 million run metres in FY 2020–21, production increased to 136,951.8 million run metres in FY 2024–25, registering a CAGR of approximately 13.1%. The sustained rise reflects a growing preference for man-made fibres (MMF), driven by their durability, cost-effectiveness, and suitability for high-growth segments such as fast fashion, uniforms, and export apparel.

The rising share of blended fabrics in overall fabric production also aligns with government policy interventions, including the PLI Scheme for MMF Garments and Technical Textiles and the establishment of PM MITRA Parks, aimed at boosting India's competitiveness in synthetic textiles and capturing a larger share of the global MMF trade.

### Export and Import Trends of Fabric

India maintains a strong position as a net exporter of fabrics, with exports significantly exceeding imports over the past five years. However, the trade dynamics reflect cyclical fluctuations influenced by global demand, input costs, supply chain disruptions, and evolving sourcing patterns by international buyers.

The graph below illustrates India's fabric export and imports values from 2020–21 to FY 2024–25:



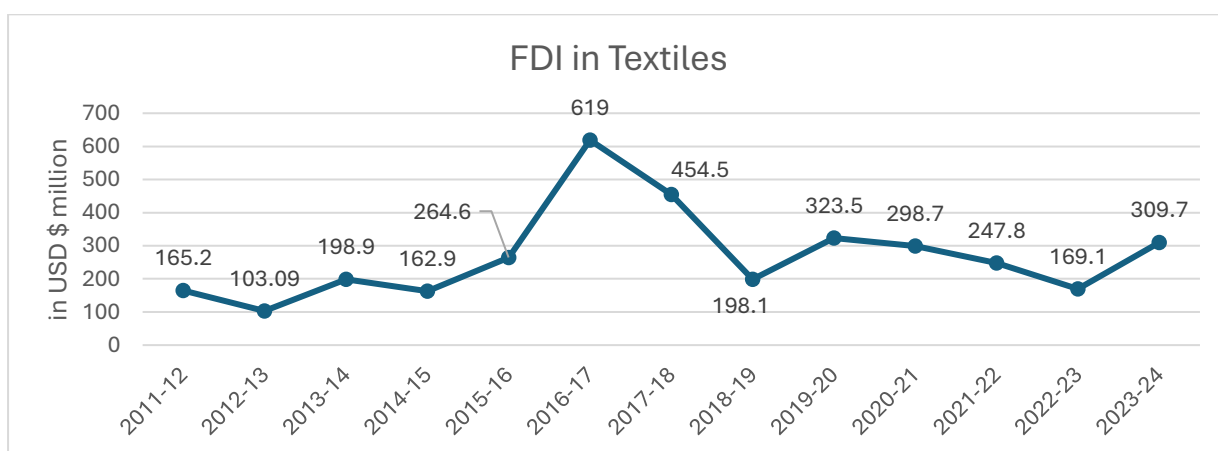
Source: CMIE

India's fabric exports registered strong growth in FY 2021–22, increasing from USD 2,738.9 million to USD 3,956.7 million, aided by post-pandemic global recovery, strong restocking demand, and stable export incentives. However, in the subsequent years, export values declined moderately to USD 3,401.4 million in FY 2023–24, before stabilizing at USD 3,405.5 million in FY 2024–25. The decline reflects price corrections in cotton and man-made fabrics, weakening demand in key geographies, and increasing competition from low-cost Asian exporters.

On the other hand, imports of fabric have remained relatively steady, rising gradually from USD 406.1 million in FY 2020–21 to USD 648.6 million in FY 2024–25. This growth is driven by increasing domestic consumption of high-end synthetic, technical, and specialty fabrics—especially for performance wear and industrial applications—where local manufacturing capabilities remain limited.

Despite the narrowing gap between export and import growth, India remains a net exporter of fabrics. The trade trend underscores the importance of strengthening domestic manufacturing capacities in advanced MMF and technical textiles, while leveraging Free Trade Agreements (FTAs) to remain competitive in key export markets.

#### Investments in textile industry and its growth in CAGR %



Source – Ministry of Textiles

Foreign Direct Investment (FDI) inflows into India's textile sector have experienced notable volatility over the period from FY 2011–12 to FY 2023–24. Starting at USD 165.2 million in 2011–12, FDI saw a sharp dip in the following year but quickly rebounded in 2013–14. A major surge was recorded in 2016–17, when FDI peaked at USD 619 million—indicating heightened investor confidence likely fuelled by government-led initiatives such as *Make in India*, textile-specific schemes like *Amended Technology Upgradation Fund Scheme (ATUFS)*, and overall policy support to boost manufacturing.

While inflows dropped in the subsequent years, they remained relatively strong in FY 2019–20 and recovered again in FY 2023–24 to USD 309.7 million. Despite short-term fluctuations due to global and domestic economic shifts, the long-term trend indicates steady growth. The Compound Annual Growth Rate (CAGR) over this 12-year period stands at 5.38%, reflecting sustained investor interest and the sector's growing strategic relevance in India's industrial and export landscape.

### **Market Opportunities – India owing to revision in tariff by US Government**

The U.S. government imposed a 50% reciprocal tariff on India as on August 27<sup>th</sup>, 2025. When compared with key competitors in Asia—Vietnam (20%), Bangladesh (20%), Cambodia (19%), Pakistan (19%), and China (30%).

Tariff comparison with competitors:

- Vietnam: 20%
- Bangladesh: 20%
- Cambodia: 19%
- Pakistan: 19%
- China: 30%
- India: 50%

The imposition of a 50% U.S. tariff on India would have significant repercussions for the industry, given the U.S. is India's single largest export market. Such a steep tariff would sharply reduce India's price competitiveness, making its products far more expensive compared to those from Vietnam, Bangladesh, and Cambodia, which enjoy preferential or duty-free access to the U.S. market. This would likely lead to a decline in orders, contract renegotiations, and a diversion of sourcing by U.S. buyers toward competing countries.

For the Indian textile industry, the immediate impact would be pressure on export volumes, reduced capacity utilization in major clusters such as Tiruppur, Surat, Ludhiana, and Bengaluru, and a potential slowdown in employment generation across the value chain—from spinning and weaving to garmenting and finishing. Profit margins would shrink due to pricing pressures, while many small and medium-sized exporters might struggle to remain viable. Over the medium term, the tariff disadvantage could discourage new investments in export-oriented capacity, weaken India's positioning in global supply chains, and slow its progress toward becoming a one-stop sourcing hub. While some relief could come from diversifying exports to Europe, the Middle East, and Africa, the loss of competitiveness in the U.S.—the world's largest textile importer would represent a serious setback. In the long run, without diplomatic resolution or trade agreement realignments, the tariff could force the industry to focus more on domestic consumption and non-U.S. export markets, while also pushing firms to move up the value chain with specialized, higher-value products to partially offset the loss of cost advantage.

### **Government Initiatives and Policy Support**

The Government of India has launched a series of targeted policy measures to enhance the domestic textile and footwear manufacturing ecosystem. These initiatives focus on formalizing the supply chain, modernizing technology, building a skilled workforce, and raising quality standards. These efforts are particularly beneficial for niche segments like children's apparel and footwear, which gain from improved infrastructure, regulatory standards, and institutional capabilities. (PIB).

The Union Budget 2025-26 announced an outlay of ₹ 5272 crores (Budget Estimates) for the Ministry of Textiles for 2025-26. This is an increase of 19 percent over budget estimates of 2024-25 (₹ 4417.03 crore).

Union Budget 2025-26 has announced a five-year Cotton Mission to increase cotton productivity especially extra-long staple varieties. Science & Technology support will be provided to farmers under this Mission. The Mission is in keeping with the 5 F principle and will increase income of the farmers and augment a steady supply of quality cotton. By boosting domestic productivity, this initiative will stabilise raw material availability, reduce import dependence and enhance the global competitiveness of India's textile sector, where 80% of capacity is driven by MSMEs.

**Production-Linked Incentive (PLI) Scheme for Textiles:** The PLI Scheme is designed to boost domestic manufacturing of man-made fibre (MMF) garments, MMF fabrics, and technical textiles. In the Union Budget for FY2025–26, the Ministry of Textiles received an increased allocation of ₹5,272 crore (up from ₹4,417.03 crore in FY2024–25), with ₹1,148 crore earmarked specifically for the PLI scheme. The scheme carries a total outlay of ₹10,683 crore over five years.

**PM MITRA Parks & Textile Cluster Development:** To create world-class textile hubs, the government is developing PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks, with an approved budget of ₹4,445 crore to be implemented by FY2027–28. These parks offer integrated infrastructure across the value chain—including spinning, weaving, dyeing, and garmenting—with plug-and-play facilities. Additionally, the Textile Cluster Development Scheme (TCDS) has a sanctioned budget of ₹853 crore and has already generated 1.22 lakh jobs as of March 2025.

**National Technical Textiles Mission (NTTM):** The NTTM aims to establish India as a global leader in technical textiles, focusing on:

- Research, innovation, and product development
- Market and promotional activities
- Skill development and workforce training
- Export promotion

This mission is vital for advancing high-performance textiles used in healthcare, infrastructure, defence, and automotive industries.

**SAMARTH – Skill Development in Textiles:** The SAMARTH scheme addresses the industry's need for skilled labour by providing demand-driven, placement-oriented training. It focuses on unemployed youth, women, and disadvantaged groups, bridging the skill gap and enhancing productivity throughout the value chain.

**Amended Technology Upgradation Fund Scheme (ATUFS):** ATUFS encourages modernization in the textile sector by offering capital investment subsidies for upgrading machinery. It promotes efficiency, cost reduction, and quality improvements, especially in spinning, weaving, and processing units.

**Silk Samagra-2:** This scheme promotes holistic development in the sericulture sector. It supports all stages—from research and silkworm rearing to cocoon production, yarn processing, and marketing—with the aim of boosting raw silk output and generating rural livelihoods.

**Handloom Sector Support: NHDP & Raw Material Supply Scheme:** These initiatives aim to strengthen India's traditional handloom industry through:

- Easier access to raw materials
- Loom modernization and adoption of solar energy
- Product diversification and design innovation
- Marketing support for domestic and export markets

- Financial assistance (e.g., concessional loans, MUDRA)
- Social security and insurance for handloom workers

**Handicraft Sector Support: NHDP & CHCDS:** The Office of the Development Commissioner (Handicrafts) administers:

1. National Handicrafts Development Programme (NHDP)
2. Comprehensive Handicrafts Cluster Development Scheme (CHCDS)

These schemes provide holistic support to artisans—including cluster development, infrastructure, capacity building, producer group formation, technology access, research, and direct benefit transfers.

**Interest Subsidy Scheme:** The Scheme for financial assistance by way of credit linked Interest Subsidy in Ginning & Pressing, Cotton Spinning, Weaving, Dyeing & Processing, Knitting, Garment/Made-ups, Machine Carpeting, Machine Embroidery and any other activities/ process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain. Maximum interest subsidy will be at the rate of 5% per annum for five years. (7% for Spinning unit and garment/made-ups unit) for five years

### Key Trends – Indian Cotton Industry

The Indian cotton spinning industry is evolving rapidly, influenced by global market shifts, technological advancements, sustainability imperatives, and changing domestic consumption patterns. Key consolidated trends shaping the industry include:

1. **Shift towards value-added yarns and specialty fibres** – While traditional cotton yarn continues to dominate, there is growing investment in blended yarns, compact and combed yarns, and technical fibres for functional textiles such as moisture-wicking, antimicrobial, and performance fabrics. Government initiatives like the PLI for Textiles support higher-value segments.
2. **Increasing focus on sustainability** – Indian spinning mills are adopting eco-friendly practices including organic cotton, recycled fibres, zero-liquid discharge (ZLD) systems, and energy-efficient machinery. Export buyers, particularly in Europe and North America, increasingly demand traceable, certified sustainable yarns, prompting mills to integrate ESG practices.
3. **Digitalization and automation** – Automation in spinning (e.g., ring, rotor, and compact spinning), ERP systems, AI-based inventory management, and predictive maintenance are improving production efficiency, reducing wastage, and enabling faster response to market demand. Digital B2B platforms also allow MSMEs to connect directly with domestic and global buyers.
4. **Export orientation and market diversification** – While the US, EU, and UK remain core markets, Indian spinners are exploring Latin America, Africa, and Asia-Pacific to reduce dependency risks. FTAs with UAE, Australia, and UK are expected to enhance India's global cotton yarn exports.
5. **Industry consolidation and vertical integration** – Larger mills are pursuing backward integration into cotton procurement and forward integration into fabric production to ensure quality control and cost efficiency. MSMEs are increasingly forming clusters or joint ventures to achieve scale and access shared resources.

**Rising domestic consumption** – Urbanization, higher disposable incomes, and the growth of organized retail and e-commerce are boosting domestic demand for cotton yarn-based apparel and home textiles. This trend is encouraging spinners to focus on branding, product differentiation, and direct-to-consumer (D2C) channels

## 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 Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 33, 129, 220 and 288, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to “Definitions and Abbreviations” beginning on page [●] for definition 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 1 and 156, respectively, has been obtained or derived from the report titled “Outlook for Textile Industry 2025”, dated September 29, 2025, prepared by Infomerics. The Infomerics Report is available on our Company’s website at [www.aasthaspintex.com](http://www.aasthaspintex.com). The data included herein includes excerpts from the Infomerics Report and may have been re-ordered by us for the purposes of presentation. Also see, “Certain Conventions, Currency of Presentation- Use of Financial Information and Market Data – Industry and Market Data” on page 15.*

*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. In addition, such measures and indicators are not standardized terms, and a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators 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 as they are widely used measures to evaluate a company’s operating performance. Some of the information set out in this section, especially information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” beginning on page 19 for a discussion of the risks and uncertainties related to those statements and “Risk Factors” beginning on page 33 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward -looking statements.*

## OVERVIEW

We are engaged in the business of manufacturing and trading of carded, combed and compact combed cotton yarns and cotton bales. In Fiscal 2025, our Company has achieved the highest ROCE and RONW amongst its selected peers. Our cotton bales are utilized both for captive production of cotton yarns and for supply to other spinning units and the cotton yarns produced are used in both knitting and weaving applications, catering to a wide spectrum of end-use segments and products including denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles, and industrial fabrics.

We have a semi-automated and integrated spinning and ginning Manufacturing Facility situated at Halvad, Morbi, Gujarat. We produce 100% cotton yarns in counts ranging from Ne 26 to Ne 40 which includes carded, combed and combed compact varieties (“Ne” refers to the English Cotton Count System, which is a standard way to measure the fineness or thickness of yarn. The higher the Ne, the finer the yarn).

The ginning process converts raw cotton into cotton bales through stages of cleaning and separation, during which cotton seeds and other by-products are generated. While the cleaned lint is pressed into bales for supply to spinning mills, the separated cotton seeds are sold to industries engaged in oil extraction, animal feed, and other applications, thereby providing an additional revenue stream for our Company. A nominal portion of raw cotton is lost as non-recoverable waste during the process.

The spinning of cotton into yarn involves several stages of cleaning, carding and drawing of cotton, during which by-products such as comber, licker-in, and hard waste (collectively, “**cotton waste by-products**”) are generated. These cotton waste by-products are sold to industries manufacturing non-woven fabrics and open-end yarns, providing an additional revenue stream for our Company. Nominal portion of cotton in the range of 0.1% to 0.3% of the total cotton yarn produced is non-sellable waste.

The product wise bifurcation of revenue from operations from manufacturing and trading of our products for last three fiscals is set out below:



Our operation	For financial year ended March 31, 2025		For financial year ended March 31, 2024		For financial year ended March 31, 2023	
	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products
<b>Sale of Product</b>						
Cotton Yarn	18,383.84	53.49%	20,883.39	70.55%	19,443.67	82.76%
Cotton Bales	11,529.26	33.55%	5,812.14	19.63%	1,308.74	5.57%
<b>Sale of Cotton waste</b>						
Cotton Waste by-products	4,456.40	12.97%	2,906.84	9.82%	2,740.42	11.66%
<b>Total</b>	<b>34,369.50</b>	<b>100.00%</b>	<b>29,602.37</b>	<b>100.00%</b>	<b>23,492.83</b>	<b>100.00%</b>

We operate exclusively in the business-to-business (B2B) segment, supplying our products to buyers such as textile manufacturers, yarn exporters, bulk purchasers and fabric processors (collectively “**Customers**”). Our exclusive B2B focus allows us to streamline our production and supply chain processes around the needs of our buyers, ensuring consistent quality, delivery, and efficient order fulfilment. It also allows us to build long-term client relationships and offer customized yarn solutions tailored to specific technical parameters including count, twist, and strength.

We sell our products primarily in the domestic market. Our major sales in the state of Gujarat facilitated further our reseller namely M/s 7 Seas Impex who possesses over a decade of experience in global and national trade practices. This dual-channel strategy for sale of our products enables broad market coverage while allowing us to stay focused on manufacturing quality cotton yarns and maintaining timely delivery schedule with minimal logistical complexity. The breakdown of our sale of products geography wise during the last three fiscals are set out below:

Particulars	For financial year ended March 31, 2025		For financial year ended March 31, 2024		For financial year ended March 31, 2023	
	Revenue from sale of product (₹ In Lakhs)	% of Revenue from sale of product	Revenue from sale of product (₹ In Lakhs)	% of Revenue from sale of product	Revenue from sale of product (₹ In Lakhs)	% of Revenue from sale of product
Gujarat	33,134.20	96.41%	28,916.08	97.68%	22,496.16	95.76%
Andhra Pradesh	38.15	0.11%	-	-	-	-
Haryana	-	-	-	-	5.19	0.02%
Madhya Pradesh	208.76	0.61%	315.82	1.07%	325.4	1.39%
Maharashtra	-	-	130.21	0.44%	180.49	0.77%
Tamil Nadu	767.78	2.23%	74.75	0.25%	485.6	2.07%
Telangana	73.23	0.21%	27.4	0.09%	-	-
West Bengal	147.38	0.43%	138.1	0.47%	-	-
<b>Total revenue from Sale of Product</b>	<b>34,369.50</b>	<b>100.00%</b>	<b>29,602.37</b>	<b>100.00%</b>	<b>23,492.83</b>	<b>100.00%</b>

We have more than a decade of operational experience in the textile industry, we presently operate through our manufacturing facility which is strategically located at Halvad, Morbi (Gujarat) in proximity to high quality cotton growing area of Gujarat and spans a built-up area of approximately 65,762 sq. m (“**Manufacturing Facility**”). As on date of this Draft Red Herring Prospectus, we have a spindle count capacity of 25,920 spindles through 15 compact ring spinning machines and an annual 12,000 MT production capacity of cotton bales through 28 ginning machines. We have a cotton yarn production capacity of 7,700 MT per annum. Our Manufacturing Facility operates 24 hours per day on a 3-shift basis to maximize output and ensure uninterrupted operations and usually operates for 365 days a year.

We have a quality control and product development team (“**Quality Team**”) at our Manufacturing Facility that undertakes testing of raw materials, unfinished product at different stages of production, and finished products before dispatch. We have set up an in-house laboratory to undertake such tests on the intermediate and finished products. Additionally, standard operating procedures are adopted for controlling each step of our manufacturing

process to ensure compliance with the quality specifications provided by our customers. In order to ensure uniformity in our products and minimize errors, we have implemented a semi-automated manufacturing process that regulates key stages of production, thereby helping maintain consistent quality and standards while reducing the scope for error. We believe this quality measures improve the effectiveness of the manufacturing process, thereby improving the quality of our products.

The Indian Textile Industry is projected to grow \$174 billion in FY2024-25 to \$350 billion FY2029-30 at a CAGR of 12.3%. The Union Budget 2025-26 also announced an outlay of ₹ 5272 crores for the Ministry of Textiles for 2025-26. The Indian Textile and Apparel Industry contributed to around 2.3 % of the national GDP, accounts for 13 % of the total industrial production and makes up 12 % of the Country's overall exports. Cotton textiles form the largest segment of the Indian Textile Industry accounting for approximately 38-40% of the total market. Cotton bales, the primary raw material for producing cotton yarns and related fabrics, are estimated to reach a production volume of 326 lakh bales in FY 2024–25 and the long-term outlook for cotton production is expected to see modest growth of around 1–2% annually over the next five years. Overall, the future of the textile industry and specifically the cotton spinning segment will be defined by a balance of tradition and innovation, leveraging India's rich cotton heritage while adapting to global market dynamics and sustainability imperatives. (*Source: Informerics Report*)

Our strong customer base in Gujarat has been a key driver of our growth. Since we operate from within the state, we have consistently focused on building lasting relationships with our customers. Our direct presence in the region has enabled us to better understand local needs, streamline our operations, and efficiently meet their product requirements, thereby ensuring higher customer retention.

During the Fiscals 2025, 2024 and 2023, we served 40, 32 and 42 repeat customers, and added 191, 46 and 43 new customers. Further during the preceding three Fiscals, we served more than 250 customers across textile industry, out of which 14 have been associated with us for a period of more than 5 years. During the Fiscals 2025, 2024 and 2023, the top ten customers contributed to ₹ 20,601.96 lakhs, ₹ 25,076.98 lakhs and ₹ 19,002.16 lakhs towards our revenue from sale of products, during the Financial Years 2025, 2024 and 2023, respectively, constituting 59.94%, 84.71% and 80.88% of our revenue from sale of products, during the said period.

Our ginning unit operates seasonally for about 6 to 7 months each year, typically from mid-September/October to March, depending on the commencement of the cotton harvest. During this period, we procure raw cotton from farmers and traders and process it into cotton bales at our ginning unit. The cotton bales produced are primarily used for our captive consumption, while the surplus is sold to spinning mills, traders, and other customers.

In case of shortfall of cotton bales or after the end of cotton harvest season we procure our principal raw material, i.e. cotton bales, through suppliers, sourcing from ginning mills and traders located across Gujarat which enables us to reduce transportation costs and lead time, enhancing our operational efficiency. Over time, we have built strong relationships with a network of reliable suppliers, allowing us to secure consistent quality, maintain a steady supply of raw materials, and align procurement seamlessly with our production schedules. During the last three Fiscals, we procured cotton bales from more than 125 Suppliers out of which 8 suppliers are in top 10 suppliers where 6 Suppliers are associated with us over 5 years and top 10 suppliers contribute 73.05 %, 79.62 % and 44.30% of the total purchase during the last three fiscals. For details, see “*Our Business –Raw Material and Our Suppliers*” on page 166.

To ensure uninterrupted production in spinning unit, we maintain a buffer stock of cotton bales during the peak procurement season. This season typically coincides with the cotton harvest period in India i.e. from October to March, when availability is high and prices are relatively low. Further, we hedge our position of stock through physical purchase of cotton bales for spinning unit i.e. against for each inquiry of order for yarn, we quote the price based on prevailing cotton bales price and once the yarn order is confirmed, we place order for purchase of equivalent quantity of cotton bales thereby maintaining margin for each order. This helps us to maintain buffer stock at the same time protect our margin as well.

Our Promoters Divyang Jashwantbhai Patel (Chairman and Managing Director), Vivek Rasik Gothi (Whole-time Director), Jashwant Valjibhai Patel (Executive Director) and Rasiklal Valjibhai Patel (Administrative Head), play a pivotal role in strategic business development and driving the growth of our Company. With deep industry knowledge and strong entrepreneurial skills, their emphasis on product quality and integration of advanced technology in our manufacturing process, continue to guide our expansion and define our core values. All our Promoter Directors remain actively involved in our operations. Their vision, business acumen, and leadership have been instrumental in sustaining our operations and driving consistent growth. They are 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 page 212 and 189, respectively.

We are also an environmentally conscious organization committed to promoting the use of renewable energy. As part of our sustainability efforts, we installed a rooftop solar power plant, ground-mounted solar power plant and wind power plant, which became operational in 2023, 2023 and 2024 respectively to source captive power thereby substantial cost effectiveness on power cost. The installed capacity of this rooftop solar power plant, ground-mounted solar power plant and wind power plant stands at 1 MW, 4 MW and 2.7 MW respectively. This initiative supports our shift toward clean energy, contributing to our daily power requirements and resulting in a generation of average 37,692 units per day collectively during the period in between April 2024 to March 2025 resulting in reduction of monthly electricity expenses. This green initiative not only helps reduce operational costs but also reinforces our commitment to eco-friendly and energy-efficient manufacturing practices by lowering our overall carbon footprint.

## Financial Performance Indicators

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations <sup>(1)</sup> (₹ Lakhs)	35,116.02	30,486.16	23,926.50
PAT for the year/ period <sup>(2)</sup> (₹ Lakhs)	2,349.83	1,628.76	105.83
Cash Flow from Operations <sup>(3)</sup> (₹ Lakhs)	(1,871.62)	1,293.13	1,547.49
EBITDA <sup>(4)</sup> (₹ Lakhs)	4,694.39	3,424.59	1,160.02
EBITDA Margin <sup>(5)</sup> (%)	13.37%	11.23%	4.85%
PAT Margin <sup>(6)</sup> (%)	6.69%	5.34%	0.44%
Net Worth <sup>(7)</sup> (₹ Lakhs)	12,163.43	7,637.83	6,000.94
Current Ratio <sup>(8)</sup>	1.64	1.29	1.23
Total Debt / Equity <sup>(9)</sup>	0.78	1.08	1.35
Debt Service Coverage Ratio <sup>(10)</sup>	2.37	1.35	0.65
ROE <sup>(11)</sup> (%)	23.73%	23.88%	1.78%
ROCE <sup>(12)</sup> (%)	19.12%	18.95%	4.58%
Inventory turnover ratio <sup>(13)</sup>	3.15	4.31	4.01
Trade Receivables turnover ratio <sup>(14)</sup>	6.28	6.96	18.00
Trade payables turnover ratio <sup>(15)</sup>	6.19	4.97	8.31
Working Capital Turnover Ratio <sup>(16)</sup>	6.41	12.29	12.14
Fixed Assets Turnover Ratio <sup>(17)</sup>	4.17	3.79	3.68
Installed Capacity in M.T. (Ginning Division) <sup>(18)</sup>	12,000	12,000	12,000
Installed Capacity in M.T. (Spinning Division) <sup>(18.1)</sup>	7,700.00	7,700.00	6,400.00
Utilised Capacity M.T. (Ginning Division) <sup>(19)</sup>	9,897.00	9,526.00	8,531.00
Utilised Capacity M.T. (Spinning Division) <sup>(19.1)</sup>	7,436.00	7,361.00	6,137.00

Note:

(1) Revenue from Operations is defined as sales.

(2) PAT for the period/year is defined as profit for the year.

(3) Cash flow from operations as per Restated Cash Flow Statement

(4) EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation.

(5) EBITDA Margin is calculated as EBITDA/revenue from operation

(6) PAT margin is calculated as “PAT”/revenue from operation.

(7) 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 Financial Information

(8) Current ratio means current assets divided by current liabilities.

(9) Total debt /Equity is calculated as total debt /total equity.

(10) Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment.

(11) ROE is calculated as profit after tax /average total net worth.

(12) ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability.

(13) Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares.

(14) Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables.

(15) Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables.

(16) Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities.

(17) Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.

(18) Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division).

(18.1) Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (Spinning Division).

(19) Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division).

(19.1) Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (Spinning Division).

## OUR STRENGTHS

### 1. *Fully integrated cotton spinning infrastructure with modern technologies to support our product portfolio.*

We operate a fully integrated cotton ginning and spinning manufacturing facility that brings together all key stages of yarn production under one roof, from procurement of raw cotton to finished yarn. This end-to-end integration includes processes such as cotton bales procurement, opening, cleaning, carding, combing, spinning, [winding], and final packaging. By centralizing operations within a single location, we minimize material handling, reduce production lead times and enhance coordination across process stages. This results in process control, increased operational efficiency, and better consistency in output quality. Integrated operations provide us the flexibility in procurement of cotton bales for our spinning unit by managing quality v/s price i.e. margin on sale of cotton bales in the market v/s procurement price of cotton bales from market of desired quality as per specifications of the cotton yarn.

At the core of our manufacturing operations is compact ring spinning technology, a significant upgrade over conventional spinning systems. This technology improves fibre alignment and reduces hairiness and breakage in yarn thereby wastages, producing smoother, stronger, and more uniform yarns. These characteristics are essential for meeting the high-quality standards expected by both domestic and international textile manufacturers.

Our Manufacturing Facility is equipped with advanced machinery sourced from reputed manufacturers based in India, Japan, and France. This includes compact spinning systems, high-speed autoconers, contamination cleaners, electronic yarn clearers, and automated vacuum systems, many of which are integrated with [real-time digital monitoring tools] to ensure uniformity and reduce defects. For details, see “*Our Business –Manufacturing Facility*” on page 164.

Our product portfolio is technically adaptable, allowing us to serve a wide range of applications across the textile sector. This range serves the needs of knitting, weaving, and hosiery segments. Our ability to manufacture multiple yarn types from a single facility allows us to efficiently address shifting customer preferences and market trends. We emphasize product customization, tailoring yarn characteristics, including count, ply, twist, and fibre blend, to meet specific client requirements. This customer-centric manufacturing approach strengthens client relationships, supports long-term partnerships, and enhances our positioning in the market. Collectively, our fully integrated infrastructure, modern spinning technologies, diversified product line, and focus on customization position us to remain agile, scalable, and competitive.

### 2. *Long standing relationship with key customers*

With more than a decade of experience in the textile industry, we have established strong relationships with key customers. We sell our products to our customers directly in the state of Gujarat and through our reseller for sales outside the state of Gujarat and International exports. A key factor that sets us apart from competitors is our customer-centric approach, focusing on delivering products that align precisely with customer specifications. This commitment to customization and quality has not only supported the growth of our business but also strengthened our market presence and reputation within the industry.

We have, over the years, established long-standing relationship with our customers such M/s 7 Seas Impex, Elkins Tradelink Ltd. and other customers. During Fiscal 2025, Fiscal 2024, and Fiscal 2023, we served over 231, 79 and 86 customers. Of these, approximately 14 customers have been associated with us for more than 5 years. Set forth below is number of our repeat customers and new customers during Fiscals 2025, 2024 and 2023:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Number of customers	%	Number of Customers	%	Number of Customers	%
Repeat Customers	40	17.32%	32	40.51%	42	48.84%
New Customers	191	82.68%	46	59.49%	43	51.16%
<b>Total Customers</b>	<b>231</b>	<b>100.00%</b>	<b>78</b>	<b>100.00%</b>	<b>85</b>	<b>100.00%</b>

### 3. *Strategically located manufacturing facility with adequate storage facility and scope for future expansion*

Our Manufacturing Facility is a strategically located facility with ample scope for expansion option available to us:

- Large land with ample scope for future expansion: Our Manufacturing Facility spans a total land area of approximately 65,762 sq. m, with built-up area covering 30,397.11 sq. m i.e. 46.22% of the total land, leaving substantial 35,364.89 sq. m. Vacant land portion for future growth & expansion. As of March 31, 2025, the facility has an installed capacity of 7,700 MT per annum.
- Strategic Location: Our manufacturing facility is strategically located at Halvad, District Morbi, Gujarat, in one of the state's major cotton-growing regions, providing direct access to a well-established network of raw material suppliers, logistics providers, and skilled labor. This geographic advantage streamlines procurement, production scheduling, and delivery timelines. Additionally, close proximity to local ginning and spinning units ensures a steady supply of raw cotton, enhancing operational flexibility and raw material management.

In addition to the same, our Manufacturing Facility enjoys infrastructure connectivity through well-developed road, rail, and port networks. The site is located near National Highway 27, offering direct highway access to major cities in Gujarat and Maharashtra and around 135 km from Kandla Port and 35 km from Navkar ICD in Gujarat to facilitate export sales through our reseller. This strategic location not only optimizes our supply chain logistics but also enhances our ability to scale operations, respond promptly to customer requirements, and maintain competitive turnaround times, both for domestic and export orders.

- Storage Infrastructure: Our Manufacturing Facility is supported by well-planned and adequately sized storage infrastructure that enables efficient handling of raw materials, semi-finished goods, and finished products. We have designated storage areas within our premises that are equipped to handle bulk inventory in an organized and secure manner. Raw materials such as cotton bales are stored to preserve quality and avoid contamination, with careful segregation based on quality parameters. The storage layout is designed to ensure smooth inward and outward movement of materials, with dedicated zones for loading, unloading, and short-term holding. This organized system contributes to effective inventory rotation and minimization of wastage.
- Finished goods are stored in clean, ventilated, and secure sections within our storage facility, allowing us to maintain product integrity until dispatch. We maintain sufficient buffer stock to meet customer orders in a timely manner and reduce the risk of supply disruptions. Our storage practices are aligned with our production schedule and sales commitments, ensuring that material handling is efficient and turnaround time is minimized. Inventory is managed through handling, proper documentation, enabling stock control and better decision-making regarding procurement, production, and dispatch. Overall, our robust storage infrastructure plays a critical role in maintaining product quality, ensuring operational efficiency, and supporting our ability to fulfil customer requirements consistently.

#### ***4. Strong Renewable Energy Infrastructure Enabling Sustainable and Cost-Efficient Manufacturing***

We have made significant investments in renewable energy infrastructure, enabling us to operate our manufacturing activities with minimal reliance on conventional grid electricity. As part of our long-term commitment to environmental sustainability, energy self-reliance, and operational efficiency, we have successfully commissioned and currently operate a 1 MW rooftop solar power unit, a 4 MW ground-mounted solar power plant, and a 2.7 MW wind power plant. These facilities collectively power a significant portion of our manufacturing operations and meet around 80 % of total power requirement of the plant, allowing us to meet the majority of our captive energy requirements through clean, renewable sources.

This integrated renewable energy strategy not only strengthens our energy security but also reduces our carbon footprint and contributes to long-term cost optimization.

Our transition to renewable energy is aligned with national climate action goals and reinforces our commitment to responsible resource utilization and sustainable industrial growth. This focus on green energy enhances the resilience and sustainability of our business model, provides insulation against energy price volatility, and positions us to potentially benefit from future regulatory and fiscal incentives related to renewable energy adoption. It also enhances our ESG (Environmental, Social, and Governance) profile, which is increasingly relevant to institutional investors and other stakeholders.

#### ***5. Delivering Strong financials and operating metrics***

Our Company has organically grown its operations and has demonstrated an increase in revenues and profitability. Our revenue from operations grew at 15.19% from ₹30,486.16 Lakhs in Fiscal 2024 to ₹35,116.02 Lakhs in Fiscal 2025, based on our Restated Financial Information. Our restated profit after tax margin was 6.69%, 5.34%, and 0.44% during Fiscals 2025, 2024 and 2023, respectively.

## **6. Strong Promoters and Experienced Management Team**

Our Promoters Divyang Jashwantbhai Patel (Chairman and Managing Director), Vivek Rasik Gothi (Whole-time Director), Jashwant Valjibhai Patel (Executive Director) and Rasiklal Valjibhai Patel play a key role in the development and growth of our business. They are instrumental in formulating business strategies, driving modernization, integrating systems and technologies, steering diversification and expansion and also maintaining a strong customer-centric approach.

Our leadership team is also supported by our Key Managerial and Senior Management Personnel. Among them, Patel Yogesh Purshotamdas, who leads our production operations and oversees quality assurance and supply chain management, brings with him over three decades of experience in the textile industry. Our management approach is collaborative and function-driven, which we believe is central to our competitive edge. The collective expertise of our leadership enables us to anticipate market trends, manage operations efficiently, strengthen customer relationships, and respond proactively to changing industry demands. We will continue to leverage the deep experience of our promoters and management team to pursue future growth opportunities in the textile sector. With the support of a skilled workforce, including a dedicated quality assurance team, we have consistently scaled our operations and maintained stable financial performance year after year. For further details, see “*Our Promoters and Promoter Group*” on page 212 and “*Our Management*” on page 189.

## **OUR STRATEGIES**

### **1. Focus on growth through organic and inorganic acquisitions**

Our growth strategy focuses on strategic acquisitions and expanding into new markets, both domestically and internationally. We will continue to actively look for and evaluate acquisition opportunities which can complement, supplement or enhance our product offerings and add to our customer base and market reach. These acquisitions will help us to establish and expand our control on the value chain of energy transition & power technologies. Our emphasis on inorganic growth & acquisitions is targeted towards adding capabilities, value chain enlargement, spreading product bouquet and de-risking our business model.

We have recently entered into a Share Purchase Agreement (“SPA”) with Falcon Yarns Private Limited (“Falcon”) and its promoters (collectively, the “Sellers”) for the acquisition of 100 % equity stake in Falcon. Falcon is engaged in the manufacturing of carded, combed, and combed compact cotton yarn and operates a manufacturing facility located at Survey no. 177/1, Village- Bharudi, NH-27, near Bharudi Toll Plaza, Gondal, Rajkot- 360 311, Gujarat, India equipped with an annual production capacity of 9757 MT per annum.

Following this acquisition, while our annual spinning production capacity will rise from 7,700 MT per annum to 17,457 MT per annum. Over the last three financial years, Falcon has generated revenue from operations of ₹24,944.39 lakhs, ₹22,035.15 lakhs, and ₹22,875.33 lakhs. For further details, refer to “*Objects of the Issue*” on page 104.

This strategic acquisition will significantly enhance our production capacity, broaden our customer base, and strengthen our order book, thereby driving revenue growth and improving operational efficiency.

Our strategic vision includes continued focus on organic and inorganic acquisitions that align with our core values and business objectives. These acquisitions will be targeted towards further enhancing our technological capabilities, expanding our global reach, and driving innovation in key sectors such as smart industries and sustainable energy solutions. Additionally, we aim to foster strategic partnerships and collaborations to accelerate our growth trajectory and strengthen our position in the evolving landscape of technology and energy sectors. These insights not only inform our strategic decisions but also enable us to innovate and adapt effectively, ensuring our competitiveness in the ever-evolving business landscape.

### **2. To expand our customer base and geographical footprint**

Currently, our sales operations are primarily concentrated in the state of Gujarat, with sales outside Gujarat and export sales being undertaken through a reseller. As part of our future strategy, we intend to expand our direct sales operations beyond Gujarat into other states across India as well as markets abroad, thereby strengthening our pan-India and overseas presence and capturing a wider customer base. We believe that expanding our market presence and distribution network across India and abroad will deliver multiple strategic benefits, including access to a larger customer base, increased sales volumes, diversification of market risks, enhanced brand recognition, economies of scale, and a strengthened competitive position.



### 3. Operational Efficiency and Manufacturing Excellence


We are committed to continuously enhancing our operational efficiency by investing in modern, high-performance spinning infrastructure and advanced quality control systems, including in-house testing laboratories. These facilities ensure that every yarn batch meets stringent quality standards, enabling consistent delivery and high customer satisfaction. Our focus remains on streamlining manufacturing processes to reduce waste, optimize resource utilization, and lower production costs, all without compromising on product quality.

We believe that sustainable cost optimization measures and investing in equipment and automation will contribute to more efficient operations. These efforts not only strengthen our ability to meet customer specifications reliably and consistently but also improve our responsiveness to market demands. Through disciplined execution and operational agility, we aim to reinforce our position in both domestic and international markets while supporting long-term business growth.

## DESCRIPTION OF OUR BUSINESS

### Our Product:

Products	Description	&Application
<b>Cotton Bales</b> 	<b>Description:</b> Cotton bales are compressed, packaged bundles of ginned cotton, produced after the raw cotton undergoes ginning to separate the lint from the seeds and other impurities.	<b>Application:</b> Cotton bales are the primary raw material for producing cotton yarn, which is further used in knitting and weaving.
<b>100% Cotton Compact Ring-Spun Combed and Carded Yarns</b> 	<b>Description:</b> Our cotton compact ring-spun yarns offer a refined texture with strength and uniformity, making them the ideal choice for premium fabrics.  <b>Combed Compact yarn-</b> Combed compact cotton yarn is a high-quality yarn made by removing short fibers and impurities through combing and further compacting the fibers for superior strength, smoothness, and reduced hairiness.  <b>Combed Yarn –</b> Made from the long-staple cotton fibers, combed yarn undergoes an additional combing process to remove short fibers and impurities, resulting in smoother, stronger, and softer yarn. Suited for luxury apparel,	<b>Application:</b> Premium Apparel -Used for high-end T-shirts, polo shirts, dress shirts, and other garments requiring a smooth, soft feel with minimal pilling.  Luxury Home Textiles- Bedsheets, pillowcases, and fine-quality towels due to their high durability and softness.  Denim & Bottom Wear- Used in high-quality denim and twill fabrics for jeans and trousers to enhance strength and reduce hairiness. Knitted Fabrics -Used in jerseys and interlock

	<p>high-thread-count fabrics, and soft-touch textiles.</p> <p><i>Carded Yarn</i> – Processed without the additional combing step, carded yarn offers a natural, slightly textured finish. It is ideal for denim, casual wear, home textiles, and general-purpose fabrics</p>	fabrics for improved fabric quality and surface finish
<p><b>Other Products</b></p> 	<p><b>Description:</b> Cotton yarn waste arises during spinning and post-processing but is effectively reused within the textile ecosystem. Cotton yarn waste is an inevitable byproduct of the yarn manufacturing process, arising from pre-processing, spinning, and post-processing stages</p>	<p><b>Application:</b> Cotton waste by-products are primarily used in open-end spinning, padding materials, mop and cleaning products, regenerated fibers</p>

Set out below is the revenue from Sale of products from sale of Cotton yarns and Cotton bales for the previous three fiscals:

Our operation	For financial year ended March 31, 2025		For financial year ended March 31, 2024		For financial year ended March 31, 2023	
	Revenue (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue (₹ In Lakhs)	% of Revenue from Operations from sales of products
<b>Sale of Product</b>						
Cotton Yarn	18,383.84	53.49%	20,883.39	70.55%	19,443.67	82.76%
Cotton Bales	11,529.26	33.55%	5,812.14	19.63%	1,308.74	5.57%
<b>Sale of Cotton waste</b>						
Cotton Waste by-products	4,456.40	12.97%	2,906.84	9.82%	2,740.42	11.66%
<b>Total</b>	<b>34,369.50</b>	<b>100.00%</b>	<b>29,602.37</b>	<b>100.00%</b>	<b>23,492.83</b>	<b>100.00%</b>

## Manufacturing:

### Facility

As on date of this Draft Red Herring Prospectus, we have one operating facility situated at Halvad, Morbi, Gujarat, which operates 24 hours for seven days a week, in 3 shifts, with average annual working days of 365 days. A few photographs of our manufacturing facility are set out below:

*[The remainder of this page has been intentionally left blank]*





### Capacity Utilisation:

The information relating to the annual installed capacity, actual production and capacity utilisation of our products is included below and computed based on various assumptions and estimates of our management. These assumptions and estimates include standard capacity calculation practice in the textile industry and capacity of other ancillary equipment installed at the manufacturing facility.

Set out below are details of installed capacity and capacity utilization in relation to the product categories for the respective financial periods:

Product Segment	Fiscal 2025			Fiscal 2024			Fiscal 2023		
	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)	Installed Capacity (Mt)*	Production (Mt)	Capacity Utilisation (%)

Cotton Yarns	7,700	7,436	96.57%	7,700	7,361	95.60%	6,400	6,137	95.89%
Cotton Bales	12,000	9,897	82.48%	12,000	9,526	79.38%	12,000	8,531	71.09%

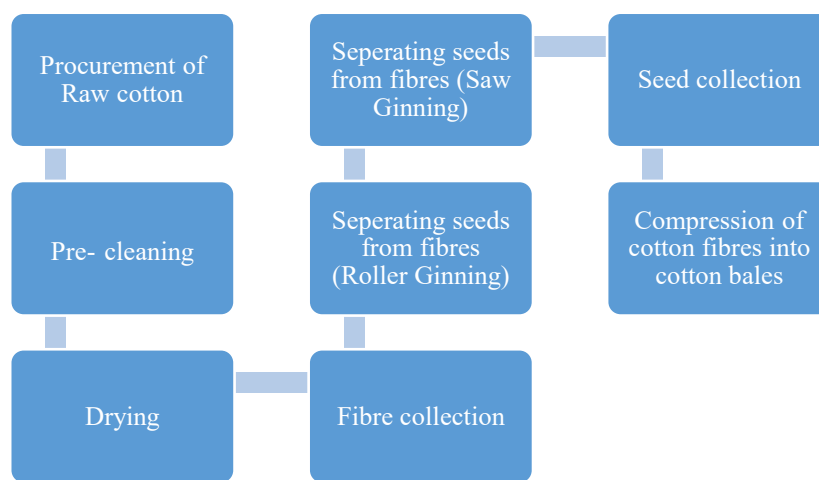
*\*Note- Installed capacity in spinning division depends on count produced by the company as follows:*

Year	Counts	M.T./Day	Capacity P.A.	Number of Spindles
2022-23	30.5	18	6400 M.T.	25920
2023-24	26.5	21	7700 M.T.	25920
2024-25	26.5	21	7700 M.T.	25920

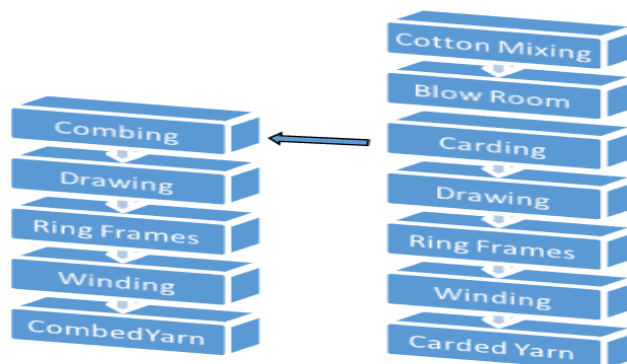
*Certified by S.K.Patel, Independent Chartered Engineer, pursuant to his certificate dated September 15,2025.*

## Manufacturing Process

### Ginning process



### Spinning Process



## Quality Assurance

We prioritize the quality of our products through quality assurance measures integrated into every phase of our operations. This encompasses adherence to industry regulations, testing protocols, and monitoring of manufacturing processes to detect and rectify potential quality issues. Additionally, our customers require us to furnish details regarding the quality of the product prior to dispatch of goods.

## Raw Materials and Suppliers

As on March 31, 2025, we had a network of over 125 suppliers and all our suppliers are located in Gujarat which significantly reduces transportation costs, has a shorter lead time and enables faster response to production needs. We procure these supplies based on short-term arrangements typically through purchase orders. Further our

Company does not enter into any contracts or agreements with its raw material suppliers. For further details please see “Risk Factor- Risk Factor 19- We rely on third-party transportation and logistics service providers for procurement of raw materials and supply of our products, and any disruption or inefficiency in such services may materially and adversely affect our business, results of operations, and financial condition” on page 43.

The details of our top 05 (five) and top 10 (ten) raw material suppliers vis-à-vis our total purchases as per our Restated Financial Statements are set out below:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases
Top (5) suppliers	20,027.02	59.06%	14,962.58	58.82%	5,904.29	31.44%
Top (10) suppliers	24,770.21	73.05%	20,252.10	79.62%	8,320.64	44.30%
<b>Total Purchase</b>	<b>33,909.72</b>		<b>25,435.79</b>		<b>18,780.51</b>	

### Utilities

We have access to the necessary utilities like air, electricity and water at our Manufacturing Facility. Our water requirements are typically met through third-party sources. The power requirements in our Manufacturing Facility situated at Halvad, Morbi are met through our installed 1 MW rooftop solar power unit, 4 MW ground-mounted power plant and 2.7 MW wind power plant as well as power from power connection (name of the Discom). Solar and Wind power constituted 80 % of our total power consumption during the fiscal ended March 31, 2025.

### Health and Safety

Our activities are subject to laws and government regulations, including in relation to safety, health, and environmental protection. These safety, health, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport, or disposal of waste materials in relation to our manufacturing operations. We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations by taking initiatives to reduce the risk of accidents at our Manufacturing Facility by (i) providing training and safety manuals to our employees; (ii) displaying safety slogans and posters in our Manufacturing Facility to spread awareness about health and safety measures and (iii) organising firefighting drills. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our facilities, by organising medical camps in our Manufacturing Facility.

### Transportation

We engage third party transportation providers, on a case to case basis, for delivering our products to our customers. For our purchases, local purchases are on delivery to our location basis.

### Competition

We operate in the textile industry, which is highly competitive and fragmented and we compete with a range of organised and unorganized players, at the national level. Further, while we have a concentrated portfolio of products, our competitors may have the advantage of having an expansive range of products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

We believe the principal elements of competition in our industry are quality, price, and range of the products offered. Our presence of over a decade in the market coupled with the high quality and range of products as well as our product development capabilities, helps us in having a competitive edge in the market. For further information on the competition, we face in the markets in which we operate, please see the chapter titled “Industry Overview” beginning on page 129 of this Draft Red Herring Prospectus.

### Information Technology

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented Tally ERP software across our operations to streamline our record keeping and track our business operations on real-time basis pursuant to which various financial, analytical and MIS reports are generated. Further, this system also enables us to track timely procurement of raw materials, payment to vendors and contract suppliers, and receivables from customers.

## Insurance

We have purchased insurance in order to mitigate the risk of losses from potentially harmful events, such policies include (i) Industrial all risk policies for damage to building and plinth, plant and machinery and furniture and fixtures, (ii) motor insurance policies and (iii) employees compensation insurance policies. We believe that the insurance cover obtained by our Company is sufficient to cover the potential risks. For further information on risks related to insurance coverage of our Company, see “*Risk Factors – Risk Factor 53 - Our insurance coverage may not adequately protect us against all risks associated with our business and operations, and any uninsured, underinsured, or excluded losses could materially and adversely affect our business, financial condition, and cash flows*” on page 57

(Amount in ₹ Lacs, unless specified otherwise)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Insurance coverage (A)	24,608.69	24,608.69	24,608.69
Net assets* as per Restated Financial Information (B)	8,079.50	8,749.74	9,007.55
Insurance coverage times the net assets (A/B)	3.05	2.81	2.73

\*Net assets = Sum of Property, Plant and Equipment (net block) + Intangibles (net block)

## Corporate Social Responsibility

We have implemented a CSR policy, pursuant to which we carry out our CSR activities. Our CSR initiatives are in compliance with the requirements under the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as amended. During the last three Fiscals, we have undertaken CSR activity by donating funds to an authorised trust, which has further utilised such funds towards education purposes.

## Employees


As at August 31, 2025, we had an employee base of 217 employees. The following table sets forth a breakdown by function:

Department – Wise Employee Break - Up		
Sr. No.	Department	No. of employees
1.	Finance and Accounts	8
2.	Admin, HR and IT	25
3.	Operation and Maintenance	26
4.	Production	154
5.	Quality	4
	<b>Total</b>	<b>217</b>

The employee attrition rate Fiscal 2025, Fiscal 2024 and Fiscal 2023 was 14.18 %, 30.88 % and 12.86 % respectively.

## Intellectual Property

As on date of this Draft Red Herring Prospectus, our Company has registered of the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999

Sr. No.	Name of the IPR registration/ license	Type of Trademark	Registration Number	Date of registration/ application	Class	Status
1.	AASTHA Spintex* 	Device	2937732	April 9, 2015	23	Registered

\* As on the date of this DRHP, the online records of the Trademarks Registry reflect the proprietor's name as 'Aastha Spintex Private Limited'. An application dated July 10, 2025, has been submitted to record the change of name from 'Private Limited' to 'Public Limited' with the Trademarks Registry, and approval is awaited. The trademark proprietor details will be updated to reflect the new name upon approval.

## Properties

### *Leasehold Properties*

Details of Deed	Particulars of the Property	Tenure/Term	Usage
Sub Lease deed dated April 1, 2021 executed between Ganesha Wind Park Private Limited and our Company	Survey No. 336 Khata No. 669 situated at village Miyatra, Taluka- Jamnagar Gramy, District- Jamnagar- 361 013, Gujarat, India	19.5 years with effect from May 31, 2023	Wind mill power plant

### *Owned Properties*

S. No.	Particulars of the Property	Area	Usage
1.	Survey number 283 and 284, Juna Amrapar, Halvad, Morbi- 363 330, Gujarat, India	33,810 Sq Mtrs	Ground mounted solar power plant
2.	Survey number 1447/1, Halvad, Morbi- 363 330, Gujarat, India	4,249 Sq Mtrs	Ground mounted solar power plant
3.	Survey number 1443/paiki 2, Halvad, Morbi- 363 330, Gujarat, India	14,468 Sq Mtrs	Manufacturing unit and Registered Office
4.	Survey number 1441, 1442, 1448/1, 1449, 1450/2/paiki 2, Halvad, Morbi- 363 330, Gujarat, India	36,624 Sq Mtrs	Manufacturing unit and Registered Office
5.	Survey number 1446/paiki 1, Halvad, Morbi- 363 330, Gujarat, India	5,160 Sq Mtrs	For future expansion
6.	Survey number 1446/paiki 2, Halvad, Morbi- 363 330, Gujarat, India	5,261 Sq Mtrs	For future expansion
7.	Survey number 336, Miyatra, Jamnagar Rural, Jamnagar- 363 330, Gujarat, India	10,000 hectares	For future expansion
8.	Survey Number 525, Village, Nava Ghanshayamgad, Taluk Halvad, District Morbi 363330, Gujarat	49,777	For future expansion

## 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 and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative or judicial decisions. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decision.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” on page 308.*

*The following is an overview of some of the important laws and regulations, which are relevant to the business of our Company.*

### A. BUSINESS RELATED LAWS AND REGULATIONS

#### ***National Textile Policy, 2000 (“NTP 2000”)***

The NTP 2000 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 and to equip the textile industry to withstand pressure of import penetration and maintain dominant presence in the domestic market. The industry aims at developing a strong and vibrant textile industry that can produce quality products at acceptable process. This objective is sought to be achieved by liberalizing controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 includes increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include initiatives regarding improving the availability, productivity and quality of raw materials at reasonable prices for the industry, improving the production, productivity and quality of cotton. Initiatives were also proposed for the spinning sector, weaving sector, organized mill industries, power loom industry, knitting sector, processing and finishing sector for achieving ISO 9000 and ISO 14000 standards.

*Salient objective of NTP is as follows –*

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fibre 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 realize its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

#### ***Production-Linked Incentive Scheme in Textiles Products:***

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

### ***Legal Metrology Act, 2009 (“Legal Metrology Act”)***

The Legal Metrology Act came into effect on April 1, 2011 and has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a licence issued by the controller. The Legal Metrology Act contains provisions for verification of prescribed weight or measure by Government approved test centre. Qualifications are prescribed for legal metrology officers appointed by the Central Government or State Government. It also provides for exemption regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who is responsible for complying with the provisions of the enactment. There is penalty for offences and provision for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the Government to make rules for enforcing the provisions of the enactment.

### ***The Textiles Committee Act, 1963***

The Textile Committee Act, 1963 (the “Act”) was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “**Textile Committee**”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

### ***Textile Development and Regulation Order, 2001 (“Textile Order”)***

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

### ***The Digital Personal Data Protection Act, 2023 (“DPDP Act”)***

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided



under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

### ***Production-Linked Incentive Scheme in Textiles Products***

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

### ***Bureau of Indian Standards Act, 2016 (“BIS Act”)***

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### ***Consumer Protection Act, 2019 (the “Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with “e-commerce” defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In cases of manufacturing for sale or storing, selling, or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

### ***Amended Technology Upgradation Fund Scheme***

The Ministry of Textiles introduced the Amended Technology Upgradation Fund Scheme (ATUFS). This scheme aims to facilitate investment, employment, productivity, quality, and import and export substitution in the textile industry. It also indirectly promotes investments in the manufacturing of machinery for textiles. It is a credit-linked subsidy scheme for capital investment in textile manufacturing under the Government of India’s Make in



India and Zero Defect and Zero Effect initiatives. This scheme generates export and employment especially to women, by encouraging the garment and apparel industry and increasing India's share in global exports. It promotes technical textiles for export and employment and improves quality and productivity by converting existing looms to better technology looms. It encourages better quality in the processing industry and check the need for the import of fabrics by the garment sector.

### ***Information Technology Act, 2000 (the "IT Act")***

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Intermediaries Rules") on February 25, 2021, requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

### ***Gujarat Textile Policy, 2024***

Gujarat's Textile Policy 2024, launched by Chief Minister Bhupendra Patel, aims to strengthen the state's textile sector with a focus on garments, apparel, and technical textiles. The policy emphasizes women's empowerment through self-help groups, anticipates ₹30,000 crore in investment, and aims to create employment opportunities, aligning with the Prime Minister's GYAN approach. It builds upon previous textile policies and seeks to position Gujarat as a key contributor to India's economic growth by 2047.

### ***Cotton Bales (Quality Control) Order, 2023***

The Cotton Bales (Quality Control) Order, 2023 mandates that all cotton bales produced or sold in India must adhere to the Indian Standard IS 12171:2019. This standard ensures the quality of cotton bales, requiring manufacturers to obtain certification from the Bureau of Indian Standards (BIS). The order was initially set to be enforced from August 27, 2023, but its implementation has been postponed multiple times. As per the latest amendment, the enforcement date is now extended to August 27, 2025. The postponements are largely due to challenges faced by the ginning industry, predominantly composed of Micro, Small, and Medium Enterprises (MSMEs). These enterprises have expressed concerns over the substantial investments required to upgrade machinery and processes to meet the stringent BIS standards. The extensions aim to provide these stakeholders with additional time to achieve compliance. It's important to note that the Quality Control Order does not apply to cotton bales intended for export, provided they meet the specifications required by the foreign buyer. However as per the Cotton Bales (Quality Control) Amendment Order, 2023 notified on August 13, 2024, the implementation of the order has been deferred till August 27, 2025.

### ***The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")***

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of

goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

## **B. STATE SPECIFIC LAWS**

### ***Gujarat State Tax on Professions, Trades, Callings and Employments Act, 1976 (the “Act”)***

The Act provides for the Levy and Collection of a Tax on Professions, Trades, Callings and Employments for the benefit of the State. Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes as segregated in the Act, shall be liable to pay to the State Government the tax at the rate mentioned against the class of such person. The tax payable under this Act 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 is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such person. The Act mandates that every person, who is liable to pay tax, shall obtain a Certificate of Registration, and a Certificate of Enrolment from prescribed authority in prescribed manner.

### ***Gujarat Industrial Policy 2020***

The policy aims to make Gujarat as an attractive “Total Business Destination” expedites the overall country’s economic growth, thereby increasing the standard of living and prosperity among the people of Gujarat by giving them the opportunity for skilled employment and availability of nurtured enterprise. This policy of Gujarat is a framework than a detailed blueprint, aimed at defining the broad contours of the government’s mission towards augmenting the industrial development of the state. Further there was promotion of Cluster Development in 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.

‘Make in India’ initiative launched by Government of India aims at enhancing manufacturing through investment, innovation and best-in-class infrastructure. Gujarat has been successfully contributing to the initiative’s objective of transforming India into a global design and manufacturing hub supported by conducive infrastructure and ease of doing business. The State Government has also introduced notable reforms in order to create a conducive business environment in the state.

Being an industrialized state, Gujarat needs to have a strategy which can support industrialization through higher value addition. There is a provision for financial assistance proposed in the New Industrial Policy which is as follows:

- a) Assistance will be 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
- c) Clusters will be eligible for financial assistance as available under the Scheme of Critical Infrastructure.

The policy aims at enhancing competitiveness in MSME sector. The state has witnessed strong growth in the sector and envisages strengthening the sector and making it more technology driven. To motivate the entrepreneurs the Gujarat government will constitute separate awards for MSMEs. The use of Enterprise Resource Planning System (ERPS) will be encouraged in the sector.

### ***Gujarat Shops and Establishment Act, 2019***

The Gujarat Pradesh Shops and Establishments Act, 2019 and Rules, 2020 are applicable to all the shops and commercial establishments in the whole of the Gujarat State. The Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest

intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

### ***Gujarat Fire Prevention and Life Safety Measures Act, 2013***

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 was enacted to make effective provisions for the fire prevention, safety and protection of life and property, in various types of buildings and temporary structures or shamiyana or tents or mandap likely to cause a risk of fire in different areas in the State of Gujarat and for matters connected therewith or incidental thereto.

## **C. INTELLECTUAL PROPERTY LAWS**

Intellectual property rights refer to the general term for intangible, intellectual, industrial property rights through patents, copyrights and trademarks and includes geographical indications, trade secrets, and confidential information. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.

### ***The Trademarks Act, 1999 (the “Trademarks Act”)***

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. 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 trade mark, 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 is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

## **D. TAX LAWS**

### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31st October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### ***Goods and Service Tax Act, 2017***

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. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

GST has replaced following indirect taxes and duties at the central and state levels.

### ***Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made there under. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### ***State Tax on Profession, Trades, Callings and Employment Rules, 1975***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **E. ENVIRONMENTAL LAWS**

### ***Environment (Protection) Act, 1986 (“Environment Act”) and the Environment (Protection) Rules, 1986 (“Environment Rules”)***

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or 112 permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe the standards of quality of air, water or soil for various areas:

- the maximum allowable limits of concentration of various environmental pollutants for different areas;
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents; and
- the procedures and safeguards for extracting and utilizing ground water.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned Pollution Control Board an environmental statement for that financial year in the prescribed form.

### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one central pollution control board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

### ***Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Such person also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The central pollution control board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### ***The Environmental Impact Assessment Notification, 2006 (The “Notification”)***

As per the Notification, any construction of new projects or activities or the expansion or modernization of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

### ***The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)***

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### ***National Environmental Policy, 2006***

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

## **F. FOREIGN TRADE REGULATIONS**

### ***The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)***

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the Export-Import ("EXIM") Policy.

The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("IEC") granted by the Director General of Foreign Trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority.

### ***Foreign Investment Laws***

Foreign investment in India is governed by the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the FEMA Rules and Consolidated FDI Policy (effective October 15, 2020), 100% foreign direct investment is permitted in single brand product retail trading sector, under the automatic route, subject to certain conditions specified thereunder. Further, in the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. In terms of the FEMA Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together with effect from April 1, 2020, will be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%), unless reduced by way of passing a special resolution.

### ***Foreign Trade Policy***

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP. Under the Foreign Trade (Development and Regulation) Act, 1992, the Central Government is empowered to periodically formulate the Export Import Policy (the —EXIM Policy) and amend it thereafter whenever it deems fit. All exports and imports must be in compliance with the EXIM Policy. The major schemes available are the Duty Exemption and Remission Scheme and the Export Promotion of Capital Goods (—EPCG) Scheme. The Duty Exemption Scheme enables duty free imports of inputs required for the production of exports by obtaining an advance license. The Duty Remission Scheme enables post export replenishment/remission of duty on inputs used in the export product. This scheme consists of a Duty Free Import Authorisation Scheme (—DFIA), the Duty Drawback Scheme (—DBK) and the Duty Entitlement Pass Book (the —DEPB). DFIA enables duty free replenishment of inputs used in manufacture of exports. Under the DEPB Scheme, exporters on the basis of notified entitled rates are granted duty credit, which would entitle them to import goods, except capital goods, without duty.

### ***Importer exporter code***

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("DGFT") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is

authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDR or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDR or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

## **G. EMPLOYMENT RELATED LAWS**

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India. A brief summary of the aforementioned laws have been provided below:

### ***The Code on Wages, 2019***

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of this code mainly in relation to the constitution of the advisory board.

### ***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### ***The Code on Social Security, 2020***

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers'

Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The Central Government has notified certain provisions of this code.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**SHWW Act**”) provides for the protection of women at workplace and prevention of sexual harassment at workplace. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee, which shall always be presided upon by a woman.

### ***Factories Act, 1948***

The Factories Act, 1948 (the “Factories Act”) regulates the provisions relating to labour employed in factories. This Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the previous twelve (12) months, and on which a manufacturing process is being carried on with the aid of power, or a premises on which twenty or more workers are employed or were employed on any day of the previous twelve (12) months and on which a manufacturing process is carried on ordinarily without the use of power. The Factories Act provides for the health, safety, and welfare of all workers and requires that the ‘Occupier’ (defined as the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors) ensures that all the workers are within safe working conditions while they are in the factory, and are not exposed to any health risks and that they receive adequate instruction, training and supervision to ensure the same. The Factories Act also makes provisions relating to the employment of women and young persons (including children and adolescents), annual leave with wages, etc. The Factories Act requires an Occupier of a factory to obtain approval, license, and registration for running and qualifying as a factory under the Factories Act, by submitting the application along with plans and specifications to the State Government or the Chief Inspector. Unless this permission from the Chief Inspector is obtained, no building can be constructed or taken in use as a factory or a part of an existing factory. The Chief Inspector may, on receipt of the said application and on being satisfied that there is no objection to the grant of license applied for, register the factory and grant the license to the applicant to use as factory such premises as are specified in the application and subject to compliance with such conditions as are specified in the license. Any contravention of the provisions of the Factories Act or the rules framed thereunder may lead to imprisonment of the manager or the Occupier of the factory for a term up to two (2) years or with a fine of ₹ 100,000 or both, and in case of continuing contravention even after conviction, with a fine of up to ₹ 1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall be not less than ₹ 25,000 and ₹ 5,000 respectively. The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

### ***Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the “Act”) governs the development and regulation of industries in India, and its main objective is to empower the Government to: (i) take necessary steps for the development of industries; (ii) regulate the pattern and direction of industrial development; and (iii) control the activities, performance and results of industrial undertakings in public interest. The Act is applicable to the ‘Scheduled Industries’ which have been listed down in the first schedule of the Act and small-scale industrial undertakings and ancillary units are exempted from the provisions of the Act. The Act regulated the industries by requiring them to obtain industrial licensing by filing an Industrial Entrepreneur Memoranda with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion. This Act is administered by the Ministry of Industries and Commerce through its Department of Industrial Policy & Promotion. This department is responsible for the formulation and implementation of promotional and developmental measures for growth of the industrial sector and also monitors the industrial growth and production, in general, and selected industrial sectors. In addition to above, we are subject to a wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees’ (Provident Fund and Miscellaneous Provision) Act, 1952.

### ***Industrial Employment (Standing Orders) Act, 1946***



In order to strengthen the bargaining powers of the workers this act is enacted, it requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

#### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)***

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

#### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)***

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. ***The Employees Provident Fund Scheme:*** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- ii. ***The Employees’ Pension Scheme:*** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.

### **H. GENERAL CORPORATE AND OTHER ALLIED LAWS**

#### ***The Companies Act, 2013/1956***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 (Ninety Eight) Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 (One Eighty-Three) Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

#### ***The Competition Act, 2002***

The Competition Act, 2002 is a law in India that aims to: Promote competition in markets, Protect consumer interests, Ensure freedom of trade, Prevent practices that harm competition, and Promote economic development. The act was passed by Parliament in 2002 and took effect on September 1, 2009. It replaced the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act). The act prohibits: Anti-competitive agreements; Abuse of

dominant position by enterprises; Combinations (mergers, amalgamations, and acquisitions) that could have an adverse effect on competition. The act also established the: Competition Commission of India and Competition Appellate Tribunal.

### ***Code of Civil Procedure, 1908***

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### ***Bhartiya Nyaya Sanhita, 2023***

This act supersedes the Indian Penal Code, 1860, this comprehensive legal framework addresses various facets of criminal law, including offenses, penalties, defenses, and procedural guidelines. The Bhartiya Nyaya Sanhita Act largely retains provisions from the Indian Penal Code, 1860, but also introduced new offences including but not limited to cybercrimes, environmental violations, and removed invalidated offences that were earlier there, and enhances penalties for certain offences. Notably, community service replaced the sedition as a form of punishment and terrorism is also explicitly recognizes as an offence. The Bhartiya Nyaya Sanhita Act streamlines legal procedures, ensuring faster trials and emphasizes on witness protection and evidence collection.

This act superseded the Indian Evidence Act, 1872, this act modernizes evidence handling within the Indian legal system, addressing digital evidence and other contemporary issues. This act focuses on procedural aspect of law, governing how rights may be enforced before a court of law. This act introduces changes related to electronic evidence definitions and admissibility procedures. This act received presidential assent on December 25, 2023 and came into effect from July 01, 2024, this act has omitted certain terms which were earlier present in the Indian Evidence Act and the major change was to include electronic evidence as part of the definition of documentary records and also included the possibility of giving oral evidence electronically.

### ***Bhartiya Nagrik Suraksha Sanhita Act, 2023***

This act superseded the Code of Criminal Procedure, 1973 and became the main legislation on procedure for administration of substantive criminal law in India, this act received assent from the president of India on December 25, 2023 and came into effect from July 01, 2024. The Bhartiya Nagrik Suraksha Sanhita Act, introduces specific timelines for investigation and trial, ensures timely FIR registration for complaints submitted through electronic communication, mandates forwarding medical examination reports of rape victims within seven days, and empowers courts to conduct trial in absentia against proclaimed offenders. Additionally, the Act emphasizes prompt judgment pronouncement and requires audio-video recording of search and seizure during investigations. Notably, proceeds of crime can be attached by the court and distributed among victims. The Bhartiya Nagrik Suraksha Sanhita Act aims to expedite proceedings and enhance transparency in the criminal justice system.

### ***Bhartiya Sakshya Adhiniyam, 2023***

This act superseded the Indian Evidence Act, 1872, this act modernizes evidence handling within the Indian legal system, addressing digital evidence and other contemporary issues. This act focuses on procedural aspect of law, governing how rights may be enforced before a court of law. This act introduces changes related to electronic evidence definitions and admissibility procedures. This act received presidential assent on December 25, 2023, and came into effect from July 01, 2024, this act has omitted certain terms which were earlier present in the Indian Evidence Act and the major change was to include electronic evidence as part of the definition of documentary records and also included the possibility of giving oral evidence electronically.

### ***Prevention of Money Laundering Act, 2002***

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimise the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

### ***Limitation Act, 1963***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5<sup>th</sup> of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

### ***Arbitration & Conciliation Act, 1996***

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### ***Negotiable Instruments Act, 1881***

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### ***Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899 (the "Stamp Act") stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### ***The Energy Conservation (Amendment) Act, 2022***

The Energy Conservation Act, 2001 was enacted to provide for efficient use of energy, its conservation and for matters connected therewith and/ or incidental thereto. The amended Act provides for regulation of energy consumption by equipment, appliances, vehicles, vessels, industrial units, buildings or establishments that consume, generate, transmit or supply energy. With special focus on promotion of new and renewable energy and

the National Green Hydrogen Mission, the amendment seeks to (i) facilitate the achievement of “Panchamrit” — the five nectar elements presented by India in COP-26 (Conference of Parties -26) in Glasgow 2021. In addition to facilitating the achievement of ‘Panchamrit’, the amended Act aims to promote renewable energy and develop the domestic carbon market to combat climate change and introduce new concepts such as carbon trading and mandate the use of non-fossil sources to ensure faster decarbonisation and help achieve sustainable development goals in line with the Paris Agreement and various other actions related to climate change.

## **I. OTHER LAWS**

### ***Municipality Laws***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Police Laws***

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit/Establishments entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as ‘*Aastha Spintex Private Limited*’, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated August 12, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, upon conversion of our Company into a public limited company, the name of our Company was changed to ‘*Aastha Spintex Limited*’, pursuant to resolution passed by our Board of Directors on January 03, 2025, and the resolution passed by our shareholders at extra-ordinary general meeting on January 27, 2025. A fresh certificate of incorporation dated February 12, 2025 was issued by Registrar of Companies, Central Processing Centre consequent to the conversion.

### Change in the Registered Office of our Company

Our Registered Office is located at Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363 330, Gujarat, India.

Except as provided below, there have been no changes in the registered office of our Company since the date of incorporation:

Effective Date	Details of change in the address of the Registered Office	Reason for change
May 05, 2025	The registered office of our Company was shifted from 1, Rameshwar Complex, Opp. Sandipani School, Halvad-Maliya Highway, Halvad-363330, Gujarat, India to Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar-363330, Gujarat, India.	For administrative convenience

### Main objects of our Company

The main objects contained in our Memorandum of Association are set forth below:

- To carry on the business of spinners, weavers, loomers, knitters, texturisers, combers, processors, producers, hosiers, habers, dashers, cripers, ginners, embroiders, bleachers, dyers, printers, cutters, finishers, blenders, carders, doublers, importers, exporters, buyers, sellers and dealers, whether in retail, wholesale, through commodity exchange or through any other medium, in all kinds of textile, yarns, fibres and fabrics whether synthetic, artificial or natural, cotton, wool, worsted shody, silk, jute, hemp, linen, viscose, rayon, artificial silk, nylon, polyester, acrylic, polypropylene, polynosic or any other synthetic fibre or fibrous material or fabrics and textile substances.*

The main object clause and matters which are necessary for the furtherance of the main objects contained in the Memorandum of Association enable our Company to undertake its existing business.

### Amendments to our Memorandum of Association

Set out below are the amendments that have been made to our Memorandum of Association, in the last ten (10) years preceding the date of this Draft Red Herring Prospectus:

Date of change/ shareholders' resolution	Nature of amendment
January 27, 2025	Clause I of the Memorandum of Association was amended to reflect the change of name of our Company pursuant to conversion from “ <i>Aastha Spintex Private Limited</i> ” to “ <i>Aastha Spintex Limited</i> ”
March 22, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated March 22, 2025 to reflect an increase in the authorized share capital of our Company from ₹30,00,00,000/- (Rupees thirty crores) divided into 3,00,00,000 (three crores) Equity Shares of ₹10/- (Rupees ten) each to ₹30,20,00,000/- (Rupees thirty crores twenty lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 2,00,000 (two lakhs) Preference Shares having face value of ₹10/- (Rupees ten) each.
March 26, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated March 26, 2025 to reflect an increase in the authorized share capital of our Company from ₹30,20,00,000/- (Rupees

Date of change/ shareholders' resolution	Nature of amendment
	thirty crores twenty lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 2,00,000 (two lakhs) Preference Shares having face value of ₹10/- (Rupees ten) each to ₹30,70,00,000/- (Rupees thirty crores seventy lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 7,00,000 (seven lakhs) Preference Shares having face value of ₹10/- (Rupees ten) each.
March 29, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated March 29, 2025 to reflect an increase in the authorized share capital of our Company from ₹30,70,00,000/- (Rupees thirty crores seventy lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 7,00,000 (seven lakhs) Preference Shares having face value of ₹10/- (Rupees ten) each to ₹32,25,00,000/- (Rupees thirty two crores twenty five lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each.
August 8, 2025	Our Company adopted a fresh set of Memorandum of Association in accordance with the provisions Companies Act, 2013
July 11, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated July 11, 2025 to reflect an increase in the authorized share capital of our Company from ₹32,25,00,000/- (Rupees thirty two crores twenty five lakhs), divided into 3,00,00,000 (three crores) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each to ₹32,45,00,000/- (Rupees thirty two crores forty five lakhs), divided into 3,02,00,000 (three crores two lakhs) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each.
August 30, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated August 30, 2025 to reflect an increase in the authorized share capital of our Company from ₹ 32,45,00,000/- (Rupees thirty two crores forty five lakhs), divided into 3,02,00,000 (three crores two lakhs) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each to ₹45,00,00,000/- (Rupees forty five crores), divided into 4,27,50,000 (Four crore twenty seven lakhs fifty thousand) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each.
September 27, 2025	Clause V of the Memorandum of Association of our Company was amended pursuant to the ordinary resolution passed in the Extra-ordinary General Meeting dated September 27, 2025 to reflect reconciliation in the authorized share capital of our Company from ₹45,00,00,000/- (Rupees forty five crores), divided into 4,27,50,000 (Four crore twenty seven lakhs fifty thousand) Equity Shares having face value of ₹10/- (Rupees ten) each and 22,50,000 (twenty two lakhs fifty thousand) Preference Shares having face value of ₹10/- (Rupees ten) each to ₹45,00,00,000/- (Rupees forty five crores), divided into 4,50,00,000 (Four crore fifty lakhs) Equity Shares having face value of ₹ 10 each.

### Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Year	Details
2015	Commencement of manufacturing operations at Halvad, Morbi, with an initial capacity of 25,920 spindles, meeting domestic and international demand for high-quality cotton yarn.
2020	Significant upgrade of spinning machinery, leading to a 2,000 to 2500 Kg per day increase in yarn production capacity, reinforcing the company's market position.
2023	Setting up and installation of a 5 MW solar power plant for captive use near the manufacturing facility, reducing carbon emissions and operational costs.
2024	Setting up and installation of a 2.7 MW wind power project, further enhancing the company's commitment to sustainable and cost-effective manufacturing.

### Key awards, accreditations or recognitions

Year	Awards and accreditations
2017	Fastest growing Indian Company Excellence Award
	Certificate of Appreciation for participation in Vibrant Gujarat Global Trade Show, 2017
	Certificate of Editorial Coverage Participation in appreciation of sharing profound editorial coverage of mill's operations in May-June 2017 issue of Spinning Textiles magazine
2025	Received scope certificate bearing number CU843020GOTS-2025-00065604 dated June 20, 2025, issued by CU Inspections & Certifications India Private Limited conforming conformity with Global Organic Textile Standard (GOTS).
	Received scope certificate bearing number CU843020MUL-2025-00065605 dated June 20, 2025, issued by CU Inspections & Certifications India Private Limited conforming conformity with Organic Content Standard and Global Recycled Standard.
	Received OEKO-TEX Standard 100 Certification bearing number 15.HIN.70555 dated January 08, 2025, issued by OEKO-TEX Service GmbH, Zurich.

### Significant financial or strategic partnerships

Our Company does not have significant financial and strategic partnerships as of the date of this Draft Red Herring Prospectus.

### Time and cost overruns

There have been no time/cost overruns pertaining to setting up of projects by our Company as on the date of this Draft Red Herring Prospectus.

### Launch of key products or services entry in new geographies or exit from existing markets.

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the location of plants see “*Our Business*” on page 156 of this Draft Red Herring Prospectus.

### Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there are no defaults or rescheduling of borrowings with financial institutions and banks.

### Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last years

Except as stated below, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., during the 10 years immediately preceding the date of this Draft Red Herring Prospectus

***Share purchase agreement dated September 22, 2025, entered into between Falcon Yarns Private Limited, the shareholders of Falcon Yarns Private Limited (collectively, the “Sellers”) and our Company (“Falcon SPA”) read with the Shareholders agreement dated September 22, 2025 (“Falcon SHA”)***

Pursuant to the Falcon SPA our Company has agreed to acquire 3,94,53,600 Equity Shares from the sellers aggregating to 100 % of the shareholding of Falcon Yarns Private Limited and Falcon will become a wholly owned subsidiary of our Company.

For further details, please see “*Objects of the Issue*” on page 104

### Details of subsisting Shareholders’ agreements

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority/ public shareholders. Also, there are no other agreements, deed of assignments, acquisition agreements, shareholders’ agreement, inter-se agreements, agreements of like nature.

### Other material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any subsisting material agreements other than in the ordinary course of business of our Company.

**Agreements with our Key Managerial Personnel, Senior Management Personnel, Director, Promoters or any other employee**

Except service agreements as disclosed in “*Our Management*” beginning on page 189, there are no agreements entered into by our Promoters, Key Managerial Personnel, Senior Management Personnel or Directors 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.

We confirm there are no other inter-se agreements, arrangements and clauses or covenants which our Company is a party to, in relation to securities of our Company, which are material, adverse or pre-judicial to the interest of the minority/ public shareholders or which may have a bearing on the investment decision.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company.

**Details of Special Rights**

There are no special rights available to any of our shareholder of our Company or any other person as per the Articles of Association of the Company.

**Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary.

**Joint Ventures or Associates of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures or Associates.

**Other confirmations**

Except as disclosed in “*Our Management*” and “*Promoter and Promoter Group*” on page 189 and 212 respectively, there is no conflict of interest between the suppliers of raw materials and third-party service providers (which are crucial for operations of our Company) and our Company, Promoter, Promoter Group, Key Managerial Personnel, and Directors.

There is no conflict of interest between the lessors of the immovable properties (crucial for operations of the company) and our Company, Promoter, Promoter Group, Key Managerial Personnel, and Directors.

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Issue or this Draft Red Herring Prospectus.

No Directors or KMPs of our Company are appointed pursuant any inter-se-agreement/agreement to which our Company or any of its Promoters or Shareholders are a party to.



## OUR MANAGEMENT

The terms of the Companies Act, 2013 (“**Companies Act**”) and the Articles of Association require that our Board shall comprise of not less than three (3) Directors and not more than fifteen (15) Directors, provided that our Shareholders may appoint more than fifteen (15) Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have eight (8) Directors on our Board, including one (1) Managing Director, one (1) Whole Time Director, one (1) Executive Director, one (1) Non-Executive Director and four (4) Independent Directors, including two woman Independent Directors. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

### Board of Directors

The following table sets forth the details of our Board as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN	Directorships in other companies
<b>Patel Divyang Jashvantbhai</b>  <b>Designation:</b> Chairman and Managing Director  <b>Address:</b> Near Morabi Gate, Kanbipara, Halvad, Surendra Nagar- 363 330, Gujarat, India  <b>Occupation:</b> Self Employed  <b>Current term:</b> For a period of five years with effect from November 06, 2024, and shall not be liable to retire by rotation.  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 03148915  <b>Date of birth:</b> May 10, 1986  <b>Age:</b> 39 years	<p style="text-align: center;"><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>Gyanmata Trading Private Limited</li> <li>Devkinandan Paper Mills Private Limited</li> </ol> <p style="text-align: center;"><i>Foreign Companies</i></p> <p style="text-align: center;">Nil</p> <p style="text-align: center;"><i>Limited Liability Partnerships</i></p> <p style="text-align: center;">Nil</p>
<b>Gothi Vivek Rasiklal</b>  <b>Designation:</b> Whole-time Director  <b>Address:</b> 202, Ravapar Road, Kamdhenu Apartment, Patel Society, Morbi-363 641, Gujarat, India.  <b>Occupation:</b> Self Employed  <b>Current term:</b> For a period of five years with effect from November 06, 2024, and shall be liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 03149400  <b>Date of birth:</b> September 27, 1989  <b>Age:</b> 36 years	<p style="text-align: center;"><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>Gyanmata Trading Private Limited</li> <li>Devkinandan Paper Mills Private Limited</li> </ol> <p style="text-align: center;"><i>Foreign Companies</i></p> <p style="text-align: center;">Nil</p> <p style="text-align: center;"><i>Limited Liability Partnerships</i></p> <p style="text-align: center;">Nil</p>

<p><b>Jashvantbhai Valjibhai Patel</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Address:</b> Kanbipara, Outside Morbi Gate, Halvad, Surendra Nagar-363 330, Gujarat, India</p> <p><b>Occupation:</b> Self Employed</p> <p><b>Current term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Director since January 15, 2014</p> <p><b>DIN:</b> 00553419</p> <p><b>Date of birth:</b> April 15, 1955</p> <p><b>Age:</b> 70 years</p>	<p><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>Gyanmata Trading Private Limited</li> <li>Devkinandan Paper Mills Private Limited</li> </ol> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnerships</i></p> <p>Nil</p>
<p><b>Amrutiya Pankajkumar Chaturbhai</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> 501 Mahadev Heights, Narsang Society, Ravapar Road, Morbi-363 641, Gujarat, India</p> <p><b>Occupation:</b> Self Employed</p> <p><b>Current term:</b> Liable to retire by rotation.</p> <p><b>Period of Directorship:</b> Director since November 06, 2024</p> <p><b>DIN:</b> 09000750</p> <p><b>Date of birth:</b> June 05, 1979</p> <p><b>Age:</b> 46 Years</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnership</i></p> <ol style="list-style-type: none"> <li>Rawcera Impex LLP</li> </ol>
<p><b>Anant Bharatbhai Bhatt</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> C-503, Om shanti Gold Plus, Near Om Shanti Nagar Phase 2, Narol, Lambha Vatva Canal Road, Ahmedabad-382 405, Gujarat, India</p> <p><b>Occupation:</b> Service</p> <p><b>Current term:</b> For a period of five years with effect from July 16, 2025</p> <p><b>Period of Directorship:</b> Director since July 16, 2025</p> <p><b>DIN:</b> 11210737</p> <p><b>Date of birth:</b> June 27, 1992</p> <p><b>Age:</b> 33 Years</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnerships</i></p> <p>Nil</p>

<p><b>Vora Indira Suresh</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> A-2 Shiv Pujan Duplex, Nr. Shail Ganga Society Chandkheda Gandhinagar, Chandkheda Society Area, Mansa Gandhinagar-382 424, Gujarat, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Current term:</b> For a period of five years with effect from July 16, 2025</p> <p><b>Period of Directorship:</b> Director since July 16, 2025</p> <p><b>DIN:</b> 10581630</p> <p><b>Date of birth:</b> February 16, 1976</p> <p><b>Age:</b> 49 Years</p>	<p><i>Indian Companies</i></p> <ol style="list-style-type: none"> <li>1. Shanti Inorganics Limited</li> <li>2. JEE Pumps Limited</li> <li>3. Vikalp Securities Limited</li> <li>4. Kabra Jewels Limited</li> </ol> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnerships</i></p> <p>Nil</p>
<p><b>Shyamsunder Kiranbhai Panchal</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> Chh/281/A, Ghorvado, N/r Nagrik Bank, Khambat, Anand-388 620, Gujarat, India</p> <p><b>Occupation:</b> Service</p> <p><b>Current term:</b> For a period of five years with effect from July 16, 2025</p> <p><b>Period of Directorship:</b> Director since July 16, 2025</p> <p><b>DIN:</b> 11210731</p> <p><b>Date of birth:</b> June 08, 1985</p> <p><b>Age:</b> 40 Years</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnerships</i></p> <p>Nil</p>
<p><b>Rukaiya Mufazzal Shakir</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> 3405, Mullaji Ni Sheri, Saifee Mohalla, Dahod-389151, Gujarat, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Current term:</b> For a period of five years with effect from September 10, 2025</p> <p><b>Period of Directorship:</b> Director since September 10, 2025</p> <p><b>DIN:</b> 11288288</p> <p><b>Date of birth:</b> November 19, 1999</p> <p><b>Age:</b> 25 Years</p>	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p> <p><i>Limited Liability Partnerships</i></p> <p>Nil</p>

## Brief profiles of our Directors

**Patel Divyang Jashvantbhai** is one of the Promoter, Chairman and Managing Director of our Company. He has completed the higher secondary school examination. He has over a decade of experience in the textiles industry. In addition to his role on the Board of our Company, he also serves as a director on the boards of Gyanmata Trading Private Limited and Devkinandan Paper Mills Private Limited. He is involved in overseeing the Company's overall operations and strategic direction, including leading operational and strategic decision-making, supervising project execution, and managing key client relationships. He has been associated with our Company since incorporation. He was appointed as the Managing Director of our Company with effect from November 6, 2024.

**Gothi Vivek Rasiklal** is one of the Promoter and the Whole-time Director of our Company. He holds a Certificate in Corporate Finance from the London School of Business & Finance, London. He has over a decade of experience in the textiles industry. In addition to his role on the Board of our Company, he also serves as a director on the boards of Gyanmata Trading Private Limited and Devkinandan Paper Mills Private Limited. He is involved in overseeing the Company's overall operations and strategic direction, including financial management and budgeting, ensuring compliance with applicable statutory and regulatory requirements, leading operational and strategic decision-making, supervising project execution and client relationships, and facilitating investor relations and corporate governance. He has been associated with our Company since incorporation. He was appointed as the Whole-Time Director of our Company with effect from November 6, 2024.

**Jashvantbhai Valjibhai Patel** is one of the Promoter and Executive Director of our Company. He has cleared Higher Secondary Education from Navi Gujarati School. In addition to his role on the Board of our Company, he also serves as a director on the boards of Gyanmata Trading Private Limited and Devkinandan Paper Mills Private Limited. He has over a decade of experience in the textiles industry. He has been associated with our Company since January 15, 2014.

**Amrutiya Pankajkumar Chaturbhai** is a Non-Executive Director of our Company. He has passed the Secondary School Certificate (SSC) examination conducted by the Gujarat Secondary and Higher Secondary Education Board, Gandhinagar, from Sree Rasiklal Sheth Boys' High School, Morbi. In addition to his role on the Board of our Company, he is a designated partner at Rawcera Impex LLP. He was previously associated with Care Thermopack Industries in the capacity of a Partner. He has been associated with our Company since November 6, 2024. He has over two decades of experience in manufacturing sector.

**Anant Bharatbhai Bhatt** is an Independent Director of our Company. He holds a Bachelor of Commerce degree from Gujarat University, Ahmedabad. He has been admitted as an Associate of the Institute of Company Secretaries of India ("ICSI"). In the past he has been associated with Interactive Financial Services Limited, Maxim Tubes Company Private Limited, Asian Grantio Limited, Yuranus Infrastructure Limited, all in the capacity of Company Secretary. He has over 9 years of experience working as a Company Secretary. He has been associated with our Company since July 16, 2025.

**Vora Indira Suresh** is an Independent Director of our Company. She has been associated with our Company since July 16, 2025. She holds a Bachelor of Commerce degree from C.U Shah Commerce College, Ahmedabad. She has completed post qualification course in Information System Audit conducted by Institute of Chartered Accountants of India ("ICAI"). She has passed the final examination held by ICAI. In the past she has been associated with Corporation Bank in the capacity of Senior Manager, S. N Shah and associates in the capacity of a Partner, Union Bank of India in the capacity of Chief Manager. She also practised in the field of audit, taxation, project finance, loan syndication etc. in the name & style "Indira S Vora & Associates". She currently practising as Insolvency Professional and is registered with IBBI. In addition to her role on the Board of our Company, she also serves as a director on the boards of Shanti Inorganics Limited, JEE Pumps Limited, Vikalp Securities Limited, and Kabra Jewels Limited. She has over two decades of professional experience in banking, credit, and financial sectors.

**Shyamsunder Kiranbhai Panchal** is an Independent Director of our Company. He holds a Bachelor of Commerce degree and a Bachelor of Legislative Laws (LL.B.) from Daulatbhai Trivedi Law College, Ahmedabad. He is associated with the Institute of Company Secretaries of India ("ICSI") as Associate. He has over 8 years of professional experience in corporate compliance, governance, and legal operations. He was previously associated with Dangee Dums Limited in the capacity of Company Secretary, and Mangalam Global Enterprise Limited in secretarial and compliance roles and currently serves as Company Secretary and Compliance Officer at Axita Cotton Limited. He has been associated with our Company since July 16, 2025.

**Rukaiya Mufazzal Shakir** is an Independent Director of our Company. She has attended Gujarat University to pursue Bachelor of Commerce. She holds a Bachelor of Laws degree from Gujarat University. She has also passed the Professional Programme Examination held by the Institute of Company Secretaries of India (“ICSI”). She has been associated with our Company since September 10, 2025.

#### **Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel**

Except as mentioned below, none of our Directors, Key Managerial Personnel & Senior Management Personnel are related to each other:

<b>Name of the Director/ Senior Management Personnel</b>	<b>Relationship</b>
Patel Divyang Jashvantbhai	Son of Jashvantbhai Valjibhai Patel
Jashvantbhai Valjibhai Patel	Father of Patel Divyang Jashvantbhai and Brother of Rasiklal Valjibhai Patel
Rasiklal Valjibhai Patel	Father of Vivek Gothi Rasiklal and Brother of Jashvantbhai Valjibhai Patel
Gothi Vivek Rasiklal	Son of Rasiklal Valjibhai Patel

#### **Arrangement or understanding with major shareholders, customers, suppliers or others.**

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

For further details, see “*History and Certain Corporate Matters – Summary of Shareholders’ Agreements*” on page 187.

#### **Service contracts with Directors**

There are no service contracts with our Directors which provide for benefits upon retirement or termination of employment.

#### **Sitting Fees paid to our Independent Directors and Non-Executive Directors**

Our Non-Executive director Amrutiya Pankajkumar Chaturbhai was appointed with effect from November 6, 2024 and have not been paid any sitting fees for Fiscal 2025.

All the Independent Directors were appointed in Fiscal 2026, therefore, they were not eligible for payment of sitting fees by our Company in Fiscal 2025.

Further, as on the date of this Draft Red Herring Prospectus, pursuant to the resolution passed by our Board on September 10, 2025, our Non-Executive Directors and Independent Directors are entitled to receive a sitting fee of ₹5,000 for attending each meeting of the Board and its committees.

Further, our Non-Executive and Independent Directors may be paid reimbursement of expenses as permitted under the Companies Act and the SEBI LODR Regulations.

#### **Terms of appointment and remuneration paid to Directors**

##### **Patel Divyang Jashvantbhai**

Patel Divyang Jashwantbhai is the Chairman and Managing Director of our Company. He was appointed as Managing Director of our Company, for a term of five years with effect from November 06, 2024, he is entitled to the following remuneration and other employee benefits pursuant to the resolutions passed by our Board on July 16, 2025, and by our Shareholders on August 08, 2025.

Further, pursuant to an Agreement with Managing Director dated September 22, 2025 the remuneration that Patel Divyang Jashwantbhai is entitled to to receive in the FY 2025-26, and the other terms of his employment are enumerated below:

		(₹ in lakhs)
<b>Sr. No.</b>	<b>Particulars</b>	<b>Remuneration</b>

1.	Patel Divyang Jashwantbhai	45.00
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*\*Per annum, with such increments as may be recommended by the Nomination and Remuneration Committee from time to time and approved by the Board / Shareholders.*

Further, the benefits, allowances, incentives and perquisites provided to Divyang Jashwantbhai Patel are set forth below:

- a) house rent allowance, special allowance, leave travel allowance, additional special allowance and/or any other allowance as determined and recommended by the Nomination and Remuneration Committee and approved by our Board/ Shareholders;
- b) incentive as may be determined and recommended by the Nomination and Remuneration Committee and approved by our Board/ Shareholders; and
- c) retirement benefits comprising the following:
  - a. contribution to provident fund, and gratuity as per the approved scheme of our Company in force from time to time, and approved by Board/ Shareholders; and
  - b. encashment of leave as per rules of our Company in force and approved by our Board/ Shareholders.

For Fiscal 2025, Patel Divyang Jashwantbhai was paid remuneration aggregating to 34.40 lakhs by our Company.

#### **Gothi Vivek Rasiklal**

Gothi Vivek Rasiklal is the Whole-time Director of our Company. He was appointed as the Whole-time Director of our Company, for a term of five years with effect from November 06, 2024, subject to liable to retire by rotation, he is entitled to the following remuneration and other employee benefits pursuant to the resolutions passed by our Board on July 16, 2025, and by our Shareholders on August 08, 2025.

Further, pursuant to an Agreement with Whole-time Director dated September 22, 2025, the remuneration that Gothi Vivek Rasiklal is entitled to to receive in the FY 2025-26, and the other terms of his employment are enumerated below:

		(₹ in lakhs)
Sr. No.	Particulars	Remuneration
1.	Gothi Vivek Rasiklal	45.00

*\*Per annum, with such increments as may be recommended by the Nomination and Remuneration Committee from time to time and approved by the Board / Shareholders.*

Further, the benefits, allowances, incentives and perquisites provided to Gothi Vivek Rasiklal are set forth below:

- a) house rent allowance, special allowance, leave travel allowance, additional special allowance and/or any other allowance as determined and recommended by the Nomination and Remuneration Committee and approved by our Board/ Shareholders;
- b) incentive as may be determined and recommended by the Nomination and Remuneration Committee and approved by our Board/ Shareholders; and
- c) retirement benefits comprising the following:
  - a. contribution to provident fund, and gratuity as per the approved scheme of our Company in force from time to time, and approved by Board/ Shareholders; and
  - b. encashment of leave as per rules of our Company in force and approved by our Board/ Shareholders.

For Fiscal 2025, Gothi Vivek Rasiklal was paid remuneration aggregating to 34.40 lakhs by our Company.

#### **Remuneration paid or payable to our Directors from our Subsidiary or Associate Companies**

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary and any associate company.

#### **Contingent and deferred compensation payable to the Directors**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### **Bonus or profit-sharing plan for our Directors**

None of our Directors are party to any bonus or profit-sharing plan of our Company.

### **Shareholding of our Directors**

Our Articles of Association do not require our Directors to hold qualification shares.

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

<b>Name</b>	<b>No. of Equity Shares of face value of ₹ 10 each</b>	<b>Percentage of pre-issue paid up share capital (%)</b>	<b>Percentage of the post-issue paid up share capital (%)*</b>
Patel Divyang Jashvantbhai	56,66,355	17.91	[●]
Gothi Vivek Rasiklal	51,25,541	16.20	[●]
Jashvantbhai Valjibhai Patel	45,66,880	14.43	[●]
Amrutiya Pankajkumar Chaturbhai	5,46,198	1.73	[●]
<b>Total</b>	<b>1,59,04,964</b>	<b>50.27</b>	<b>[●]</b>

### **Interest of Directors**

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Directors may also be interested to the extent of the Equity Shares held by them or by entities in which they are associated as promoters, directors, partners, proprietors, or trustees, or held by their relatives, and to the extent of any dividend or other distribution payable in respect of such Equity Shares. They may further be deemed to be interested in the Equity Shares that may be subscribed by 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 regarding the shareholding of our Directors, see “*Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 101.

Except as disclosed in “*Restated Financial Statements*” and “*Financial Indebtedness*” on page 220 and 279, respectively in this Draft Red Herring Prospectus, our Directors and their relatives (i) have not extended any personal guarantees; (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company; (iii) are not co-borrowers in certain loans availed by our Company; and (iv) have not advanced unsecured loans to our Company.

Further, our Directors may also be directors on the board, or shareholders, karta, trustees, proprietors, members or partners, of entities with which our Company has transactions and may be deemed to be interested to the extent of the payments made by our Company, or services provided by our Company, if any, to these entities.

### **Interest in land and property**

Except as disclosed below and in “*Interests of Promoters*” and “*Our Business – Property*” on page 213 and 169 of this Draft Red Herring Prospectus, none of our Directors have any interest in any property acquired in the preceding three years or proposed to be acquired from our Company or by our Company.

Our Company had entered into a sale deed dated February 12, 2025, with our Promoter Rasiklal Valjibhai Patel, our Whole-time Director and Promoter Gothi Vivek Rasiklal and members of the Promoter Group, namely Kusumben Rasikbhai Patel, Jalpa Punit Patel for purchase of agricultural land situated at Survey No. 1447/1 Hec. 0-42-49 Sq. Mtr. Village Halvad, Tal. Halvad, Gujarat, India. In accordance with the sale deed an amount of ₹ 9.60 lakhs has been paid by our Company towards the purchase of the said property. The land was converted to a

non-agricultural land pursuant to order number 64/28/05/068/2025 dated January 24, 2025, by the collector office, Morbi, Gujarat for industrial purpose. Our Promoters Rasiklal Valijibhai Patel and Vivek Rasiklal Patel and members of promoter group Kusumben Rasikbhai Patel and Jalpa Punit Patel shall be deemed to be interested in the consideration paid by the Company for the purchase of the said property by our Company.

For risks relating to the same, please see “*Risk Factors – Risk Factor 40 - Our Company had acquired a property from our Promoters and members forming part of our Promoter Group. Our Promoters shall be deemed to be interested in the purchase of the aforementioned property.*” on page 50 of this Draft Red Herring Prospectus.

Except as mentioned in “*Interests of Promoters*” and “*Our Business – Property*” on page 213 and 169 of this Draft Red Herring Prospectus, 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.

#### ***Interest in promotion of our Company***

Except for Patel Divyang Jashvantbhai, Gothi Vivek Rasiklal and Jashvantbhai Valjibhai Patel who are the Promoters and Directors 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.

#### ***Loans to Directors***

As on the date of this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

#### ***Confirmations***

None of our Directors is or has been a director on the board of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure, in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any stock exchange(s) during his/her tenure.

None of our Directors have 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 Reserve Bank of India.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to 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 of our Company.

There is no conflict of interest between our Directors and the suppliers of raw materials and third-party service providers, which are crucial for the operations of our Company.

Except as stated in this DRHP, there is no conflict of interest between our Directors and lessors of the immovable properties, which are crucial for the operations of our Company

#### ***Changes to our Board in the last three years***

Following changes have been made to our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus:



Name of the Director	Date of Event	Nature of Event	Reason for the changes
Patel Divyang Jashvantbhai	November 06, 2024	Change in Designation	Change in designation as the Managing Director of the Company.
Gothi Vivek Rasiklal	November 06, 2024	Change in Designation	Change in designation as the Whole-time Director of the Company.
Amrutiya Pankajkumar Chaturbhai	November 06, 2024	Appointment	Appointed as an (Additional) Non-Executive Director of the Company.
Anant Bharatbhai Bhatt	July 15, 2025	Appointment	Appointed as Additional Independent Director
Vora Indira	July 15, 2025	Appointment	Appointed as Additional Independent Director of the Company.
Shyamsunder Kiranbhai Panchal	July 15, 2025	Appointment	Appointed as Additional Independent Director of the Company.
Anant Bharatbhai Bhatt	August 8, 2025	Change in Designation	Regularisation as Independent Director of the Company.
Vora Indira Suresh	August 8, 2025	Change in Designation	Regularisation as Independent Director of the Company.
Shyamsunder Kiranbhai Panchal	August 8, 2025	Change in Designation	Regularisation as Independent Director of the Company.
Rukaiya Mufazzal Shakir	September 10, 2025	Appointment	Appointed as Additional Independent Director of the Company.
Jashwant Valjibhai Patel	September 10, 2025	Change in Designation	Change in Designation as Executive Director of our Company
Rukaiya Mufazzal Shakir	September 27, 2025	Change in Designation	Regularisation as Independent Director of the Company.
Amrutiya Pankajkumar Chaturbhai	September 27, 2025	Change in Designation	Regularisation as Non-Executive Director of the Company.

### Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies Act, pursuant to a resolution passed by our Board dated July 16, 2025 and resolution passed by our Shareholders at their meeting dated August 8, 2025, in accordance with Section 180(1)(C) of the Companies Act, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by our Board and outstanding at any point of time shall not exceed 1,000 crores.

### Corporate Governance

The provisions of the Companies Act along with 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 requirements 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.

As on the date of filing this Draft Red Herring Prospectus, our Company currently has eight (8) Directors, including one (1) Chairman and Managing Director, one (1) Whole-Time Director, one (1) Executive Director, one (1) Non-Executive Directors and four (4) Independent Directors, including two woman Independent Directors.

### Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, our Company has constituted the following below mentioned Board committees. In addition to these, our Board may from time to time, constitute committees for various functions.

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee;
- (d) Corporate Social Responsibility Committee; and
- (e) IPO Committee

#### ***Audit Committee***

The Audit Committee was constituted by a resolution passed by our Board dated August 08, 2025. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Shyamsunder Kiranbhai Panchal	Independent Director	Chairperson
Vora Indira Suresh	Independent Director	Member
Patel Divyang Jashvantbhai	Chairman and Managing Director	Member

Tushar Dhirubhai Devera, our Company Secretary shall act as the secretary of the Audit Committee.

#### ***Terms of Reference:***

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

#### **Powers of Audit Committee**

The Audit Committee shall have powers, including 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;
4. to secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
6. to approve the key performance indicators to be disclosed in the Issue related documents in relation to the initial public offering of the equity shares of the Company and to confirm that verified and audited details for all the key performance indicators pertaining to the Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus / Red Herring Prospectus are disclosed under '*Basis for Issue Price*' section of the offer document.

#### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

2. recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
  3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. 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;
  5. formulation of a policy on related party transactions, which shall include materiality of related party transactions;
  6. 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;
    - g. modified opinion(s) in the draft audit report.
  7. reviewing, with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
  8. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;
  9. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  10. seeking information from any employee, obtain external professional advice, and secure attendance of outsiders with relevant expertise if necessary.
  11. Reviewing, at least on a quarterly basis, the details of the related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  12. approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
13. scrutiny of inter-corporate loans and investments;
  14. valuation of undertakings or assets of the Company, wherever it is necessary;
  15. evaluation of internal financial controls and risk management systems;

16. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. 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;
18. discussion with internal auditors of any significant findings and follow up there on;
19. 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;
20. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
21. 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;
22. reviewing the functioning of the whistle blower mechanism;
23. monitoring the end use of funds through public offers and related matters;
24. 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;
25. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
26. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1000 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
27. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its Company's shareholders;
28. approving the key performance indicators for disclosure in the offer documents;
29. to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
30. carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c. Internal audit reports relating to internal control weaknesses;
- d. The appointment, removal and terms of remuneration of the chief internal auditor;
- e. Statement of deviations in terms of the SEBI Listing Regulations:

- i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
  - ii. annual statement of funds utilised for purposes other than those stated in the Issue document/ prospectus/ notice in terms of the SEBI Listing Regulations.
- f. review the financial statements, in particular, the investments made by any unlisted subsidiary; and
  - g. 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 was constituted by a resolution passed by our Board dated August 08, 2025. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Anant Bharatbhai Bhatt	Independent Director	Chairperson
Shyamsunder Kiranbhai Panchal	Independent Director	Member
Amrutiya Pankajkumar Chaturbhai	Non-Executive Director	Member

### ***Terms of Reference:***

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);
2. For appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of 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:
  - (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of independent directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation 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. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
8. The Nomination and Remuneration Committee, while formulating the Remuneration Policy, should ensure that-
  - (a) 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;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) 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;
9. Perform 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, including the following:
  - (a) administering the employee stock option plans of the Company, as may be required;
  - (b) determining the eligibility of employees to participate under the employee stock option plans of the Company;
  - (c) granting options to eligible employees and determining the date of grant;
  - (d) determining the number of options to be granted to an employee;
  - (e) determining the exercise price under the employee stock option plans of the Company;
  - (f) construing and interpreting the employee stock option plans of the Company and any agreements defining the rights and obligations of the Company and eligible employees under the employee stock option plans of the Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of the Company.
  - (g) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - (h) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (i) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - (j) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (k) re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - (l) the grant, vest and exercise of option in case of employees who are on long leave;
  - (m) allow exercise of unvested options on such terms and conditions as it may deem fit;
  - (n) the procedure for cashless exercise of options;
  - (o) forfeiture/ cancellation of options granted;

- (p) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- i. the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
  - ii. for this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
  - iii. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
10. To make available its terms or reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.
11. The committee is authorized by the Board to:
- (a) investigate any activity within its terms of reference;
  - (b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties;
  - (c) call any director or other employee to be present at a meeting of the Committee as and when required, and
  - (d) If the Committee considers it necessary so to do, it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.
12. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
13. 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, 2013;
14. Developing a succession plan for our Board and senior management and regularly reviewing the plan;
15. Carrying out any other activities as may be delegated by the Board and other functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

#### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated August 08, 2025. The composition and terms of reference of Stakeholders' Relationship Committee are in compliance with Section 178 and any other applicable law of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Amrutiya Pankajkumar Chaturbhai	Non- Executive Director	Chairperson

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Anant Bharatbhai Bhatt	Independent Director	Member
Vora Indira Suresh	Independent Director	Member

***Terms of reference:***

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

1. considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. resolving the grievances of the security holders of the listed entity including complaints related to allotment of shares transfer/of shares, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, depository receipt, non-receipt of annual report, balance sheet or profit and loss account, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
3. formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
4. giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, split of Equity Shares, compliance with all the requirements related to shares, debentures or any other securities;
5. issue of duplicate certificates and new certificates on split/consolidation/renewal/replacement, etc.;
6. review of measures taken for effective exercise of voting rights by shareholders;
7. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
8. to dematerialize or rematerialize the issued shares;
9. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
10. to authorise affixation of common seal of the Company; and
11. carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

***Corporate Social Responsibility Committee***

The Corporate Social Responsibility Committee was constituted by a resolution passed by our Board dated August 08, 2025. The composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act 2013. The CSR Committee currently comprises of:

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Gothi Vivek Rasiklal	Whole-Time Director	Chairperson
Shyamsunder Kiranbhai Panchal	Independent Director	Member
Anant Bharatbhai Bhatt	Independent Director	Member

***Terms of Reference:***

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules



made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

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 recommend the amount of expenditure to be incurred on the activities referred to in clause (1.);
6. monitor the corporate social responsibility policy of the Company and its implementation from time to time;
7. to perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder; and
8. to provide assistance to the Board to ensure that our 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, 2013;

#### ***IPO Committee***

The IPO Committee was constituted by a resolution of our Board dated August 08, 2025. The IPO Committee currently comprises of:

<b>Name of Director</b>	<b>Designation</b>	<b>Committee Designation</b>
Patel Divyang Jashvantbhai	Chairman and Managing Director	Chairperson
Gothi Vivek Rasiklal	Whole-Time Director	Member
Jashvantbhai Valjibhai Patel	Executive Director	Member

#### ***Terms of Reference:***

The IPO Committee be and is hereby authorized to perform the following functions:

1. To make applications to, seek clarifications, obtain approvals, and seek exemptions from, if necessary, SEBI, Reserve Bank of India, Registrar of Companies or to any other statutory or governmental authorities in connection with the Issue as may be required and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
2. To finalise, settle, approve, adopt and file the DRHP with Stock Exchanges and SEBI, the RHP and Prospectus with the RoC and thereafter with SEBI and the Stock Exchanges and other regulatory authorities including the preliminary and final international wrap (including amending, varying, supplementing or modifying the same, or providing any notices, clarifications, reply to observations, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient), the bid cum application forms, abridged prospectus, confirmation of allocation notes and any other document in relation to the Issue as finalised by the Company, therein;
3. To decide in consultation with the book running lead managers (“**BRLMs**”) as may be necessary for the submission and filing of the documents mentioned above, on the timing, pricing and all the terms and conditions of the Issue, including the price band, issue price, issue size, reservation, discount, and to accept any amendments, modifications, variations alterations or filing of in-principle approval application within timelines as may be required by the SEBI, respective Stock Exchanges where the Equity Shares are proposed

to be listed, queries of the SEBI or respective Stock Exchanges, the RoC or any other relevant governmental and statutory authorities or otherwise under applicable laws thereto;

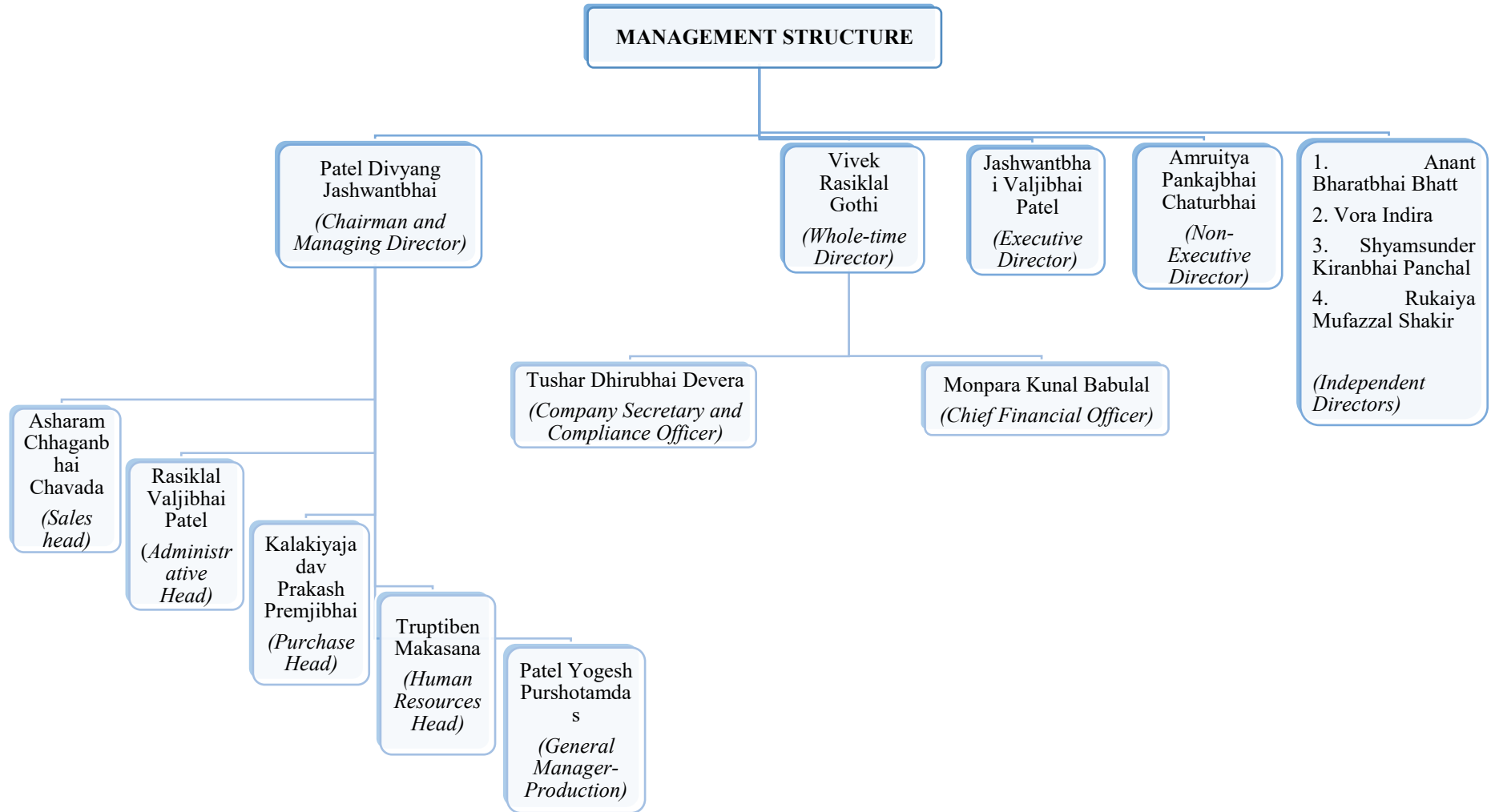
4. To appoint and enter into arrangements with the BRLMs, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, auditors, independent chartered accountants, refund bankers to the Issue, public account bankers to the Issue, sponsor banks to the Issue, industry expert, registrars, legal counsel(s), advertising agency, monitoring agency and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment including but not limited to execution of the mandate letters and/ or agreements, and to terminate agreements or arrangements with such BRLMs and intermediaries;
5. To authorize the maintenance of a register of holders of the Equity Shares;
6. To negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the DRHP, RHP, the Prospectus, the abridged prospectus, the preliminary international wrap and final international wraps, Issue agreement, share escrow agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, agreements with the registrar and the advertising agency, bid-cum-application forms, confirmation of allotment notes, and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to the Issue;
7. To open with the bankers to the Issue such accounts as may be required by the regulations issued by SEBI;
8. To seek, if required, the consent of the lenders to the Company and its subsidiaries/joint ventures (if any), parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Issue;
9. To open and operate bank accounts in terms of the cash escrow and sponsor bank agreement with a scheduled bank to receive applications along with application monies, handling refunds and for the purposes set out in Section 40(3) of the Companies Act, 2013, as amended, in respect of the Issue, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
10. To approve any corporate governance requirements that may be considered necessary or as may be required under the applicable laws or the uniform listing agreement to be entered into by the Company with the relevant Stock Exchanges;
11. To authorize and approve, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with the Issue;
12. To determine and finalise the actual size of the Issue and taking on record the number of Equity Shares, having face value of ₹ 10 per equity share, bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue (including anchor investor offer price), reservation, discount, approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including any alteration, addition or making any variation in relation to the Issue;
13. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
14. To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;
15. To do all such acts, deeds, matters and things and execute all such other documents, etc., deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares

to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

16. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;
17. To withdraw the DRHP, RHP and the Issue at any stage, in accordance with applicable laws and in consultation with the BRLMs, if deemed necessary.
18. To negotiate, finalise, sign, execute, deliver and complete any and all notices, offer documents (including DRHP, RHP, Prospectus, and abridged prospectus) agreements, letters, applications, bid-cum-application forms, other documents, papers or instruments (including any amendments, changes, variations, alterations or modifications thereto or termination thereof) in relation to the Issue.
19. Powers to decide the Stock Exchanges on which the Equity Shares will be listed and the determination of the designated Stock Exchange and to make applications (both in-principle and final applications) for listing of the Equity Shares in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
20. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary to the officials of the Company.
21. To determine the utilization of proceeds of the Fresh Issue and accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws;
22. All actions as may be necessary in connection with the Issue, including extending the Bid/ Issue period, revision of the Price Band.
23. To authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Issue.
24. To Issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Companies Act, 2013, as amended and other applicable laws.

To authorize and empower officers of the Company (each, an “**Authorized Officer**”), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the IPO, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar’s agreement, the depositories agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement and confirmation of allocation notes, with the BRLMs, syndicate members, bankers to the Issue, registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel(s), depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Offer, if any and to do or cause to be done any and all such acts or things that the IPO Committee or the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

## Management Organisation Chart



## Key Managerial Personnel

In addition to our Managing Director, Divyang Jashvantbhai Patel and our Whole-time Director, Gothi Vivek Rasiklal, whose details are provided in “*Brief profiles of our Directors*” above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are as follows

**Monpara Kunal Babulal** is the Chief Financial Officer of our Company with effect from July 01, 2025. He holds a Bachelor of Commerce degree and Master of Commerce degree from Saurashtra University, Rajkot. In the past he has been associated with R.M. Dasa Infrastructure Private Limited in the capacity of Accounts Executive, Contrans Logistics Private Limited in the capacity of Accounts Executive, Galaxy Stamping Private Limited in capacity of Manager (Accounts), SHV Energy Private Limited in the capacity of Commercial Officer and Simero Vitrified Private Limited in the Capacity of Manager (Finance). He has over a decade and half of experience in the field of Finance and Account Management.

**Tushar Dhirubhai Devera** is the Company Secretary and Compliance Officer of our Company and is responsible for managerial, secretarial, and regulatory compliances. He has been associated with our Company since September 1, 2017. He holds a bachelor’s degree in business administration from Saurashtra University. He is an Associate member of the Institute of Company Secretaries of India (ICSI). Prior to joining our Company, he was associated with Sosyo Hajoori Beverages Private Limited as Assistant Company Secretary. For FY 2024–25, he was paid aggregate compensation of ₹1.80 lakhs.

## Senior Management Personnel

The details of our Senior Management Personnel are as follows:

**Asharam Chhaganbhai Chavada** is the Sales and Marketing Head of our Company, overseeing the Company’s overall sales and marketing functions. He holds a Bachelor of Commerce degree from Saurashtra University, Rajkot. He has been with our Company since December 01, 2014. Prior to joining our Company, he was associated with Simpolo Vitrified Private Limited as an Import-Export Senior Executive, Biodeal Laboratories Private Limited as an Accounts Executive. For FY 2024-25, he was paid aggregate compensation of ₹ 3.72 lakhs.

**Rasiklal Valjibhai Patel** is the Administrative Head of our Company, overseeing the Company’s administration department with focus on efficiency and compliance. He has been associated with our Company in the capacity of our Promoter since 2014. He is also serving as director in Gyanmata Trading Private Limited and Devkinandan Papers Mill Private Limited. For FY 2024-25, he was paid aggregate compensation of ₹ 12.00 lakhs.

**Kalakiyajadav Prakash Premjibhai** is the Purchase Head of our Company, overseeing the Company’s stores and purchase functions in the spinning unit. He holds a Diploma in Mechanical Engineering from Lukhdhirji Engineering College, Morbi under Gujarat Technological University. He was associated with our Company from May 10, 2015, as a Store & Purchase Executive, resigned on March 30, 2023, and was subsequently re-appointed and promoted to Purchase Head with effect from July 01, 2023. For FY 2024-25, he was paid aggregate compensation of ₹ 3.66 lakhs.

**Truptiben Makasana** is the HR Head of our Company, responsible for managing the overall HR and people management functions of the Company. She holds a Master of Business Administration (Finance) degree from the Jaipur National University and Bachelor of Business Administration degree from Saurashtra University, Rajkot. She joined our Company on May 20, 2019, as an HR Executive, resigned on March 30, 2023, and was re-appointed as HR Manager with effect from August 01, 2023; she was subsequently promoted to HR Head on August 1, 2023. For FY 2024-25, she was paid aggregate compensation of ₹ 3.81 lakhs.

**Patel Yogesh Purushotamdas** is the General Manager - Production of our Company, overseeing the Company’s entire operations of the spinning unit. He holds a Diploma in Man-Made Fibre Fabrics from R.C. Technical Institute, Ahmedabad. He has been with our Company since May 09, 2025, in the capacity of General Manager-Production. Prior to joining our Company, he served as General Manager – Projects at Team365, Deputy General Manager – Service and After-Sales at Marzoli, Assistant Service Manager at Voltas Limited and Spinning Master at PBM Polytex Limited.

## Arrangements and understanding with major shareholders, customers and suppliers

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any

arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Status of Key Managerial Personnel and Senior Management Personnel**

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel**

Our Company does not have any performance linked bonus or a profit- sharing plan for our Key Managerial Personnel or members of our Senior Management.

#### **Shareholding of the Key Management Personnel and Senior Management Personnel**

Except as disclosed below, none of our Key Management Personnel and Senior Management Personnel hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:

Name	Number of Equity Shares of face value of ₹ 10 each	Percentage of pre-issue paid up share capital (%)	Percentage of the post-issue paid up share capital (%)*
Rasiklal Valjibhai Patel	52,78,247	16.68	[●]

#### **Service contracts with Key Managerial Personnel and Senior Management Personnel**

No officer of our Company, including our Directors, Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or retirement.

#### **Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management, which does not form part of their remuneration.

#### **Loans to and deposits from Key Managerial Personnel and Senior Management**

There are no outstanding loans availed by our Key Managerial Personnel or members of the Senior Management from our Company as on the date of this Draft Red Herring Prospectus

#### **Interest of our Key Management Personnel and Senior Management Personnel**

Other than as disclosed in “*Interest of Directors*” and “*Payment or benefit to Key Managerial Personnel and Senior Management of our Company*” above, the Key Managerial Personnel and Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, and their respective shareholding, if any, in our Company. Further, to the extent applicable, details of the shareholding of the Key Managerial Personnel and Senior Management of our Company and their respective immediate relatives, if any, have been disclosed in the section titled ‘*Capital Structure*’ on page 79.

There is no conflict of interest between our KMPs and members of our Senior Management and third-party service providers of our Company (crucial for operations of our Company).

There is no conflict of interest between our KMPs and members of our Senior Management and the lessor of immovable properties of our Company (crucial for operations of our Company).

#### **Changes in the Key Management Personnel and Senior Management Personnel in last three years**

Except as disclosed below there has been no change in the Key Managerial Personnel and Senior Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name	Date of Appointment / change	Designation	Reason
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Kalakiyajadav Prakash Premjibhai	July 01, 2023	Purchase Head	Promoted to Purchase Head of the Company
Truptiben Maksana	August 1, 2023	HR Head	Promoted to HR Head of the Company
Jignesh Shivilal Maksana	March 28, 2025	Chief Financial Officer	Resignation as Chief Financial Officer of the Company
Patel Yogesh Purshotamdas	May 9, 2025	General Manager- Production	Appointed as General Manager- Production of the Company
Monpara Kunal Babulal	July 01, 2025	Chief Financial Officer	Appointment as Chief Financial Officer of the Company

### **Employee Stock Option Plan and Stock Purchase Schemes**

Our Company does not have any employee stock option scheme.

### **Payment or benefits to the Key Management Personnel and Senior Management Personnel (non-salary related)**

No non-salary related amount or benefit has been paid or given to any of our Company's officers including our Directors, Key Managerial Personnel and Senior Management within the two preceding years of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment

## OUR PROMOTER AND PROMOTER GROUP




### Our Promoters

Patel Divyang Jashvantbhai, Rasiklal Valjibhai Patel, Gothi Vivek Rasiklal, and Jashwantbhai Valjibhai Patel are the Promoters of our Company. The details of shareholding of the Promoters of the Company, as on date of this Draft Red Herring Prospectus has been provided below:


S. No.	Name of the Promoter	Number of Equity Shares of face value of ₹10 each held	Percentage (%) of the pre-Issue paid-up capital
1.	Patel Divyang Jashvantbhai	56,66,355	17.91
2.	Rasiklal Valjibhai Patel	52,78,247	16.68
3.	Gothi Vivek Rasiklal	51,25,541	16.20
4.	Jashwantbhai Valjibhai Patel	45,66,880	14.43
<b>Total</b>		<b>2,06,37,023</b>	<b>65.22</b>

For details, see the section titled “*Capital Structure –Build of Promoters Shareholding*” on page 90.

### Details of our Promoters are as follows:

<p><b>Patel Divyang Jashvantbhai</b></p> 	<p>Patel Divyang Jashvantbhai, aged 39 years, is one of our Promoters and the Chairman and Managing Director of our Company. He resides at Near Morabi Gate, Kanbipara, Halvad, Surendra Nagar 363 330, Gujarat, India.</p> <p><b>Date of Birth:</b> May 10, 1986</p> <p><b>Permanent Account Number:</b> AMAPP9726G</p> <p>For the complete profile of Divyang Jashvantbhai Patel, along with details of his educational qualifications, experience in the business or employment, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Brief Profiles of our Directors</i>” on page 192.</p>
<p><b>Rasiklal Valjibhai Patel</b></p> 	<p>Rasiklal Valjibhai Patel, aged 64 years, is one of our Promoters and Administrative Head of our Company. He resides at 204, Ravapar Road, Opposite Daiman Hola, Kamadhenu Apartment, Morvi, Rajkot 363 641, Gujarat, India.</p> <p><b>Date of Birth:</b> April 21, 1961</p> <p><b>Permanent Account Number:</b> ABNPP7987M</p> <p>He is currently serving as director in Gyanmata Trading Private Limited and Devkinandan Paper Mills Private Limited. He has over two decades of experience in the manufacturing and procurement industry.</p>
<p><b>Gothi Vivek Rasiklal</b></p> 	<p>Gothi Vivek Rasiklal, aged 36 years, is one of our Promoters and the Whole-Time Director of our Company. He resides at 202 Ravapar Road, Kamdhenu Apartment, Patel Society, Morvi, Rajkot 363 641, Gujarat, India.</p> <p><b>Date of Birth:</b> September 27, 1989</p> <p><b>Permanent Account Number:</b> AZCPP4022A</p> <p>For the complete profile of Gothi Vivek Rasiklal, along with details of his educational qualifications, experience in the business or employment, position/posts held in the past, directorships held, special achievements</p>



	and business and financial activities, see “ <i>Our Management – Brief Profiles of our Directors</i> ” on page 192.
<b>Jashwantbhai Valjibhai Patel</b> 	<p>Jashwantbhai Valjibhai Patel, aged 70 years, is one of our Promoters and the Executive Director of our Company. He resides at Kanbipara, outside Morbi Gate, Halvad, Surendra Nagar 363 330, Gujarat, India.</p> <p><b>Date of Birth:</b> April 15,1955</p> <p><b>Permanent Account Number:</b> ABOPP6412C</p> <p>For the complete profile of Jashwantbhai Valjibhai Patel, along with details of his educational qualifications, experience in the business or employment, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Brief Profiles of our Directors</i>” on page 192.</p>

Our Company confirms that the permanent account numbers, aadhaar card numbers, driving license numbers, bank account numbers and passport numbers, as applicable of our Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### Change in control of our Company

There has been no change in control of our Company in the five years preceding the date of this Draft Red Herring Prospectus. For details in relation to the shareholding of our Promoters and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see “*Capital Structure*” on page 79.

### Other ventures of our Promoter

Other than as disclosed below and in the sections entitled, “*Our Management – Board of Directors*” and “*- Entities forming part of the promoter group*” on pages 189 and 216, respectively, as of the date of this Draft Red Herring Prospectus, our Promoters are not involved in any ventures.

### Interests of our Promoters

Our Promoters are interested in our Company (i) to the extent that they have promoted our Company, (ii) to the extent of their respective shareholding in our Company, the shareholding of their relatives who hold Equity Shares in our Company and the dividends payable and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives. For further details, see “*Capital Structure – Build-up of Promoters’ shareholding in our Company*” on page 90. Additionally, our Promoters may also be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

Further, our Promoters, who are also Directors, Key Managerial Personnel and Senior Management Personnel of our Company, may be deemed to be interested in the terms of their appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, etc., payable to them, if any, in their capacity as Directors. For further details, see “*Our Management*” on page 189.

Our Promoters may be deemed to be interested to the extent of unsecured loans provided by them to our Company. Further, our Promoters may be deemed to be interested to the extent of (i) personal guarantees extended by them in relation to certain borrowings availed by our Company, (ii) personal properties provided for securing the repayment of the bank loans obtained by our Company; (iii) being co-borrowers in certain loans availed by our Company. For further details see “*Financial Indebtedness*” and “*Restated Financial Information- Note-5.8 - Related parties disclosures*” on page 280 and 260.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise, by any person, either to induce them to become or to qualify them,

as directors or promoters or otherwise for services rendered by our Promoters or by such firm or company, in connection with the promotion or formation of our Company.

#### **Interest in property acquired, acquisition of land, construction of building and supply of machinery, etc.**

Our Company had entered into a sale deed dated February 12, 2025, with our Promoter Rasiklal Valijibhai Patel and Gothi Vivek Rasiklal and members of the Promoter Group, namely Kusumben Rasikbhai Patel, Jalpa Punit Patel for purchase of agricultural land situated at Survey No. 1447/1 Hec. 0-42-49 Sq. Mtr. Village Halvad, Tal. Halvad, Gujarat, India. In accordance with the sale deed an amount of ₹ 9.6 lakhs has been paid by our Company towards the purchase of the said property. The land was converted to a non-agricultural land pursuant to order number 64/28/05/068/2025 dated January 24, 2025, by the collector office, Morbi, Gujarat for industrial purpose. Our Promoters Rasiklal Valijibhai Patel and Vivek Rasiklal Patel and members of promoter group Kusumben Rasikbhai Patel and Jalpa Punit Patel shall be deemed to be interested in the consideration paid by the Company for the purchase of the said property by our Company.

Further, our Company entered into a sale deed dated December 11, 2013, with our Promoter Rasiklal Valijibhai Patel for purchase of agricultural land situated at Survey No. 1443/Paiki 2 Village Halvad, Tal. Halvad, Dist. Surendranagar, India. The land was converted to a non-agricultural land pursuant to order number JMN-V-2971-2013 dated December 4, 2013, by the Deputy Collector, Dhrangadhra, Gujarat for industrial purpose. In accordance with the sale deed an amount of ₹ 17 lakhs has been paid by our Company towards the purchase of the said property. Our Promoter Rasiklal Valijibhai Patel shall be deemed to be interested in consideration paid by the Company for the purchase of the said property by our Company.

Further, our Company entered into a sale deed dated April 30, 2013, with our Promoter Rasiklal Valijibhai Patel for purchase of agricultural land situated at (1) Survey No. 1441 Hec. 0-54-63 per acre, (2) Survey No. 1442 Hec. 1-02-18 per acre, (3) Survey No. 1448/1 Hec. 0-74-87 per Are, (4) Survey No. 1450/2/Paiki 2 Hec. 0-54-63 per Are total land Hec. 3-66- 24 per Are (Sq. Mtr. 36624.00) in halvad, Morvi, Gujarat, India. The land was converted to a non-agricultural land pursuant to order number JMN-V-2650-2013 dated October 29, 2013 by the Deputy Collector, Dhrangadhra, Gujarat. In accordance with the sale deed an amount of ₹ 65 lakhs has been paid by our Company towards the purchase of the said property. Our Promoter Rasiklal Valijibhai Patel shall be deemed to be interested in consideration paid by the Company for the purchase of the said property by our Company.

For risks relating to the same, please see “*Risk Factors – Risk Factor 40 - Our Company had acquired a property from our Promoters and members forming part of our Promoter Group. Our Promoters shall be deemed to be interested in the purchase of the aforementioned property.*” on page 50 of this Draft Red Herring Prospectus.

Except as mentioned above and in “*Interests of Promoters*” and “*Our Business – Property*” on page 213 and 156 of this Draft Red Herring Prospectus, 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.

#### **Payment or Benefits to Promoters or Promoter Group**

Except in the ordinary course of business and as disclosed below and stated in the section entitled “*Other Financial Information - Related Party Transactions*” on page 260, there have been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

#### **Disassociation by our Promoters in the last three years**

Our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus:

#### **Material Guarantees**

As of the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees with respect to the Equity Shares of our Company.

#### **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 have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

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 a promoter 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.

There is no conflict of interest between our Promoters or members of our Promoter Group with any lessors of immovable properties of our Company (crucial for operations of our Company).

### Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

### Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters, are as follows:

Name of Promoter	Name of member of the Promoter Group	Relationship with the Promoter
Patel Divyang Jaswantbhai	Ripal Divyang Patel	Spouse
	Jashwantbhai Valjibhai Patel	Father
	Hashumati Jashwantbhai Patel	Mother
	Nisha Anirudhbhai Patel	Sister
	Tanviben Chintanbhai Sitapara	Sister
	Aarush Divyangbhai Patel	Son
	Pahi Divyangbhai Patel	Daughter
	Rameshchandra Shankarbhai Sapavadiya	Spouse's Father
	Manishaben Rameshbhai Sapavadiya	Spouse's Mother
	Vishalkumar Rameshbhai Patel	Spouse Brother
Rasiklal Valjibhai Patel	Kusumben Rasikbhai Patel	Spouse
	Late Valjibhai Patel	Father
	Lalitaben Valjibhai Patel	Mother
	Jashwant Valjibhai Patel	Brother
	Vinodkumar Valjibhai Patel	Brother
	Labhuben Shanarbhai Patel	Sister
	Chandrikaben Bhailalbhai Patel	Sister
	Kanchanben Premjibhai Varmora	Sister
	Gothi Vivek Rasiklal	Son
	Jalpa Punit Patel	Daughter
	Late Patel Odhavjibhai Dayabhai	Spouse's Father
	Late Patel Godavariben Odhavjibhai	Spouse's Mother
	Harjivanbhai Odhavjibhai Varmora	Spouse's Brother
	Vrajalal O Varmora	Spouse's Brother
	Vanitaben Chadasania	Spouse's Sister
Gothi Vivek Rasiklal	Sheetal Vivek Patel	Spouse

Name of Promoter	Name of member of the Promoter Group	Relationship with the Promoter
	Rasiklal Valjibhai Patel	Father
	Kusumben Rasikbhai Patel	Mother
	Jalpa Punit Patel	Sister
	Jiyara Vivek Patel	Daughter
	Ramesh Patel Bapodarya	Spouse's Father
	Manjula Patel Bapodarya	Spouse's Mother
	Suchit B Patel	Spouse's Brother
Jashwantbhai Valjibhai Patel	Hashumati Jashwantbhai Patel	Spouse
	Late Valjibhai Patel	Father
	Lalitaben Valjibhai Patel	Mother
	VinodKumar Valjibhai Patel	Brother
	Rasiklal Valjibhai Patel	Brother
	Labhuben Shankarbhai Patel	Sister
	Chandrikaben Bhailalbhai Patel	Sister
	Kanchanben Premjibhai Varmora	Sister
	Divyang Jashwantbhai Patel	Son
	Nisha Anirudhbhai Patel	Daughter
	Tanviben Chintanbhai Sitapara	Daughter
	Late Prabhudas Khusaldas Patel	Spouse's Father
	Late Shantaben Prabhudas Patel	Spouse's Mother
	Chandulal Prabhudas Patel	Brother of Spouse
	Savitaben Patel	Sister of Spouse
	Madhuben Amrutlal Gadhiya	Sister of Spouse
	Niruben Ganeshbhai Motaka	Sister of Spouse
	Meena Dipakbhai Gadhiya	Sister of Spouse

### Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

Sr. No.	Name of the entities
1.	Gyanmata Trading Private Limited
2.	Devkinandan Paper Mills Private Limited
3.	Krishna Paper Products (Partnership Firm)
4.	Ram Krishna Packing (Partnership Firm)
5.	Krishna Packaging (Partnership Firm)
6.	JCraft Clothing Private Limited
7.	Galaxy Stamping Private Limited
8.	Rasiklal Valjibhai Patel HUF
9.	Divyang Jashwantbhai Patel HUF
10.	Rasiklal Patel Private Business Trust
11.	Patel Jashwant Valjibhai HUF

### Other Confirmations

Other than as disclosed in “History and Certain Corporate Matters – Other Confirmations” on page [●], there is no conflict of interest between the lessors of immovable properties (crucial to the operations of the Company) and our Promoters and members of our Promoter Group.

There is no conflict of interest between suppliers of raw materials or any third-party service providers (crucial to the operations of the Company) and our Promoters and members of our Promoter Group.

## OUR GROUP COMPANIES

For the purpose of disclosure in this Draft Red Herring Prospectus, the following shall be considered as ‘group company’ of our Company, in accordance with the SEBI ICDR Regulations:

- (i) All such companies with which there were related party transactions, in accordance with Accounting Standard 18 and Ind AS 24, as disclosed in the Restated Financial Information; and
- (ii) any other companies as may be considered material by our Board.

With respect to (ii) above, our Board in its meeting held on August 8, 2025 adopted the Materiality Policy, pursuant to which companies (other than those covered in (i) above) shall be considered “material” and will be disclosed as a “group company” if such companies form part of the Promoter Group and with which our Company has entered into transactions during the last completed financial year /and the relevant stub period, as applicable, which individually or in the aggregate, in value, exceed 10% of the restated total revenue from operations of our Company for the most recent full Fiscal as per the Restated Financial Information of our Company included in this Draft Red Herring Prospectus.

Based on the parameters mentioned above, as on the date of this Draft Red Herring Prospectus, we have identified the following as a Group Companies, the details of which are set forth below:

1. Devkinandan Paper Mills Private Limited
2. Gyanmata Trading Private Limited

### A. Details of our Group Companies

#### Devkinandan Paper Mills Private Limited

##### *Registered Office*

The registered office of Devkinandan Paper Mills Private Limited is situated at Near Hariom Way Bridge, Opposite Machhu Dem Lilapur, Morbi 363 641, Gujarat, India.

##### *Financial information*

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit / (loss) after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements of Devkinandan Paper Mills Private Limited for the Financial Years 2025, 2024 and 2023 are available on the website of our Company at [www.aasthaspintex.com](http://www.aasthaspintex.com).

#### Gyanmata Trading Private Limited

##### *Registered Office*

The registered office of Gyanmata Trading Private Limited is situated at Rameshwarpark Society, Maliya Chowkdi, Surendranagar, Morbi 363 330, Gujarat, India.

##### *Financial information*

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit / (loss) after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements of Gyanmata Trading Private Limited for the Financial Years 2025, 2024 and 2023 are available on the website of our Company at <https://www.aasthaspintex.com>.

### B. Nature and extent of interest of our Group Companies

- a) *In the promotion of the Company*

None of our Group Companies have any interest in the promotion of our Company.

- b) *In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

- c) *In transactions for acquisition of land, construction of building and supply of machinery, etc.*

Except as disclosed in “*Summary of the Issue Document – Summary of Related Party Transactions*” and *Restated Financial Information – Note 5.8: Related Party Transactions*” on pages 27 and 260, respectively, our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

### **C. Common pursuits among the Group Company and our Company**

There are no common pursuits amongst our Group Company and our Company. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

### **Related Business Transactions within our Group Company and significance on the financial performance of our Company**

Except as disclosed in “*Summary of the Issue Document – Summary of Related Party Transactions*” and *Restated Financial Information – Note 5.8: Related Party Transactions*” on pages 27 and 260, respectively, there are no related business transactions with our Group Companies.

### **D. Litigation**

As on the date of this Draft Red Herring Prospectus, there are no pending litigations involving our Group Companies which will have a material impact on our Company.

### **E. Business interest of Group Company**

Except as set forth in “*Restated Financial Information – Note 5.8: Related Party Transactions*” on page 260, and in the ordinary course of business, our Group Companies do not have or currently propose to have any business interest in our Company.

### **F. Other Confirmations**

None of our Group Companies have any securities listed on any stock exchange.

None of our Group Companies have made any public or rights issue (as defined under the SEBI ICDR Regulations) during the three years preceding the date of this Draft Red Herring Prospectus.

There are no material existing or anticipated transactions in relation to the utilisation of the Issue Proceeds with our Group Companies.

There is no conflict of interest between our Group Companies and their respective directors with any lessors of immovable properties of our Company (crucial for operations of our Company).

There is no conflict of interest between our Group Companies or their respective directors and the third-party service providers of our Company (crucial for operations of our Company).

## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by the Shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder.

The dividend payable, if any, will depend on a number of internal and external factors, including but not limited to profits earned or distributable surplus during the Fiscal, accumulated reserves including retained earnings, cash flows, debt repayment schedules, if any, and external factors including, but not limited to the macro-economic environment, regulatory changes and technological changes.

Our Board shall recommend or declare dividend as per the provisions of the Companies Act, 2013 and any other applicable laws. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of Shareholders at a general meeting. Our Company has adopted a formal policy on dividend declaration pursuant to a resolution of our Board dated August 8, 2025

Our Company has not declared any dividends during the last three Financial Year 2025, 2024 and 2023 and from the period from April 1, 2025, and until the date of this Draft Red Herring Prospectus, on the Equity Shares. The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future. For details in relation to risks involved in this regard, please refer to “*Risk Factor – Risk Factor 64- Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure, and restrictive covenants in our financing arrangements.*” on page 60.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

*[The remainder of this page has been intentionally left blank]*



**Independent Auditor’s Examination Report on the restated summary statement, comprising the restated standalone statement of assets and liabilities as at March 31, 2025, 2024 and 2023, the restated standalone statement of profits and loss (including other comprehensive income), the restated standalone statement of changes in equity and the restated standalone statement of cash flows for the years ended March 31, 2025, 2024 and 2023, the restated standalone summary statement of material accounting policies, and other explanatory information of Aastha Spintex Limited (hereinafter collectively, the “Restated Summary Statements”)**

The Board of Directors  
Aastha Spintex Limited  
Survey No. 1441, 1442, 1448/11449,1450/2 P2 & 1443/P2102,  
Halvad Maliya Highway  
Halvad,Surendra Nagar  
Gujarat--363330

**Dear Sir,**

- 1) We have examined the attached Restated Financial Information of Aastha Spintex Limited (the “Company” or the “Issuer”) comprising the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, the Restated Statement of Changes in Equity and the Restated Cash Flow Statement for the year ended March 31, 2025, March 31, 2024 and March 31, 2023, and a summary of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 21st September, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”), Red Herring Prospectus (“RHP”) and Prospectus to be 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, as amended (the “Act”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the “ICAI”), as amended from time to time (the “Guidance Note”)
- 2) The Company’s management is responsible for the preparation of the Restated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP, RHP and Prospectus to be filed with the Securities and Exchange Board of India (“SEBI”), NSE Limited and BSE Limited and (collectively, the “Stock Exchanges”) and the Registrar of Companies,

Ahmedabad, Gujarat (the “ROC”), in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Note 3(2) to the Restated Financial Information.

- 3) The Board of Directors of the Companies are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information by the management of the Company, as aforesaid. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.
- 4) 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 27<sup>th</sup> July, 2025 in connection with the proposed IPO;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note as applicable in connection with the proposed IPO of equity shares of the Company.

- 5) We S N Shah & Associates, Chartered Accountants ("we" or "us") have examined the attached Restated Standalone Financial Information expressed in Indian Rupee in Lacs of Aastha Spintex Limited (hereinafter referred to as the "Company"), comprising:
  - a. the "Restated Standalone Statement of Assets and Liabilities" as at March 31, 2025, March 31, 2024, and March 31, 2023;
  - b. the "Restated Standalone Statement of Profit and Loss Account" (including Other Comprehensive Income) for the year ended March 31, 2025, March 31, 2024, and March 31, 2023;
  - c. the "Restated Standalone Statement of Changes in equity" for the year ended March 31, 2025, March 31, 2024, and March 31, 2023;
  - d. the "Restated Standalone Statement of Cash Flows" for the year ended March 31, 2025, March 31, 2024, and March 31, 2023;
  - e. the "Notes to Restated Standalone Financial Information" for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 as prepared by the Management of the Company in connection with its proposed Initial Public Offer.

- 6) These Restated Financial Information have been compiled by the management from:
- a. the audited special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 prepared in accordance with the Indian Accounting Standards (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 (collectively, the “Special Purpose Ind AS Financial Statements”), which have been approved by the Board of Directors at their meeting held on 18<sup>th</sup> August, 2025. The Special purpose financial statements for the year ended 31 March 2025, 31 March 2024, and 31 March 2023 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 for the transition date of April 1, 2022 and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025, 31 March 2024 and 31 March 2023.

The Special Purpose Ind AS Financial Statements are prepared to assist the Company in complying with the financial reporting provisions of the Indian Accounting Standards 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, for the purpose of forming a basis for the preparation of Restated Financial Information to be included in the DRHP, RHP and the Prospectus with respect to its Offer.

### **Opinion**

Based on our examination and according to the information and explanations given to us for the respective years, we report that the Restated Standalone Financial Information:

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the year March 31, 2024, and March 31, 2023 to reflect the same accounting treatment as per the accounting policies and grouping/classification followed as at and for the year ended March 31, 2025, as applicable;
- does not contain any qualification requiring adjustments;
- have been prepared in accordance with the Act, ICDR Regulations read with SEBI communication.

### **Other Matters**

As indicated in audit report referred to in above, which have been reproduced as under:

1. 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 Service Engagements.

2. 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 or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
3. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
4. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP, RHP and Prospectus 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 AND ON BEHALF OF  
S. N. SHAH & ASSOCIATES,  
CHARTERED ACCOUNTANTS,  
FIRM REG. NO. 109782W**

Sd/-

**PLACE: AHMEDABAD  
DATED: 21-09-2025  
UDIN : 25144892BMHWRW2189**

**PRIYAM S SHAH  
PARTNER  
M. No. 144892**

# AASTHA SPINTEX LIMITED

## Restated Standalone Balance Sheet

(All amounts in Rs. lacs, except per share data and as stated otherwise)

Particulars	Note No.	As at		
		31-03-2025	31-03-2024	31-03-2023
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant And Equipment	3.1	8,072.22	8,745.20	7,320.33
Capital Work - in - Progress	3.2	-	-	1,686.51
Other Intangible Assets	3.3	7.28	4.54	0.71
Financial Assets				
(i) Loans	3.4	-	89.32	42.08
(ii) Other financial assets	3.5	66.19	2.38	2.38
		<b>8,145.69</b>	<b>8,841.44</b>	<b>9,052.01</b>
<b>Current Assets</b>				
Inventories	3.6	11,870.19	5,646.03	4,438.46
Financial Assets				
(i) Trade Receivable	3.7	3,907.27	7,269.44	1,488.63
(ii) Cash And Cash Equivalents	3.8	1,111.37	648.13	614.39
(iii) Other Financial Assets	3.9	233.85	237.58	242.22
Other Current Assets	3.10	2,161.98	1,414.40	1,422.99
		<b>19,284.67</b>	<b>15,215.58</b>	<b>8,206.69</b>
<b>Total Assets</b>		<b>27,430.36</b>	<b>24,057.02</b>	<b>17,258.70</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	3.11	2,993.62	2,730.99	2,730.99
Other Equity	3.12	9,169.81	4,906.84	3,269.95
		<b>12,163.43</b>	<b>7,637.83</b>	<b>6,000.94</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	3.13	2,634.47	3,808.78	4,062.32
Provisions	3.14	98.99	68.95	55.92
Deferred Tax Liabilities (Net)	3.15	797.87	730.82	488.89
		<b>3,531.33</b>	<b>4,608.54</b>	<b>4,607.13</b>
<b>Current Liabilities</b>				
Financial Liabilities				
(i) Borrowings	3.16	6,870.65	4,477.14	4,038.29
(ii) Trade Payables	3.17	3,946.57	6,507.06	2,215.74
(iii) Other Financial Liabilities	3.18	111.56	109.89	192.80
Other Current Liabilities	3.19	340.75	271.18	80.57
Provisions	3.20	54.49	55.53	112.17
Current Tax Liabilities (Net)	3.21	411.58	389.85	11.05
		<b>11,735.60</b>	<b>11,810.65</b>	<b>6,650.63</b>
<b>Total Equity and Liabilities</b>		<b>27,430.36</b>	<b>24,057.02</b>	<b>17,258.70</b>

As Per Our Report Of Even Date

For S.N Shah & Associates

Chartered Accountants

FRN : 109782W

For and on behalf of the Board

AASTHA SPINTEX LIMITED

Sd/-

CA Priyam Shah

Partner

M. No. 144892

UDIN: 25144892BMHWRW2189

Sd/-

Whole time Director

Vivek R. Gothi

DIN:03149400

Sd/-

Managing Director

Divyang J. Patel

DIN:03148915

Sd/-

Company Secretary

PAN: CBTPD1124L

Tushar Devera

Sd/-

Chief financial Officer

Kunal Monpara

Place: Ahmedabad

Date : 21-09-2025

Place: Halvad

Date : 21-09-2025

# AASTHA SPINTEX LIMITED

## Restated Statement of Profit and Loss

(All amounts in Rs. lacs, except per share data and as stated otherwise)

Particulars	Note No.	For the year ended		
		March 31, 2025	March 31, 2024	March 31, 2023
<b>Income</b>				
Revenue from operations	4.1	35,116.02	30,486.16	23,926.50
Other Income	4.2	101.04	80.92	42.72
<b>Total Income</b>		<b>35,217.06</b>	<b>30,567.08</b>	<b>23,969.22</b>
<b>Expenses</b>				
Cost of Materials Consumed	4.3	30,199.76	21,890.91	19,449.66
Purchase of Stock in Trade	4.4	1,565.97	3,747.43	888.84
Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress	4.5	-3,842.31	-1,291.62	-496.20
Manufacturing Expenses	4.6	1,027.49	1,396.80	1,669.17
Employee benefits expense	4.7	810.45	728.90	750.65
Finance costs	4.8	1,015.06	1,050.86	739.34
Depreciation and amortisation expense	3.1, 3.3	805.21	626.95	579.92
Other Expenses	4.9	368.55	294.11	257.87
<b>Total expenses</b>		<b>31,950.17</b>	<b>28,444.34</b>	<b>23,839.26</b>
<b>Profit Before Share of Profit/(Loss) of Associates, Exceptional Item and Tax</b>		<b>3,266.89</b>	<b>2,122.74</b>	<b>129.96</b>
Share of profit/ (loss) from associates		-	-	-
Share of Non controlling interest		-	-	-
<b>Profit Before Exceptional Item and Tax</b>		<b>3,266.89</b>	<b>2,122.74</b>	<b>129.96</b>
Exceptional Items		-	-	-
<b>Profit before tax</b>		<b>3,266.89</b>	<b>2,122.74</b>	<b>129.96</b>
<b>Tax Expenses :</b>				
Current Tax		-570.79	-370.89	-21.69
MAT Credit Reserve	5.1	-281.14	117.11	21.69
Deferred Tax		-65.13	-240.20	-24.13
<b>Profit for the year</b>		<b>2,349.83</b>	<b>1,628.76</b>	<b>105.83</b>
<b>Other comprehensive income</b>				
<i>Items not to be reclassified to profit or loss :</i>				
- Re-measurement Loss/ (Gain) on defined benefit plans		-11.00	-9.85	-28.49
- Tax charge/(credit) on above		1.92	1.72	4.76
<b>Total other comprehensive income</b>		<b>-9.07</b>	<b>-8.13</b>	<b>-23.73</b>
<b>Total comprehensive income for the year</b>		<b>2,358.91</b>	<b>1,636.89</b>	<b>129.56</b>
<b>Total comprehensive income for the year attributable to :</b>				
- Owners of the Company		2,358.91	1,636.89	129.56
- Non controlling interest		-	-	-
<b>Earning per equity share [face value Rs.10/- each]</b>				
Basic	5.3	8.50	5.96	0.39
Diluted		8.50	5.96	0.39

As Per Our Report Of Even Date

For S.N Shah & Associates

Chartered Accountants

FRN : 109782W

For and on behalf of the Board

AASTHA SPINTEX LIMITED

Sd/-

CA Priyam Shah

Partner

M. No. 144892

UDIN: 25144892BMHWRW2189

Sd/-

Whole time Director

Vivek R. Gothi

DIN:03149400

Sd/-

Managing Director

Divyang J. Patel

DIN:03148915

Sd/-

Company Secretary

PAN: CBTPD1124L

Tushar Devera

Sd/-

Chief financial Officer

Kunal Monpara

Place: Ahmedabad

Date : 21-09-2025

Place: Halvad

Date : 21-09-2025

# AASTHA SPINTEX LIMITED

## Restated Statement of Cash flow

(All amounts in Rs. lacs, except per share data and as stated otherwise)

Particulars	Year Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>			
Profit before tax	3,266.89	2,122.74	129.96
Adjustment for :			
Loss/(Profit) on disposal of Assets	-	-	-0.76
Provision for expected credit loss	-17.86	29.27	8.47
Re-measurement (Loss)/ Gain on defined benefit plans	11.00	9.85	28.49
Provision for gratuity	37.02	26.96	22.97
Depreciation and amortization Expense	805.21	626.95	579.92
Finance cost	1,015.06	1,050.86	739.34
Interest income	-9.69	-22.54	-15.33
<b>Operating profit before working capital changes</b>	<b>5,107.63</b>	<b>3,844.08</b>	<b>1,493.07</b>
Adjustments for working capital changes:			
Increase/ (decrease) in trade payables	-2,560.49	4,291.32	124.16
Increase/ (decrease) in other current liabilities	69.57	190.61	-123.47
Decrease / (increase) in trade receivables	3,380.03	-5,810.08	-326.61
Decrease / (increase) in inventories	-6,224.16	-1,207.57	839.57
Decrease / (increase) in Other Current Assets	-1,028.73	125.70	-228.47
Decrease / (Increase) in Other Non-Current Assets	-	-	32.73
Decrease / (Increase) in Financial Assets	3.73	4.64	-54.97
Decrease / (Increase) in Other Non-Current Financial Assets	-63.80	-	10.08
Decrease / (increase) in other financial liabilities	1.67	-82.91	-155.35
Decrease / (increase) in Non Current Provisions	-6.98	-13.93	-30.65
Decrease / (increase) in Current Provisions	-1.04	-56.64	106.81
<b>Cash generated/ (used) in operations</b>	<b>-1,322.57</b>	<b>1,285.22</b>	<b>1,686.92</b>
Direct taxes provision	-549.05	7.91	-139.43
<b>Net Cash generated from/(used in) operating activities [A]</b>	<b>-1,871.62</b>	<b>1,293.13</b>	<b>1,547.49</b>
<b>Cash Flow from investing activities</b>			
Purchase of fixed assets, including CWIP and capital advances	-134.98	-369.14	-2,762.13
Proceeds from sale of fixed assets	-	-	5.00
Loans Given	89.32	-47.24	-42.08
Interest received	9.69	22.54	15.33
<b>Net cash generated from/(used in) investing activities [B]</b>	<b>-35.97</b>	<b>-393.83</b>	<b>-2,783.89</b>
<b>Cash flow from financing activities</b>			
Proceeds/(Repayment) from long-term borrowings	-1,174.30	-253.54	1,205.46
Proceeds/ (Repayment) of short-term borrowings	2,393.51	438.85	956.02
Proceeds from share capital	262.63	-	-
Proceeds from Securities Premium	1,904.06	-	-
Financial expenses	-1,015.06	-1,050.86	-739.34
<b>Net cash generated from/(used in) financing activities [C]</b>	<b>2,370.83</b>	<b>-865.56</b>	<b>1,422.14</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>463.24</b>	<b>33.74</b>	<b>185.74</b>
Cash & cash equivalents at the beginning of the year	648.13	614.39	428.65
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>1,111.37</b>	<b>648.13</b>	<b>614.39</b>

**Notes :****1. Reconciliation of cash and cash equivalents as per the cash flow**

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Cash and Cash Equivalents	947.99	204.83	232.00
Current Accounts	0.02	0.02	0.02
Deposits Account	142.39	443.28	382.37
Share Application Account	20.97	-	-
FD having maturity less than one year	-	-	-
<b>Balances as per the statement of cash flow</b>	<b>1,111.37</b>	<b>648.13</b>	<b>614.39</b>

1.The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".

2. Figures of previous year have been regrouped, wherever necessary, to make them comparable.

**For S.N Shah & Associates**  
**Chartered Accountants**  
FRN : 109782W

**For and on behalf of the Board**  
**AASTHA SPINTEX LIMITED**

Sd/-

**CA Priyam Shah**  
**Partner**  
**M. No. 144892**  
**UDIN: 25144892BMHWRW2189**

Sd/-

**Whole time Director**  
**Vivek R. Gothi**  
**DIN:03149400**

Sd/-

**Managing Director**  
**Divyang J. Patel**  
**DIN:03148915**

Sd/-

**Company Secretary**  
**PAN: CBTPD1124L**  
**Tushar Devera**

Sd/-

**Chief financial Officer**  
**Kunal Monpara**

**Place: Ahmedabad**  
**Date : 21-09-2025**

**Place: Halvad**  
**Date : 21-09-2025**



**AASTHA SPINTEX LIMITED****Restated Statement of Changes in Equity***(All amounts in Rs. lacs, except per share data and as stated otherwise)***A) Equity Share Capital**

Particulars	Amount
Balance as at April 1, 2022	2,730.99
Changes in Equity share capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>2,730.99</b>
Balance as at April 1, 2023	2,730.99
Changes in Equity share capital during the year	-
<b>Balance as at March 31, 2024</b>	<b>2,730.99</b>
Balance as at April 1, 2024	2,730.99
Changes in Equity share capital during the year	215.86
<b>Balance as at March 31, 2025</b>	<b>2,946.85</b>

**Statement of Changes in Preference Share****A) Preference Share Capital**

Particulars	Amount
Balance as at April 1, 2024	-
Changes in Preference share capital during the year	46.77
<b>Balance as at March 31, 2025</b>	<b>46.77</b>

Particulars	Attributable to the equity holders of the Company Reserve and Surplus					Total
	Securities Premium	Capital Reserves	Subsidy Reserves	Retained Earnings	Other Comprehensive Income	
<b>Balance as at April 1, 2022</b>	-	-	-	3,140.51	-0.12	3,140.39
<b>Additions during the year:</b>	-	-	-	-	-	-
Profit for the year	-	-	-	105.83	-	105.83
Add : Addition during the year	-	-	-	-	-	-
Less : Items prior to 22-23	-	-	-	-0.00	-	-0.00
Items of OCI for the year, net of tax-	-	-	-	-	-	-
Remeasurement benefit of defined benefit	-	-	-	-	23.73	23.73
<b>Balance as at March 31, 2023</b>	-	-	-	3,246.34	23.61	3,269.95
<b>Balance as at April 1, 2023</b>	-	-	-	3,246.34	23.61	3,269.95
<b>Additions during the year:</b>	-	-	-	-	-	-
Profit for the year	-	-	-	1,628.76	-	1,628.76
Add : Addition during the year	-	-	-	-	-	-
Less : Items prior to 23-24	-	-	-	-0.00	-	-0.00
Less: Gratuity of Prior Years	-	-	-	-	-	-
Items of OCI for the year, net of tax-	-	-	-	-	-	-
Remeasurement benefit of defined benefit	-	-	-	-	8.13	8.13
<b>Balance as at March 31, 2024</b>	-	-	-	4,875.10	31.74	4,906.84
<b>Balance as at April 1, 2024</b>	-	-	-	4,875.10	31.74	4,906.84
<b>Additions during the year:</b>	-	-	-	-	-	-
Profit for the year	-	-	-	2,349.83	-	2,349.83
Add : Addition during the year	1,904.06	-	-	-	-	1,904.06
Less : Items prior to 24-25	-	-	-	0.00	-	0.00
Less: Gratuity of Prior Years	-	-	-	-	-	-
Items of OCI for the year, net of tax-	-	-	-	-	-	-
Remeasurement benefit of defined benefit	-	-	-	-	9.07	9.07
<b>Balance as at March 31, 2025</b>	1,904.06	-	-	7,224.93	40.82	9,169.81

As Per Our Report Of Even Date

For S.N Shah &amp; Associates

Chartered Accountants

FRN : 109782W

Sd/-

CA Priyam Shah

Partner

M. No. 144892

UDIN: 25144892BMHWRW2189

For and on behalf of the Board

AASTHA SPINTEX LIMITED

Sd/-

Whole time Director

Vivek R. Gothi

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Tushar Devera

Place: Halvad

Date : 21-09-2025

Sd/-

Managing Director

Divyang J. Patel

DIN:03148915

Sd/-

Chief financial Officer

Kunal Monpara

Place: Ahmedabad

Date : 21-09-2025

**Notes forming part of the Restated Financial Statements****Note 1 : Company information**

Aastha Spintex Limited (formerly known as Aastha Spintex Private Limited) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company was converted from private limited to public limited vide fresh certificate of incorporation dated 08/02/2025 with CIN: U17120GJ2013PLC076361 issued by Registrar of Companies, CPC. During the year, the Company is engaged in in the business of manufacturing and trading of Cotton Products.

**Note 2 : Material accounting policies**

The material accounting policies applied by the Company in the preparation of its restated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these restated financial statements, unless otherwise indicated.

**First Time of Adoption of Ind-AS:**

These restated financial statements, for the year ended 31st March 2025, are the first, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2024, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2025, together with the comparative period data for the year ended 31st March 2024 and as at 01<sup>st</sup> April 2023, as described in the summary of material accounting policies applying the exemptions, classifications, recognition, de-recognition, measurement criterion as prescribed in Ind-AS.

The company has adopted the carrying value determined in accordance with GAAP as applicable on the date of transition for all of its property plant & equipment as deemed cost of such assets at the transition date.

The estimates as at April 1, 2023 and at March 31, 2024 are consistent with those made for the same dates in accordance with existing GAAP before transition to Ind-AS.

**Basis of preparation and presentation :**

The restated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

The restated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

The Restated Financial Information of the Company comprises the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023 and, the Restated Statement of Profit and Loss (including Other Comprehensive Income) for Fiscal 2025, 2024 and 2023, the Restated Statement of Cash Flows for Fiscal 2025, 2024 and 2023, the Restated Statement of Changes in Equity

and the of Significant Accounting Policies and explanatory notes (collectively referred to as “the Restated Financial Information”).

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”) to be prepared by the Company in connection with its proposed Initial Public Offer (“IPO”). The 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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the Guidance Note) read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the SEBI Communication), as applicable.

For the purpose of preparation of Restated Financial Information for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 of the company, the transition date is considered as April 01, 2022 which is different from the transition date adopted by the Company at the time of first time transition to Ind AS (i.e. April 01, 2023) for the purpose of preparation of Statutory Ind AS Financial Statements as required under Companies Act. Accordingly, the Company have applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2022 for the 2023 and 2024 Special Purpose Ind AS Financial Statements, as initially adopted on transition date i.e. April 01, 2023.

As such, 2023 and 2024 the Restated Financial Information are prepared considering the accounting principles stated in Ind AS, as adopted by the Company and described in subsequent paragraphs.

As such, these 2023 and 2024 the Restated Financial Information are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Management have compiled the Restated financial information from the Special Purpose financial statements of the Company as at and for the year ended March 31, 2024 and March 31, 2023 prepared in accordance with the Indian Accounting Standards (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, which have been approved by the Board of Directors. The aforesaid Special purpose financial statements of the Company as at and for the year ended March 31, 2024 and March 31, 2023 were prepared for the special purpose of converting the IGAAP financials, that were audited by statutory auditors into IND AS financials. Thereby, the Compilation of Restated financial information for FY 2022-23 and FY 2023-24 were from IGAAP financial statements audited by statutory auditors and then converting the IGAAP financials to IND AS financials being special purpose financial statements in IND AS.

**a) Key accounting estimates and judgments**

In the preparation of restated financial statements, the Company makes judgments in the application of accounting policies; and estimates and assumptions which affects the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the restated financial statements are included in the following notes:

- i) Property, plant and equipment - useful life and impairment
- ii) Recoverability/recognition of deferred tax assets
- iii) Provision for expected credit losses of trade receivables
- iii) Assets and obligations relating to employee benefits
- iv) Provisions and contingent liabilities
- V) Fair value of financial instruments.

**b) Current / Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- e) All other assets are classified as non-current.

A liability is treated as current when it is:

- a) Expected to be settled in normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- e) All other liabilities are classified as non-current.

Deferred tax assets and 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 determined its operating cycle, as explained in

schedule III of the Companies Act, 2013, as twelve months, having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as current and non-current while preparing the restated financial statements.

### **c) Property, Plant and Equipment**

All the items of property, plant and equipment are stated at cost, or deemed cost applied on transition to Ind AS, net of recoverable taxes, trade discounts and rebates less accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All other expenses on existing fixed assets, including day-to-day 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.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately. Material items such as spare parts, stand-by equipment and service equipment are classified as property, plant and equipment when they meet the definition of property, plant and equipment as specified in Ind AS 16 – Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful lives of the assets estimated by the management. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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.

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

### **d) Capital work in progress and Capital advances**

Cost of assets not ready for intended use, as on the end of the reporting period, is shown as capital work in progress.

Advances given towards acquisition of Property, Plant and Equipment outstanding at end of each reporting period are disclosed as other non-current assets.

**e) Intangible Assets**

Intangible assets are included in the balance sheet when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Restated Statement of Profit and Loss when the asset is derecognized.

**f) Impairment**

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the **Cash Generating Unit (CGU)** to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

**g) Leases**

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

*As a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company does not have any arrangement during or at the reporting period that can be classified as finance lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

*As a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**h) Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**i) Provisions & 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.

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. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the restated financial statements and also reviewed at each balance sheet date.

**j) Inventories**

Item of inventories are valued at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-product / scrap / wastage which are valued at net realisable value. However, materials and other items held for use in the production of finished goods are not valued below cost, if finished products in which they will be incorporated are expected to sold at or above cost.

Cost of inventories comprises or cost of purchase, duties and taxes (other than those subsequently recoverable), cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bring them to their respective location and condition.

Cost of raw materials, process materials, stores and spares, packing materials, trading and other products are determined on latest purchase price (FIFO) basis.

Work-in -progress and finished and semi-finished goods are valued at lower of cost or net realisable value. Provision of obsolescence on inventories is considered on market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

## **k) Employee Benefit Expense**

### **• Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **• Post-employment Benefits**

#### Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is 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.

#### Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets, if any. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.



**I) Taxes**

The tax expenses for the period comprises of current tax, MAT and deferred income tax.

**Current Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. 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 profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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 establishes provisions where appropriate.

**Minimum Alternate Tax**

Minimum Alternative Tax (MAT) is recognized as an asset only when, and to the extent there is convincing evidence that the company will pay normal income tax during the specific period. If the MAT credit becomes eligible to be recognized as an asset in accordance the recommendations contained in the Guidance note issued by ICAI, the said is created by the way of credit to the statement of Profit & Loss & shown as MAT credit entitlement.

**Deferred Tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the restated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

#### **m) 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**

##### **• Initial recognition and measurement**

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value. Transaction costs that are attributable to the acquisition or issue of financial asset, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

##### **• Subsequent measurement**

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

#### **a) Financial Assets measured at Amortised Cost**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise to cash flows on specified dates that represent solely payments of principal and interest on the principal amount outstanding.

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 other income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

#### **b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it 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 represents 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 recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI asset is reported as interest income using the EIR method.

Equity instruments, except for the ones held for trading, could also be classified as at FVTOCI, if the Company makes an irrevocable election to do so at the time of initial recognition. Such election is made on instrument-to-instrument basis. In case of equity instruments classified as at FVTOCI, all the fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

***c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)***

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

• *Other Equity Investments*

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss. Dividend on such equity investments are recognised in Statement of Profit and loss when the Company's right to receive payment is established. However, investment in partnership firms are carried at cost/ deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any.

• *Impairment of Financial Assets*

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**Financial Liabilities**

• *Initial recognition and measurement*

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

- *Subsequent measurement*

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Derecognition of Financial Instruments

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a Financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### Offsetting

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **n) 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 financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;

**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.

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **o) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account

contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

#### *Sale of products*

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### *Interest income*

Interest Income from a Financial Assets is recognised using effective interest rate method.

#### *Dividend Income*

Dividend Income is recognised when the Company's right to receive the amount has been established.

#### **q) Finance Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

#### **s) Earnings Per Share**

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. The average weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

## ❖ Key Accounting Estimates & Judgements

### 1. Valuation of Deferred Tax Assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in Note 2(I) and its further information are set out in Note 5.1.

### 2. Defined Benefit Plan

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country. Refer to Note 5.2 for further details.

### 3. Property, Plant and Equipment

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in Note 2(C) above.

### 4. Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Estimated irrecoverable amounts are derived based on a provision matrix, which takes into accounts various factors such as customer specific risks, geographical region, product type, customer rating, type of customer, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**Reconciliation of Restated profit:**

Adjustments for	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Net profit/(Loss) after Tax as per Audited Profit &amp; Loss Account - GAAP</b>	<b>2,337.65</b>	<b>1,774.67</b>	<b>135.74</b>
<b>Adjustments for:</b>			
Cost of Materials Consumed	-	-0.33	-
Tax Provision Reversed/(Charged)	0.00	32.68	-
Stores, Spares and Repairs	-	-	-0.06
Contribution to PF, ESI and other fund	-8.96	-9.19	-10.94
Interest expenses	-	-104.59	-0.23
Remeasurement Gain/(Loss) on defined benefit plans	11.00	9.85	28.49
Provision for Expected Credit Loss	17.86	-29.27	-8.47
Deferred tax	1.01	-24.14	0.12
Other Expenses related to prior years	-	-18.05	-1.98
Computer Expense	-	-0.48	-
Legal & professional charges	-	-0.01	-
Commission expenses	-	2.55	-2.55
Provision for Gratuity	-11.00	-9.85	-22.97
Interest on financial instruments at amortised cost	-35.64	-28.87	-15.22
Deferred Income/Expense on Financial instruments carried at amortised cost	38.03	32.75	17.44
	-	-	-
<b>Net Profit/ (Loss) After Tax as Restated - IND AS</b>	<b>2,349.94</b>	<b>1,627.71</b>	<b>119.36</b>

**Reconciliation of Restated Equity and Reserves:**

Adjustments for	For the Year Ended March 31, 2025	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Reserve &amp; Surplus as per audited Balance Sheet</b>	<b>9,202.33</b>	<b>5,074.75</b>	<b>3,393.09</b>
<b>Adjustments for:</b>			
Opening adjustment as per restated reserves	-187.30	-133.35	-411.99
Tax Provision Reversed/(Charged)	0.00	32.68	-
Remeasurement Gain/(Loss) on defined benefit plans	11.00	9.85	28.49
Provision for Expected Credit Loss	17.86	-29.27	-8.47
Deferred tax	1.01	-24.14	0.12
Other Expenses related to prior years	-	-18.05	-1.98
Provision for Gratuity	-11.00	-9.85	-22.97
Interest on financial instruments at amortised cost	-35.64	-28.87	-15.22
Deferred Income/Expense on Financial instruments carried at amortised cost	38.03	32.75	17.44
Cost of Materials Consumed	-	-0.33	-
Stores, Spares and Repairs	-	-	-0.06
Contribution to PF, ESI and other fund	-8.96	-9.19	-10.94
Interest expenses	-	-104.59	-0.23
Computer Expense	-	-0.48	-
Legal & professional charges	-	-0.01	-
Commission expenses	-	2.55	-2.55
Items of Prior Period	114.24	32.91	295.02
Changes in securities premium	-0.11	-	-
Gratuity of Prior Period	-	60.09	-
<b>Reserve &amp; Surplus as per Restated Balance Sheet</b>	<b>9,141.45</b>	<b>4,887.45</b>	<b>3,259.75</b>

**AASTHA SPINTEX LIMITED**
**Notes to the Restated Standalone Financial Statements**

Note No:- 3.1					Property Plant and Equipment								
A S S E T S	Land	Land (Solar)	Solar Power Plant	Building	Plant & Machinery	Windmill	Electrification	Air Conditioner	Computer, Laptop & Printer	Vehicle	Furniture	Office Equipment	Total
Gross carrying amount													
As at April 1, 2022	99.70	0.00	0.00	1631.72	7062.99	0.00	319.10	21.75	20.02	211.17	72.03	15.59	9454.07
Additions	0.00	31.53	2174.27	1.06	2.03	0.00	12.05	0.00	1.19	0.00	1.01	3.46	2226.61
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5.00	0.00	0.00	-5.00
As at March 31, 2023	99.70	31.53	2174.27	1632.78	7065.03	0.00	331.15	21.75	21.21	216.17	73.04	19.04	11675.68
As at April 1, 2023	99.70	31.53	2174.27	1632.78	7065.03	0.00	331.15	21.75	21.21	206.18	73.04	19.04	11675.68
Additions	0.00	0.00	4.58	0.00	91.33	1913.52	1.50	3.14	0.66	30.48	0.00	6.30	2051.50
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2024	99.70	31.53	2178.85	1632.78	7156.36	1913.52	332.65	24.89	21.87	236.65	73.04	25.34	13727.18
As at April 1, 2024	99.70	31.53	2178.85	1632.78	7156.36	1913.52	332.65	24.89	21.87	236.65	73.04	25.34	13727.18
Additions	49.69	0.00	0.00	5.03	72.28	0.00	0.00	0.00	4.98	0.00	0.00	0.00	131.98
Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2025	149.39	31.53	2178.85	1637.81	7228.64	1913.52	332.65	24.89	26.86	236.65	73.04	25.34	13859.16
Accumulated depreciation													
As at April 1, 2022	0.00	0.00	0.00	347.76	3070.35	0.00	206.97	10.18	15.93	77.73	38.22	9.07	3776.21
Depreciation for the year	0.00	0.00	10.19	51.70	447.19	0.00	30.35	4.13	1.51	24.61	6.85	3.37	579.90
Deduction / Adjustment /Writtent back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.76	0.00	0.00	-0.76
As at March 31, 2023	0.00	0.00	10.19	399.46	3517.55	0.00	237.32	14.31	17.44	103.10	45.07	12.44	4355.35
As at April 1, 2023	0.00	0.00	10.19	399.46	3517.55	0.00	237.32	14.31	17.44	101.58	45.07	12.44	4355.35
Depreciation for the year	0.00	0.00	0.14	51.70	449.66	50.78	31.51	4.48	1.85	25.31	6.94	4.26	626.64
Deduction / Adjustment /Writtent back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2024	0.00	0.00	10.32	451.17	3967.21	50.78	268.83	18.79	19.29	126.88	52.01	16.70	4981.99
As at April 1, 2024	0.00	0.00	10.32	451.17	3967.21	50.78	268.83	18.79	19.29	126.88	52.01	16.70	4981.99
Depreciation for the year	0.00	0.00	137.92	51.86	454.99	82.66	31.60	4.73	1.32	28.11	6.94	4.81	804.96
Deduction / Adjustment /Writtent back	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at March 31, 2025	0.00	0.00	148.25	503.02	4422.20	133.44	300.43	23.52	20.62	155.00	58.94	21.52	5786.94
Net Carrying Amounts													
As at March 31, 2023	99.70	31.53	2164.09	1233.32	3547.48	0.00	93.83	7.44	3.77	113.07	27.97	6.60	7320.33
As at March 31, 2024	99.70	31.53	2168.52	1181.61	3189.15	1862.74	63.82	6.10	2.58	109.77	21.04	8.64	8745.20
As at March 31, 2025	149.39	31.53	2030.60	1134.79	2806.44	1780.07	32.22	1.37	6.24	81.66	14.10	3.82	8072.22



Note 3.2 Capital Work In Progress	
Particulars	Amount
<b>Gross carrying amount</b>	
As at April 1, 2022	1,150.98
Additions	1,686.51
Deductions (Transferred to Property, Plant & Equipments)	-1,150.98
<b>As at March 31, 2023</b>	<b>1,686.51</b>
As at April 1, 2023	1,686.51
Additions	-
Deductions (Transferred to Property, Plant & Equipments)	-1,686.51
<b>As at March 31, 2024</b>	<b>-</b>
As at April 1, 2024	-
Additions	-
Deductions (Transferred to Property, Plant & Equipments)	-
<b>As at March 31, 2025</b>	<b>-</b>
<b>Net carrying amount</b>	
As at March 31, 2023	1,686.51
As at March 31, 2024	-
As at March 31, 2025	-

Note 3.3 Other Intangible Assets	
Particulars	Software
<b>Gross carrying amount</b>	
As at April 1, 2022	12.21
Additions	-
Disposal	-
<b>As at March 31, 2023</b>	<b>12.21</b>
As at April 1, 2023	12.21
Additions	4.14
Disposal	-
<b>As at March 31, 2024</b>	<b>16.35</b>
As at April 1, 2024	16.35
Additions	3.00
Disposal	-
<b>As at March 31, 2025</b>	<b>19.35</b>
<b>Accumulated depreciation</b>	
As at April 1, 2022	11.48
Depreciation for the year	0.03
Deduction / Adjustment / Writtent back	-
<b>As at March 31, 2023</b>	<b>11.50</b>
As at April 1, 2023	11.50
Depreciation for the year	0.31
Deduction / Adjustment / Writtent back	-
<b>As at March 31, 2024</b>	<b>11.81</b>
As at April 1, 2024	11.81
Depreciation for the year	0.26
Deduction / Adjustment / Writtent back	-
<b>As at March 31, 2025</b>	<b>12.07</b>
<b>Net Carrying Amounts</b>	
As at March 31, 2023	0.71
As at March 31, 2024	4.54
As at March 31, 2025	7.28

Note No:- 3.4 Loans		As at		
Particulars		March 31, 2025	March 31, 2024	March 31, 2023
a) Loans			89.32	42.08
<b>Total</b>		<b>-</b>	<b>89.32</b>	<b>42.08</b>

Note No:- 3.5 Other financial assets		As at		
Particulars		March 31, 2025	March 31, 2024	March 31, 2023
<b>(Unsecured, Considered Good)</b>				
a) Security Deposits*		66.19	2.38	2.38
<b>Total</b>		<b>66.19</b>	<b>2.38</b>	<b>2.38</b>

\* This also includes amount given as fixed deposit against loan availed from NBFC

Note No:- 3.6 Inventories		As at		
Particulars		March 31, 2025	March 31, 2024	March 31, 2023
<i>(As verified, valued and certified by management)</i>				
Raw Materials		3,273.55	1,098.86	1,224.16
Packing Material		164.42	96.71	87.99
Finished Cotton Yarn		6,666.69	2,675.29	1,092.22
Finished Cotton Seeds		810.38	856.83	643.58
Trading Goods		-	-	43.91
Work-in-Process		391.92	468.22	520.69
Cotton Waste		222.60	248.94	657.27
Store & Spares		340.63	201.18	168.65
<b>Total</b>		<b>11,870.19</b>	<b>5,646.03</b>	<b>4,438.46</b>

Note No:- 3.7 Current Financial Assets - Trade Receivables		As at		
Particulars		March 31, 2025	March 31, 2024	March 31, 2023
Trade Receivable considered good - Unsecured		3,927.15	7,307.18	1,497.10
Less: Allowance for expected credit loss		19.88	37.74	8.47
<b>Total</b>		<b>3,907.27</b>	<b>7,269.44</b>	<b>1,488.63</b>

**Notes:**

In determining allowance for doubtful debts, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

(i) Movement in allowance for doubtful trade receivables are as below :

Particulars		As at		
		March 31, 2025	March 31, 2024	March 31, 2023
Balance at the beginning of the year		37.74	8.47	-
Movement during the year		-17.86	29.27	8.47
<b>Balance at the end of the year</b>		<b>19.88</b>	<b>37.74</b>	<b>8.47</b>

(i) The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(ii) There are no outstanding receivables due from directors or other officers of the Company.

Note No:- 3.8 Cash and Cash Equivalents		As at		
Particulars		March 31, 2025	March 31, 2024	March 31, 2023
Cash in Hand <i>(As verified and certified by management)</i>		947.99	204.83	232.00
Balances with scheduled banks		-	-	-
- In current accounts		0.02	0.02	0.02
- In Share Application Account		20.97		
- In fixed deposit accounts - (Having Maturity less than 12 months)		142.39	443.28	382.37
<b>Total</b>		<b>1,111.37</b>	<b>648.13</b>	<b>614.39</b>

AGEING OF TRADE RECEIVABLES

Ageing of trade Receivables as on 31-03-2025 are as below:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	3920.19	1.50	4.37	-	1.10	3927.15
Undisputed trade receivable- considered doubtful						-
Disputed Trade receivables – having significant credit risk						-

Ageing of trade Receivables as on 31-03-2024 are as below:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	7284.70	0.46	0.00	10.48	11.54	7307.18
Undisputed trade receivable- considered doubtful	-	-	-	-	-	-
Disputed Trade receivables – having significant credit risk						-

Ageing of trade Receivables as on 31-03-2023 are as below:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1475.18	0.03	10.48	-	11.42	1497.10
Undisputed trade receivable- considered doubtful						-
Disputed Trade receivables – having significant credit risk						-

Note No:- 3.9 Other Current Financial Assets				
Particulars	As at			
	March 31, 2025	March 31, 2024	March 31, 2023	
<b>Advances recoverable in cash or kind</b>	-	-	-	
TUFS Subsidy Receivable	183.76	183.76	143.97	
Advances To Employee	38.15	24.39	27.41	
Interest Accrued	1.03	0.29	0.29	
Inter Corporate advances	-	18.15	28.90	
Others	10.91	10.99	41.65	
<b>Total</b>	<b>233.85</b>	<b>237.58</b>	<b>242.22</b>	

Note No:- 3.10 Other Current Assets				
Particulars	As at			
	March 31, 2025	March 31, 2024	March 31, 2023	
<b>(Unsecured, considered good)</b>				
a) Prepaid Expenses	98.63	45.60	26.16	
b) GST Balances	906.54	528.37	644.61	
c) Advance to Suppliers	724.40	119.33	148.18	
d) MAT Credit Reserve	432.42	713.55	596.45	
e) Deferred Expenses on financial instruments carried at Amortised Cost	-	7.55	7.59	
<b>Total</b>	<b>2,161.98</b>	<b>1,406.85</b>	<b>1,415.39</b>	

Note No:- 3.11 Equity Share Capital				
Particulars	As at			
	March 31, 2025	March 31, 2024	March 31, 2023	
<b>AUTHORISED CAPITAL:</b>				
Equity Shares of Rs. 10/- Each	3,000.00	3,000.00	3,000.00	
22,50,000 Compulsorily Convertible Preference Shares of Rs. 10/- Each	225.00	-	-	
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- Each fully paid up for FY 2022-23 and FY 2023-24	-	2,730.99	2,730.99	
Equity Shares of Rs. 10/- Each fully paid up for FY 2024-25	2,946.85			
<b>Compulsorily Convertible Preference Shares</b>	-			
18,70,640 Shares of Rs. 10/- each partly paid at Rs. 2.5/- per share	46.77			
<b>Total</b>	<b>2,993.62</b>	<b>2,730.99</b>	<b>2,730.99</b>	

**Terms/rights attached to equity shares :**

- The company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- During the year ended 31st March 2025, the amount of per share dividend recognised as distributions to equity shareholder was NIL per share (PY Rs.NIL/-)
- In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

**Terms/rights attached to Compulsorily Convertible Preference Shares (CCPS):**

The CCPS shall carry voting rights in accordance with the provisions of Section 47 and other applicable provisions, if any, of the Companies Act, 2013

The CCPS will carry a preferential right vis-à-vis equity shares of the company with respect to the payment of dividend and repayment of capital during winding up.

The holders of CCPS shall be participating in the surplus/surplus assets and profits, on winding up which may remain after the entire capital has been repaid.

**Notes :****a) The reconciliation of the number of outstanding shares is set out below :**

Particulars	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount	Number	Amount
At the beginning of the year	2,73,09,894	273.10	2,73,09,894	273.10	2,73,09,894	273.10
Add: Add: movement during the year	21,58,626	21.59	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,94,68,520</b>	<b>294.69</b>	<b>2,73,09,894</b>	<b>273.10</b>	<b>2,73,09,894</b>	<b>273.10</b>

**b) The details of shareholder holding more than 5% shares is set out below:**

Name of Shareholders	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Mr.Divyang J Patel	56,66,355	19.23%	56,66,355	20.75%	51,66,354	18.92%
2 Mr.Jashwant V.Patel	45,66,880	15.50%	45,66,880	16.72%	46,11,789	16.89%
3 Mr.Rasikbhai V Patel	52,78,247	17.91%	52,78,247	19.33%	45,06,437	16.50%
4 Mr.Vivekbhai Patel	51,25,541	17.39%	51,25,541	18.77%	46,25,541	16.94%
5 Mr.Sanjay Saidva	-	0.00%	13,65,494	5.00%	23,14,298	8.47%
6 Devkinandan Paper Mill	-	0.00%	-	0.00%	20,00,000	7.32%

**c) Shares held by promoters**

Promoter Name	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Mr.Divyang J Patel	56,66,355	19.23%	56,66,355	20.75%	51,66,354	18.92%
2 Mr.Jashwant V.Patel	45,66,880	15.50%	45,66,880	16.72%	46,11,789	16.89%
3 Mr.Rasikbhai V Patel	52,78,247	17.91%	52,78,247	19.33%	45,06,437	16.50%
4 Mr.Vivekbhai Patel	51,25,541	17.39%	51,25,541	18.77%	46,25,541	16.94%

**Note No:- 3.12 Other Equity**

Particulars	Note No.	As at		
		March 31, 2025	March 31, 2024	March 31, 2023
Retained Earnings		7,224.93	4,875.10	3,246.34
Securities Premium		1,904.06		
Other Comprehensive Income		40.82	31.74	23.61
<b>Total</b>		<b>9,169.81</b>	<b>4,906.84</b>	<b>3,269.95</b>

Refer Statement of Changes in Equity for additions / deletions in each reserve.

**Notes :**

I. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

II. Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

**Note No:- 3.13 Non Current Financial Liabilities - Borrowings**

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Secured Loan</b>			
Bank Of Baroda GECL	-	244.06	508.99
Bank Of Baroda AWTCL	220.85	463.75	496.88
Bank Of Baroda TL (Wind Mill)	962.32	1,228.98	1,100.76
Solar Term Loan	845.26	1,256.23	1,516.32
HDFC Vehicle Loan	-	-	9.84
Isuzu Car Loan BOB	5.71	8.17	-
	<b>2,034.15</b>	<b>3,201.20</b>	<b>3,632.79</b>
<b>Unsecured</b>			
Loans From Banks & Financial Institutions	-	97.31	195.58
Loans From Directors & their Relatives, and Shareholders	378.60	306.85	47.33
Loans From Corporates	221.72	203.42	186.62
	<b>600.33</b>	<b>607.58</b>	<b>429.54</b>
<b>Total</b>	<b>2,634.47</b>	<b>3,808.78</b>	<b>4,062.32</b>

**Primary Security:**

First and exclusive charge on all machineries, electrical installations, furniture fixtures, Factory Building and other movable properties in the name of Company.

Hypothecation of Vehicles for Vehicle Loan

**Collateral Security & Personal Guarantee:**

As per Note : 5.16

Term Loans From BOB to be Repaid as by 83 monthly installment of Rs. 74.40 lacs and last 84th installment of Rs. 74.80 lacs.

GECL From BOB to be Repaid in equal 48 monthly installment of Rs. 22.19 Lacs from April-2022 onwards.

Wind Mill Loan from BOB to be repaid in equal 83 monthly installment of Rs. 17.86 lacs and last 84th installment of Rs. 17.62 lacs.

AWTCL From BOB to be Repaid in equal 48 monthly installment of Rs. 11.04 Lacs from January-2024 onwards.

**Note No:- 3.14 Provisions**

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Provision for Gratuity	98.99	68.95	55.92
<b>Total</b>	<b>98.99</b>	<b>68.95</b>	<b>55.92</b>

Refer to Note - 5.2 for detailed disclosure

**Note 3.15 Deferred Tax Liabilities (net)**

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
a) Deferred tax liabilities	797.87	730.82	488.89
b) Deferred tax (assets)	-	-	-
<b>Total</b>	<b>797.87</b>	<b>730.82</b>	<b>488.89</b>

Refer Note 5.1 for details of deferred tax liabilities and assets.

**Note No:- 3.16** Current Financial Liabilities - Borrowings

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Secured</b>			
<b>Working Capital Loan from banks</b>			
Bank of Baroda Cash Credit	4,035.27	2,646.45	2,204.23
<b>Unsecured</b>			
<b>Working Capital Loan from banks</b>			
Bill Discounting Facility	942.06	-	-
<b>Current Maturity of Long Term Borrowings</b>			
Term Loans	590.86	406.53	1,301.69
Vehicle Loans	3.45	13.29	13.86
Secured Loans From Banks/NBFC	369.84	274.98	274.98
Unsecured Loans from Corporates	350.00	48.00	-
Unsecured Loans From Directors & its relatives, Shareholders	288.44	821.26	162.84
Unsecured Loans From Banks/NBFC	290.73	266.63	80.69
<b>Total</b>	<b>6,870.65</b>	<b>4,477.14</b>	<b>4,038.29</b>

Refer Note No. 5.16 for Security Offered, Personal Guarantee and Terms of Repayment.

**Primary Security for secured working capital limits:**

Secured by Hypothecation of all chargeable current assets of the company including

**Other Security and Guarantees:**

Same as in Note 5.16

**Working capital loans repayable on demand.****Note No:- 3.17** Current Financial Liabilities - Trade Payables

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Trade Payables</b>			
-Micro, Small & Medium Enterprises	21.35	30.66	-
-Others*			
(a) For Goods	3,833.71	6,279.27	1,988.96
(b) For Expenses	91.50	197.14	226.78
<b>Total</b>	<b>3,946.57</b>	<b>6,507.06</b>	<b>2,215.74</b>

**Note No:- 3.18** Other Financial Liabilities

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
- Expenses Payable	75.07	59.16	150.81
- Statutory dues Payable	36.20	50.73	41.99
- Share Application Refund	0.29	-	-
<b>Total</b>	<b>111.56</b>	<b>109.89</b>	<b>192.80</b>

**Note No:- 3.19** Other Current Liabilities

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
- Advance from Customers	178.50	151.03	16.65
- Calls in Advance	62.50	-	-
- Deferred Income on financial instruments carried at Amortised Cost	99.75	120.15	63.93
<b>Total</b>	<b>340.75</b>	<b>271.18</b>	<b>80.57</b>

**Note No:- 3.20** Provisions

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Provision for Employee Benefits</b>			
Provision for Salary	50.26	47.28	107.99
Provision for Gratuity	4.23	8.25	4.18
<b>Total</b>	<b>54.49</b>	<b>55.53</b>	<b>112.17</b>

**Note No:- 3.21** Current Tax Liabilities (Net)

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Current Provision of Income Tax	548.53	419.53	34.22
Less: TDS & TCS Receivable	-136.95	-29.69	-23.17
<b>Total</b>	<b>411.58</b>	<b>389.85</b>	<b>11.05</b>

## AGEING OF TRADE PAYABLES

(i) Ageing of trade payables as on 31-03-2025 are as below:

Particulars	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	21.35	-	-	-	21.35
(ii) Others	3909.03	10.12	-	6.06	3925.21
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing of trade payables as on 31-03-2024 are as below:

Particulars	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	30.66	-	-	-	30.66
(ii) Others	6464.73	0.63	8.62	2.42	6476.40
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing of trade payables as on 31-03-2023 are as below:

Particulars	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	-	-	-	-	-
(ii) Others	2209.50	6.24	-	-	2215.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Particulars	31-03-2025		31-03-2024		31-03-2023	
	Principal	Interest	Principal	Interest	Principal	Interest
Amount Due to Supplier	21.35	-	30.66	-	-	-
Principal amount paid beyond appointed date			-	-	-	-
Interest due and payable for the year			-	-	-	-
Interest accrued and remaining unpaid			-	-	-	-
Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year.			-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.			-	-	-	-
Further interest remaining due and payable for earlier years.			-	-	-	-



Note No:- 4.1	REVENUE FROM OPERATIONS		
Particulars	Year Ended	Year Ended	Year Ended
	March 31, 2025	March 31, 2024	March 31, 2023
Sale of products			
Domestic Sales	34,369.50	29,602.37	23,492.83
Other Operating Income			
VAT/SGST Reimbursement	372.83	331.21	429.81
Commission and Brokerage (GST)	182.38	47.29	3.86
Job Work Income (GST)	-	10.51	-
Settlement of Bales Contract	191.32	491.47	-
Insurance Claim Against Damage Material	-	3.32	-
	35,116.02	30,486.16	23,926.50

Note No:- 4.2		OTHER INCOME		
Particulars	Year Ended	Year Ended	Year Ended	
	March 31, 2025	March 31, 2024	March 31, 2023	
Interest Income from FDR & Others	9.69	22.54	15.33	
Other Miscellaneous Income	-	1.57	1.91	
Profit on Sale of Asset	-	-	0.76	
Sundry Balances Written Off	-	0.67	-	
Provision for Expected Credit Loss Reversed	37.74	8.47	-	
Interest Income on financial instruments at amortised cost	8.04	7.38	3.47	
Deferred Income on Financial instruments carried at amortised cost	45.57	40.29	21.24	
	101.04	80.92	42.72	

Note No:- 4.3	Cost of Materials Consumed		
Particulars	Year Ended	Year Ended	Year Ended
	March 31, 2025	March 31, 2024	March 31, 2023
RAW MATERIALS CONSUMED:			
Opening Stock	1,098.86	1,224.16	2,689.11
Add : Purchases	32,343.76	21,688.69	17,891.67
Freight, Loading, Etc.	30.70	76.92	93.04
	33,473.32	22,989.77	20,673.82
Less : Closing Stocks	-3,273.55	-1,098.86	-1,224.16
	30,199.76	21,890.91	19,449.66
Details of Raw Materials Consumed (Items constituting more than 10% of the value)			
COTTON BALES	17,112.83	21,722.35	17,363.75
KAPPAS	7,469.00	805.88	-
	30,199.76	21,890.91	19,449.66

Note No:- 4.4		Purchase of Stock in Trade		
Particulars	Year Ended	Year Ended	Year Ended	
	March 31, 2025	March 31, 2024	March 31, 2023	
Purchase of Trading Goods	1,565.97	3,747.43	888.84	
	1,565.97	3,747.43	888.84	

Note No:- 4.5	VARIATION IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS		
Particulars	Year Ended	Year Ended	Year Ended
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Closing Stock</b>			
Finish Goods	6,666.69	2,675.29	1,092.22
Ginning Division	810.38	856.83	643.58
Trading Goods	-	-	43.91
WIP	391.92	468.22	520.69
Waste Goods	222.60	248.94	657.27
<b>Opening Stock</b>			
Finish Goods	2,675.29	1,092.22	990.55
Ginning Division	856.83	643.58	406.26
Trading Goods	-	43.91	0.26
WIP	468.22	520.69	484.46
Waste Goods	248.94	657.27	579.92
	-3,842.31	-1,291.62	-496.20

Note No:- 4.6		MANUFACTURING EXPENSES		
Particulars	Year Ended	Year Ended	Year Ended	
	March 31, 2025	March 31, 2024	March 31, 2023	
Stores, Spares and Repairs	80.22	197.18	155.20	
Packing Materials	145.94	223.00	134.77	
Repair & Maintenance	60.22	32.76	27.74	
Power & Fuel Expenses	735.58	933.06	1,345.67	
Other Manufacturing Expenses	5.53	10.79	5.79	
	1,027.49	1,396.80	1,669.17	

Note No:- 4.7	EMPLOYEE BENEFIT EXPENSES		
Particulars	Year Ended	Year Ended	Year Ended
	March 31, 2025	March 31, 2024	March 31, 2023
Salary, wages & labour charges	625.85	556.18	577.72
Directors remuneration	80.80	77.40	64.75
Contribution to PF and other fund	8.96	9.19	10.37
Employee Gratuity and leave encashment expenses	37.02	26.96	22.97
Other allowances & expenses	57.59	57.98	73.54
Staff welfare expenses	0.22	1.20	1.29
	810.45	728.90	750.65

Note No:- 4.8		FINANCE COSTS		
Particulars	Year Ended	Year Ended	Year Ended	
	March 31, 2025	March 31, 2024	March 31, 2023	
Interest expenses to Bank/FI	662.75	668.39	468.62	
Bank Charges & Loan Processing Charges	32.03	9.71	11.99	
Interest on Late Payment Statutory Dues	16.89	51.18	5.54	
Other Interest Expenses	259.70	285.34	234.50	
Interest on financial instruments at Amortised Cost	43.68	36.25	18.70	
	1,015.06	1,050.86	739.34	

Note No:- 4.9	OTHER EXPENSES		
Particulars	Year Ended	Year Ended	Year Ended
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Administrative and other expenses</b>			
Postage, telephone , internet & web charges	5.21	5.89	3.27
Transport Charges	48.69	37.07	28.25
Computer Expense	4.76	4.49	4.38
Travelling,conveyance & vehical expenses	48.35	43.59	33.86
Legal & professional charges	44.28	42.55	21.64
Insurance	46.94	37.08	26.49
Stationery & Printing	0.75	0.12	0.79
Rent, rates & taxes	23.78	6.16	4.26
Auditor's remuneration	4.00	3.50	3.20
Other expense	39.46	31.55	54.75
Provision for Expected Credit Loss	19.88	37.74	8.47
Deferred Expenses on Financial instruments carried at amortised cost	7.55	7.55	3.80
Corporate Social Responsibility	26.75	-	-
	<b>320.38</b>	<b>257.29</b>	<b>193.14</b>
<b>Selling &amp; distribution expenses</b>			
Advertisement expenses	-	1.16	-
Clearing & Forwarding	4.83	0.10	-
Commission expenses	30.73	30.65	57.89
Business promotion expenses	11.35	4.74	3.65
Quality/Quantity Discount	1.25	0.17	3.19
	<b>48.16</b>	<b>36.82</b>	<b>64.73</b>
	<b>368.55</b>	<b>294.11</b>	<b>257.87</b>

**Note 5.1 : Income tax (As Restated)**

The major component of Income Tax Expense for the year ended on March 31, 2025 , March 31, 2024 and March 31, 2023 are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023
<b>Statement of Profit and Loss</b>			
<b>Current tax</b>			
Current income tax	(570.79)	(370.89)	(21.69)
MAT Credit Reserve	(281.14)	117.11	21.69
<b>Deferred tax</b>			
Deferred tax expense	(65.13)	(240.20)	(24.13)
	<b>(917.06)</b>	<b>(493.98)</b>	<b>(24.13)</b>
<b>Other comprehensive income</b>			
<b>Deferred tax on</b>			
- Re-measurement gain/ (loss) on defined benefit plans	(1.92)	(1.72)	(4.76)
	<b>(1.92)</b>	<b>(1.72)</b>	<b>(4.76)</b>
<b>Income tax expense as per the restated statement of profit and loss</b>	<b>(918.98)</b>	<b>(495.70)</b>	<b>(28.89)</b>

**2) Reconciliation of effective tax rate (as Restated)**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023
<b>Profit before tax</b>	<b>3266.89</b>	<b>2122.74</b>	<b>129.96</b>
Income tax expense at tax rates applicable	570.79	370.89	22.71
<b>Tax expense / (benefit)</b>	<b>570.79</b>	<b>370.89</b>	<b>22.71</b>
<b>Effective Tax Rate</b>	<b>17.47%</b>	<b>17.47%</b>	<b>17.47%</b>

**3) Movement in Deferred Tax Assets and Liabilities****(i) For the year ended on March 31, 2025**

Particulars	As at April 1, 2024	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at March 31, 2025
<b>Deferred Tax Liabilities/ (Assets)</b>				
Property, Plant and Equipment	727.22	68.06	-	795.28
Fair Value of financial instrument	-	-	-	-
Allowance for Doubtful Debts	(6.53)	3.12	-	(3.41)
Retirement Benefit Plans	8.99	(6.47)	1.92	4.44
Loans - Amortised Cost	1.13	0.42		1.55
	<b>730.82</b>	<b>65.13</b>	<b>1.92</b>	<b>797.87</b>

**(i) For the year ended on March 31, 2024**

Particulars	As at April 1, 2023	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at March 31, 2024
<b>Deferred Tax Liabilities/ (Assets)</b>				
Property, Plant and Equipment	477.87	249.35	-	727.22
Fair Value of financial instrument	-	-	-	-
Allowance for Doubtful Debts	(1.41)	(5.11)	-	(6.53)
Retirement Benefit Plans	11.98	(4.71)	1.72	8.99
Loans - Amortised Cost	0.46	0.68	-	1.13
	<b>488.89</b>	<b>240.20</b>	<b>1.72</b>	<b>730.82</b>

**(ii) For the year ended on March 31, 2023**

Particulars	As at April 1, 2022	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at March 31, 2023
<b>Deferred Tax Liabilities/ (Assets)</b>				
Property, Plant and Equipment	448.86	29.01	-	477.87
Fair Value of financial instruments	-	-	-	-
Allowance for Doubtful Debts	-	(1.41)	-	(1.41)
Retirement Benefit Plans	11.06	(3.83)	4.76	11.98
Loans - Amortised Cost	0.09	0.37		0.46
	<b>460.01</b>	<b>24.13</b>	<b>4.76</b>	<b>488.89</b>

**4) Current tax assets and liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Current tax assets	-	-	-
Current tax liabilities	411.58	389.85	11.05

**Note 5.2 : Employee benefits****A. Defined contribution plans:**

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund as set up by Government.

Amount of contribution to provident fund is recognised as expenses and included in Note 4.7 : Employee benefit expense.

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Provident fund	8,96,330	9,18,507	10,37,368
	<b>8,96,330</b>	<b>9,18,507</b>	<b>10,37,368</b>

**B. Defined benefit plans:**

The Company has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the scheme of the company. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**1. The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Discount rate (per annum)	6.85%	7.10%	7.40%
Expected rate of salary increase	7.00%	7.00%	7.00%
Attrition rate	5% to 1%	5% to 1%	5% to 1%
Mortality rate during employment (% of IALM 12-14)	100%	100%	100%

**2. Movements in present value of obligation and plan assets**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Opening defined benefit obligation	77.19	60.09	65.61
Current service cost	31.81	22.69	18.12
Interest cost	5.21	4.27	4.85
Actuarial (gain)/loss arising from changes in financial assumptions	5.25	3.18	(5.51)
Actuarial (gain)/loss arising from experience adjustments	(16.24)	(13.03)	(22.97)
Gratuity Paid	-	-	-
<b>Closing defined benefit obligation</b>	<b>103.22</b>	<b>77.19</b>	<b>60.09</b>

**3. Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Remeasurement on the net defined benefit liability comprising:			
- Actuarial (gain)/loss arising from changes in financial assumptions	5.25	3.18	(5.51)
- Actuarial (gain)/loss arising from experience adjustments	(16.24)	(13.03)	(22.97)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(11.00)</b>	<b>(9.85)</b>	<b>(28.49)</b>

**4. Sensitivity analysis of significant assumptions are as follows:**

Particulars	Sensitivity level	Defined benefit obligation		
		March 31, 2025	March 31, 2024	March 31, 2023
<b>Defined benefit obligation (Base)</b>		<b>103.22</b>	<b>77.19</b>	<b>60.09</b>
Discount Rate	1% increase	89.23	67.36	52.35
	1% decrease	120.67	89.47	69.71
Salary Growth Rate	1% increase	120.44	89.35	69.65
	1% decrease	89.14	67.27	52.26
Attrition Rate	1% increase	102.83	77.31	60.45
	1% decrease	103.68	77.06	59.66

**5. The followings are the expected cash flows for the defined benefit obligation (based on undiscounted value) :**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Gratuity</b>			
Within the next 12 months (next annual reporting period)	4.23	8.25	4.18
Between Year 2 to Year 5	13.25	9.35	8.69
Between Year 6 to Year 10	17.90	9.38	5.19
<b>Total expected payments</b>	<b>35.37</b>	<b>26.98</b>	<b>18.05</b>

**C. Other Long term employee benefit plans**

Company does not have any other Long term employee benefit plans for the aforesaid period.

**Note 5.3 : Earnings per Share (EPS)**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Earning per share</b>			
- Basic	8.50	5.96	0.39
- Diluted	8.50	5.96	0.39
<b>Face value per share</b>	10	10	10
<b>Basic &amp; Diluted EPS</b>			
Profit for the year attributable to equity shareholders (incl. profit/(Loss) of minority interest)	2349.83	1628.76	105.83
Weighted average number of equity shares used in the calculation of basic earnings per share	276.37	273.10	273.10
Weighted average number of equity shares used in the calculation of diluted earnings per share	276.41	273.10	273.10

**Note 5.4 : Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
Current & non current borrowings	9505.12	8285.92	8100.61
Trade and other payables	4398.88	6888.13	2489.12
Less: cash and cash equivalent	(1111.37)	(648.13)	(614.39)
<b>Net debt</b>	<b>12792.63</b>	<b>14525.92</b>	<b>9975.34</b>
Equity share capital	2993.62	2730.99	2730.99
Other equity	9169.81	4906.84	3269.95
<b>Total capital</b>	<b>12163.43</b>	<b>7637.83</b>	<b>6000.94</b>
<b>Capital and net debt</b>	<b>24956.05</b>	<b>22163.75</b>	<b>15976.28</b>
<b>Gearing ratio (%)</b>	<b>51.26%</b>	<b>65.54%</b>	<b>62.44%</b>

**Note 5.5 : Financial risk management**

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational/ financial performance. These include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the management monitors and manages risk exposure through an analysis of degree and magnitude of risks.

**Market Risk**

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

**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 long-term debt obligations with floating

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on profit before tax
<b>March 31, 2025</b>		
Rupee borrowings	+50	(30.75)
	-50	30.75
<b>March 31, 2024</b>		
Rupee borrowings	+50	(20.77)
	-50	20.77
<b>March 31, 2023</b>		
Rupee borrowings	+50	(18.82)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

**Foreign currency risk**

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The company does not use derivative instruments to hedge risk exposure.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

Particulars	Foreign Currency Amount (in USD)			Reporting Currency Amount (in INR)	
	As at			As at	
	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2025	March 31, 2024
Trade Payables	-	-	-	-	-

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Effect on profit before tax
<b>March 31, 2025</b>		
Trade Payables	5%	-
	-5%	-
<b>March 31, 2024</b>		
Trade Payables	5%	-
	-5%	-
<b>March 31, 2023</b>		
Trade Payables	5%	-
	-5%	-

**Equity price risk**

The Company's investments in various mutual funds are susceptible to equity price risk arising from the uncertainty about future values / future NAV values of such mutual funds. The Company manages such risk through diversification of such investments. Reports on the the investment portfolio are submitted to the Company's senior management on a regular basis that helps the senior management to take investment decisions.

**Sensitivity impact**

Particulars	Change in NSE/BSE index	Effect on profit before tax
<b>March 31, 2025</b>		
	1%	-
	-1%	-
<b>March 31, 2024</b>		
	1%	-
	-1%	-
<b>March 31, 2023</b>		
	1%	-
	-1%	-

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

**Trade receivables**

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on market feedback and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in independent markets.

Trade receivables are non-interest bearing and are generally on 14 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

**Liquidity Risk**

The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on the undiscounted cash flows.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>As at year ended</b>					
<b>March 31, 2025</b>					
Current borrowings	-	5862.37	-	-	5862.37
Non current borrowings	-	-	1672.15	962.32	2634.47
Trade payables	-	3946.57	-	-	3946.57
Loan from Directors & Related Parties	-	288.44	-	-	288.44
Other Financial Liabilities	-	111.56	-	-	111.56
<b>As at year ended</b>					
<b>March 31, 2024</b>					
Current borrowings	-	3332.90	-	-	3332.90
Non current borrowings	-	-	2579.79	1228.98	3808.78
Trade payables	-	6507.06	-	-	6507.06
Loan from Directors & Related Parties	-	821.26	-	-	821.26
Other Financial Liabilities	-	109.89	-	-	109.89
<b>March 31, 2023</b>					
Current borrowings	-	3600.47	-	-	3600.47
Non current borrowings	-	-	1317.02	2745.30	4062.32
Trade payables	-	2215.74	-	-	2215.74
Loan from Directors & Related Parties	-	162.84	-	-	162.84
Other Financial Liabilities	-	192.80	-	-	192.80

**Note 5.6 : Categories of Financial assets and liabilities:**

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2025 , March 31, 2024 and March 31, 2023 :

Particulars	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b>Financial Assets</b>			
a. Measured at amortised cost:			
Cash & cash equivalents (including other bank balances)	648.13	614.39	428.65
Trade receivables	7269.44	1488.63	1170.49
Loans	-	-	-
Others	239.97	244.61	199.72
<b>Financial Liabilities</b>			
a. Measured at amortised cost:			
Borrowings	8285.92	8100.61	5939.13
Trade payables	6507.06	2215.74	2091.58
Other Current Financial Liabilities	109.89	192.80	348.15

**Note 5.7 : Fair value measurements:**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below. Except for the following, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values:

**(A) Quantitative disclosures fair value measurement hierarchy for assets :**

Particulars	Fair value measurement using				Total
	Carrying Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
March 31, 2025					
Financial Assets measured at Amortised Cost					
(i) Loans	-				-
(ii) Cash & Cash Equivalents	1111.37				1111.37
(iii) Trade Receivable	3907.27				3907.27
(iv) Other Financial Assets	300.04				300.04
Financial Liabilities measured at Amortised Cost					
(i) Borrowings	9505.12				9505.12
(ii) Trade Payables	3946.57	-	-	-	3946.57
(iii) Other Financial Liabilities	111.56				111.56

**March 31, 2024****Financial Assets measured at Amortised Cost**

(i) Loans	89.32			89.32
(ii) Cash & Cash Equivalents	648.13			648.13
(iii) Trade Receivable	7269.44			7269.44
(iv) Other Financial Assets	239.97	-	-	239.97

**Financial Liabilities measured at Amortised Cost**

(i) Borrowings	8285.92			8285.92
(ii) Trade Payables	6507.06			6507.06
(iii) Other Financial Liabilities	109.89			109.89

**March 31, 2023****Financial Assets measured at Amortised Cost**

(i) Loans	42.08			42.08
(ii) Cash & Cash Equivalents	614.39			614.39
(iii) Trade Receivable	1488.63			1488.63
(iv) Other Financial Assets	244.61			244.61

**Financial Liabilities measured at Amortised Cost**

(i) Borrowings	8100.61			8100.61
(ii) Trade Payables	2215.74	-	-	2215.74
(iii) Other Financial Liabilities	192.80			192.80

**(B) Quantitative disclosures fair value measurement hierarchy for liabilities :**

Company does not have any financial liability which is measured either at Fair value through profit and loss account or measured at Fair value through other comprehensive income.

**Note 5.8: Related Party transactions**

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below.

**(A) Particulars of related parties and nature of relationships****A. Key Management Personnel**

- i. Vivek kumar R. Gothil
- ii. Divyang kumar J Patel
- iii. Sanjay Pranjivanbhai Saidva
- iv. Jashwantbhai Valjibhai Patel

**B. Relative of Key Management Personnel**

- i. Rasiklal Valjibhai Patel
- ii. Hasumatiben J. Patel
- iii. Kushumben R. Patel
- iv. Rameshbhai Patel
- v. Ripal D Patel
- vi. Sheetal B Patel
- vii. Jalpa R. Patel

**C. Associate Concerns/ Entities in which managerial personnel/relative of key managerial personnel have significant influence:**

- i. Devkinandan Paper Mills Pvt. Ltd.
- ii. Ramkrishna Print Pack
- iii. Gyanmata Trading Private Ltd.

The details of material transactions and balances with related parties are given below:

(Amount in Lacs)

a) Transactions during the year	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
<b><u>Managerial Remuneration</u></b>			
Jashwant Valjibhai Patel	12.00	12.00	12.00
Divyang J Patel	34.40	26.40	26.40
Vivek R Patel	34.40	26.40	26.40
	80.80	64.80	64.80
<b><u>Payment Towards Expense &amp; Purchase</u></b>			
<b><u>(i) Salary Expense</u></b>			
Rasiklal Valjibhai Patel	12.00	12.00	0.00
Tushar Devera	1.80	1.80	1.80
	13.80	13.80	1.80
<b><u>(ii) Purchase</u></b>			
Ramkrishna Print Pack	69.58	-	58.12
	69.58	-	58.12



<u>(iii) Purchase of Land</u>			
Rasiklal Valjibhai Patel	2.40		
Vivek Rasiklal Gothi	2.40		
Kushumben R. Patel	2.40		
Jalpaben R. Patel	2.40		
	9.60	-	-

#### **Short Term Borrowings**

##### **(i) Loan Received**

Divyang Jashwant Patel	661.00	318.85	247.00
Devkinandan Paper Mills Pvt Ltd	89.00	388.50	270.00
Jashwant Valjibhai Patel	168.40	86.00	130.00
Rasiklal Valjibhai Patel	86.90	614.25	120.00
Sanjay Pranjivan Saidva	72.55	170.31	-
Hasumatiben J. Patel	5.00	64.78	6.00
Kushumben R. Patel	-	91.90	-
Vivek Rasiklal Gothi	269.50	594.00	240.00
Ripal D Patel	-	19.80	-
Sheetal Bapodariya Patel	2.30	2.30	-
Gyanmata Trading Private Ltd.	21.85	67.69	69.10
	1376.50	2418.38	1082.10

##### **(ii) Loan Repaid**

Divyang Jashwant Patel	640.06	232.09	222.38
Jashwant Valjibhai Patel	192.37	63.61	89.60
Devkinandan Paper Mills Pvt Ltd	77.00	340.50	270.00
Rasiklal Valjibhai Patel	397.02	324.11	103.80
Sanjay Pranjivan Saidva	489.17	-	-
Vivek Rasiklal Gothi	-	334.88	248.52
Kushumben R. Patel	2.30	2.00	-
Hasumatiben J. Patel	-	1.00	2.00
Gyanmata Trading Private Ltd.	21.85	67.69	69.10
	1819.77	1365.87	1005.40

#### **Loans And Advances given**

Sheetal B. Patel	2.70		
Gyanmata Trading Private Ltd.		181.54	48.80
	2.70	181.54	48.80

#### **Loans And Advances received back**

Sheetal B. Patel	2.70		
Gyanmata Trading Private Ltd.	18.15	192.29	19.90
	20.85	192.29	19.90

b) Balances at the end of the year	As at		
	March 31, 2025	March 31, 2024	March 31, 2023
<b><u>Outstanding Balances</u></b>			
Divyang Jashwant Patel	135.92	114.98	28.22
Jashwant Valjibhai Patel	86.22	110.19	87.80
Rasiklal Valjibhai Patel	18.56	328.69	38.54
Sanjay Pranjivan Saidva	242.86	170.31	-
Hasumatiben J. Patel	76.28	71.28	7.50
Rameshbhai Patel	25.00	25.00	25.00
Vivek Rasiklal Gothi	47.73	267.40	8.28
Mrs. Kushumben R. Patel	86.40	86.40	-
Ripal D Patel	19.80	19.80	-
Sheetal Bapodariya Patel	2.30	2.30	-
Devkinandan Paper Mills Pvt Ltd	60.00	48.00	-
Ramkrishna Print Pack	3.01	-	21.54
Gyanmata Trading Private Ltd. Credit/(Debit)	-	(18.15)	(28.90)
	804.08	1226.19	187.99

**Note 5.9 : Contingent Liabilities & Commitments**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Bank guarantees given to PGVCL from Bank of Baroda	239.31	239.31	198.66

**Note 5.10: Expenditure for corporate social responsibility**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	24.81	-	3.58
<b>Amount spent during the year :</b>			
(a) Construction / Acquisition of any asset	-	-	-
(b) On Purpose other than (a) above	25.00	-	3.58
(c) Non utilized amount	-	-	-

**Note 5.11 : Auditor's Remuneration**

Particulars	Year ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Auditor's remuneration comprises of			
i) For financial audit	3.00	2.50	2.35
ii) For Tax Audit	1.00	1.00	0.85

**Note 5.12: Relation with Struck off Companies**

The Group did not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during the period under review .

**Note 5.13: Additional Information**

a. The classification of all items of asset and liabilities into non-current and current has been made by the management of the company based on conditions, terms of transactions and other relevant factors at the relevant time as envisaged by the management. In view of the management of the company all assets that are ordinarily realizable in the ordinary course of business have been classified as current assets though there may not have been any realization from such items during the year and may have been outstanding since long. Likewise, all liabilities that are to be settled within one year or in the normal course of business are classified as current liabilities though they may not have been settled during the year since last year.

b. In the opinion of the Board of Directors, Current assets, loans and advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the balance sheet.

**c. Foreign Currency Transactions :**

VALUE OF IMPORTS ON C.I.F. BASIS: NIL (Previous Year: NIL)

EXPENDITURE IN FOREIGN CURRENCY: NIL (Previous Year: NIL)

VALUE OF EXPORTS ON F.O.B. BASIS: NIL (Previous Year: NIL)

d. The Company has not revalued its Property, Plant and Equipment during the reporting years

e. The Company have no immovable property whose title deeds are not held in the name of the company.

f. There are no Loans and Advances in the nature of loans that are granted to promoters, directors, KMP's and the related parties either severally or jointly with any other person, that are repayable on demand.

g. There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

h. The Company has no subsidiaries with one layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

i. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

j. The Company is not declared as willful defaulter by any bank or financial institution or other lender.

k. The Company have not traded or invested in Crypto currency during the period under review.

I. Utilisation of Borrowed funds and share premium:

A.The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i.directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii.provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B.The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i.directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii.provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**5.14: RATIO ANALYSIS**

Sr No.	Ratios	Numerator	Denominator	As At 31st March 2025	As At 31st March 2024	As At 31st March 2023	Variance	Variance	Explanation for any change in ratio by more than 25% as compared to preceeding year	Explanation for any change in ratio by more than 25% as compared to preceeding year
				A	B	C	A-B	B-C	A-B	B-C
1	Current Ratio	Current Assets	Current Liabilities	1.64	1.29	1.23	28%	4%	Liquidity of the company has improved with increase in internal accruals.	Not Applicable
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.78	1.08	1.35	28%	20%	This indicates that net worth of the company has increased as compared to its debt.	Not Applicable
3	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	2.37	1.35	0.65	75%	109%	With increase in internal accruals and reduction in debt, DSCR of the company has improved.	With increase in internal accruals and reduction in debt, DSCR of the company has improved.
4	Return on Equity Ratio	NPAT less Pref Dividend	Avg Shareholder's Equity	23.73%	23.88%	1.78%	-1%	1240%	Not Applicable	With increase in profit as compared to Year 2023, ROE of the company has improved.
5	Inventory Turnover Ratio	COGS	Avg Inventory	3.15	4.31	4.01	-27%	7%	This ratio indicates higher inventory holding during the year.	Not Applicable
6	Trade Receivables turnover ratio	Net Credit Sales	Avg Trade Receivables	6.28	6.96	18.00	-10%	-61%	Not Applicable	This ratio indicates increase in credit given to the customers during the year.
7	Trade Payables turnover ratio	Net Credit Purchases	Avg Trade Payables	6.19	4.97	8.31	24%	-40%	Not Applicable	This ratio indicates that the company has got higher credit from its suppliers during the year.

8	Net Capital turnover ratio	Net Sales	Avg Working Capital	6.41	12.29	12.14	-48%	1%	With increase in current assets, Net Capital Turnover Ratio has deteriorated during the year.	Not Applicable
9	Net Profit Ratio	NPAT	Net Sales	6.69%	5.34%	0.44%	25%	1108%	Not Applicable	Net profit of the company has improved with increase in turnover and better margins.
10	Return on Capital Employed	EBIT	Capital Employed	19.12%	18.95%	4.58%	1%	314%	Not Applicable	With increase in internal accruals and margins, ROCE of the company has improved during the year.
11	Gross Profit Ratio	Gross Profit	Sales	15.25%	13.17%	6.96%	16%	89%	Not Applicable	Gross profit of the company has improved with increase in turnover and better margins.

**Note 5.15 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

The company has communicated suppliers to provide confirmations as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). The company has classified suppliers into Micro, Small and Medium Enterprises as per the confirmations received by the company upto the date of the financial statements.

**Note 5.16 Details of Collateral Security and Personal Guarantee:**

Legal Mortgage or factory land, situated at Revenue Block No. 1441, 1442, 1443/p2, 1448/1, 1449 & 1450/2/piky 2 at village-Halvad , Tal-Halvad, Dist- Morbi, belonging to M/s Aastha Spintex Ltd.

Legal Mortgage of Factory Land,& Factory building thereon situated at Halvad Belonging to M/s. Krishna Packaging and It's Partners 1. Jasvantkumar Valjibhai Patel 2. Vivek Rasiklal Patel 3. Kamleshbhai Maganbhai Varmora 4. Manojkumar Pranjivanbhai Saidva

Legal Mortgage of Residential House situated at City Survey No 6710. Property No. 3419, belonging to Mr. Jashvantbhai Valjibhai Patel (Directors)

Legal Mortgage of Residential House, situated at S. No. 2026p, Plot 42, Uma society at Halad, Tal. Halvad,Dist. Morbi, belonging to Mr. Manojkumar Pranjivanbhai Saidva (Guarantor)

Legal Mortgage of Residential House, situated at S. No. 2026, Plot No.38, 'Uma Society' At Halvad, , Surendranagar, belonging to Mr. Maganbhai Bhagvanjibhai Vidja (Guarantor)

Legal Mortgage of Residential House,situated at S. No.1126/1, 1128 p,plot no 5,"shree Kamdhenu Apartment" somnath society,Ravapara road ,Morbi belonging to Mr.Rasiklal Valjibhai patel(Guarantor).

Legal Mortgage of 82 residential open plot no.1 to 17, 22 to 32, 35 to 48, 66 to 105,situated at Rev. Survey No.1620/p,Village-Halvad,Tal-Halvad, Dist : Surendranagar Maliya Dhrangadhra State Highway,Near Sandipani High school, Halvad belonging to Mr. Rasiklal Valjibhai Patel (Guarantor).

Legal Mortgage of residential open plot,situated at S No. 1407/1, 1406/p3, 1406/p2, 1408, 1409, 1406/p1,Plot No.110. "Umiya Township" At Halvad,Tal.Halvad,Dist:Surendranagar belonging to Mrs. Nishaben Jashubhai Patel(Guarantor).

Legal Mortgage of residential open plot,situated at S No. 1407/1, 1406/p3, Plot No.111. "Umiya Township" At Halvad,Tal.Halvad,Dist:Surendranagar belonging to Mrs. Nishaben Jashubhai Patel(Guarantor).

Legal Mortgage of residential open plot,situated at S No. 1407/1, 1406/p3, Plot No.132. "Umiya Township" At Halvad,Tal.Halvad,Dist:Surendranagar belonging to Mrs. Nishaben Jashubhai Patel(Guarantor).

Legal Mortgage of Residential Flat, situated at "Samarpan Apartment", Flat No. 501, Fifth Floor, Nr. Radhe Residency & Scientific Clock, Patel Nagar, St. No. 2, Off. Canal Road, Vajepar, Morbi, Morbi -363642, standing in the name of Mrs. Manjulaben Rameshbhai Patel (Guarantor)

Legal Mortgage of Commercial Shop, situated at "Madhav Automobiles" Shop No.19 & 20, Ground Floor, Shivam Arcade, Shreeji Darshan, South Side of Dhangadhara Maliya Highway, Halvad, Dist. Surendranagar, in the name of Mr. Sanjay Pranjivanbhai Saidva.

Legal Mortgage of 08 Residential Non Agriculture Open plots at Halvad Revenue Survey No. 1817 paiki 1, Plot No. 48 to 54 & 75, Gajanan Park, Opp. Vrundavan Park, Nr. Narmada Canal, Ranakpur Road, South Side of Dhangadhra Maliya Highway, Halvad, Dist. Surendranagar, standing in the name of Mr. Ashokbhai Valjibhai Patel.

Charge on Solar Plant (both present and future)

Hypothecation of Stocks viz. stock of raw material,WIP,Finished Goods, Book Debts, and Property Plant & Equipment of the Company including Plant & Machineries, Equipments, spares, vehicle,etc.(Existing & Future).

**Personal Guarantees are as follows:**

Mr. Jasvantbhai Valjibhai Patel

Mr.Divyangkumar Jasvantbhai patel

Mr.Vivekkumar Rasiklal Patel

Mr.Sanjaybhai Pranjibhai Saravada

Mr.Kamleshbhai Maganbhai Varmora

Mr.Manojkumar Pranjivanbhai Saidva

Mrs.Nishaben Jashubhai Patel

Mr.Maganbhai Bhagvanjibhai Vidja

Mr.Rasiklal Valjibhai Patel

M/S. Krishna Packaging (corporate Guarantee)

Mr. Jayeshkumar Maganlal Varmora

Mrs.Manjulaben Rameshbhai Patel

Mr. Ashokbhai Valjibhai Patel

Mr. Rameshbhai Vasrambhai Patel

**Note 5.17 : Other Notes**

i) The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.  
ii) Balances grouped under Non Current Liabilities and Current Liabilities, Non Current Assets and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.  
iii) In the opinion of the Management Long Term Loans and Advances, Other Non Current Assets, Current Assets and Other Current Assets fetch approximately the value as stated in the Financial Statement if realised in the ordinary course of business subject to balance confirmation. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

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The accompanying notes are an integral part of the financial statements

**For S.N Shah & Associates****Chartered Accountants****FRN : 109782W****For and on behalf of the Board****Aastha Spintex Limited****Sd/-****CA Priyam Shah****Partner****M. No. 144892****UDIN: 25144892BMHWRW2189****Sd/-****Whole time Director****Vivek R. Gothi****DIN:03149400****Sd/-****Managing Director****Divyang J. Patel****DIN:03148915****Sd/-****Place: Ahmedabad****Date : 21-09-2025****Company Secretary****PAN: CBTPD1124L****Tushar Devera****Sd/-****Chief financial Officer****Kunal Monpara****Place: Halvad****Date : 21-09-2025**

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the Financial Years ended March 31 2025, March 31, 2024 and March 31, 2023, respectively, together with all annexures, schedules and notes thereto (“**Audited Financial Statements**”) are available on our website at [www.aasthaspintex.com](http://www.aasthaspintex.com).

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements or any other information on such website does not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document 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 in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider when subscribing for or purchasing any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLM nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations derived from our Restated Financial Information are given below:

Particulars	As at and for Financial Year ended March 31, 2025	As at and for Financial Year ended March 31, 2024	As at and for Financial Year ended March 31, 2023
- Basic Earnings/ (loss) per Equity Share (₹) <sup>(1)</sup>	8.50	5.96	0.39
- Diluted Earnings/ (loss) per Equity Share (₹) <sup>(1)</sup>	8.50	5.96	0.39
Return on Net Worth (%) <sup>(2)</sup>	19.32%	21.32%	1.76%
Net Asset Value Per Equity Share (₹) <sup>(3)</sup>	44.01	27.97	21.97
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in lakhs) <sup>(4)</sup>	4,694.39	3,424.59	1,160.02

<sup>#</sup>Not annualized

The ratios have been computed as under:

1. Basic and Diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33;
2. Return on Net Worth (%) = Net profit after tax divided by Net worth at the end of the year;
3. Net Asset Value per Equity Share is calculated as Net worth divided by number of Equity Shares outstanding as at the end of year;
4. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year and adding back finance costs, depreciation and amortization and impairment expense and reducing other income.



## **PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH PROPOSED INITIAL PUBLIC OFFERING OF AASTHA SPINTEX LIMITED**

**The Board of Directors**

**Aastha Spintex Limited**

**Survey No. 1441, 1442, 1448/11449, 1450/2 P2 & 1443/P2102,**

**Halvad Maliya Highway**

**Halvad, Surendra Nagar**

**Gujarat—363330**

1. We have completed our assurance engagement to report on the compilation of Pro forma consolidated Financial Information of Aastha Spintex Limited. The Pro forma Consolidated Financial Information consists of the Pro forma consolidated statement of Assets and Liabilities as at March 31, 2025, the Pro forma consolidated statement of profit and loss for the year ended March 31, 2025, and related notes thereon (hereinafter referred as 'Pro forma Consolidated Financial Information') as approved by the Board of Directors of the company at their meeting held on 21<sup>st</sup> September, 2025. The applicable criteria on the basis of which the management has compiled the Pro forma Consolidated Financial Information are specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), as amended from time to time.
2. The Pro forma Consolidated Financial Information has been compiled by Management to illustrate the impact of investment in Falcon Yarns Private Limited (CIN- U17120GJ2015PTC083705) made with effect from March 31, 2025, on the financial position as at March 31, 2025 and its financial performance for the year ended March 31, 2025.
3. The Information about the Group's financial position and financial performance is compiled from:
  - i) The Restated Financial Statement of Assets and Liabilities as at March 31, 2025, and Restated Financial Statement of Profit and Loss for the year ended March 31, 2025 of Aastha Spintex Limited
  - ii) The Financial statements of M/s Falcon Yarns Private Limited prepared by the management in accordance with the accounting principles generally accepted in India for the ended March 31, 2025 on which Hitesh M Dhanani & Co., Chartered Accountants have issued financial statements dated September 3<sup>rd</sup>, 2025.

**Management's Responsibility for the Pro forma Consolidated Financial Information**

4. The Management is responsible for compiling the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information and the same has been approved by the Board of Directors of the Company. The Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro forma Consolidated Financial Information.

**Auditor's Responsibilities**

5. Our responsibility is to express an opinion, about whether the Pro forma Consolidated Financial Information of the Group has been compiled, in all material respects, by the Management on the basis stated in Note 2 to the Pro forma Consolidated Financial Information.

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the Financial Information used in compiling the Pro forma Consolidated Financial Information.
8. The purpose of Pro forma Consolidated Financial Information included in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus ("Draft Offer Document/Offer Document") is solely to illustrate the impact of combining the financial information of the Group as at March 31, 2025 as if these entities had been undertaken at an earlier date. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at March 31, 2025 would have been, as presented.
9. A reasonable assurance engagement to report on whether the Pro forma Consolidated Financial Information has been compiled, in all material respects, on the basis of stated in note 2 to the Pro forma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether the related Pro forma adjustments give appropriate effect to those applicable criteria.
10. The procedures selected depend on the Auditor's judgment, having regard to the Auditor's understanding of the nature of the group, the event or transaction in respect of which the Pro forma consolidated financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro forma Consolidated Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
11. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

12. In our opinion, the Pro forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 2, 5 to the Pro forma Consolidated Financial Information and note mentioned below:
  - a) The financials for the year ended March 31<sup>st</sup>, 2025 of Falcon Yarns Private Limited are considered for the preparation of Pro forma Consolidated Financial Statements. In the Financial statements, the company has shown investment in Arno Exim Private Limited amounting to Rs. 23.05 lacs.

However, for the preparation of Pro forma Consolidated Financials, All other Identified Assets (comprising the assets and the shares of Arno Exim Private Limited held by the Company), to the extent not already transferred, will be transferred by the Company to the Promoters or their affiliate/nominee.

### **Restrictions on Use**

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us or other Auditors. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus (“Draft Offer Document/Offer Document”) to be filed with the Securities and Exchange Board of India (SEBI) and/or Registrar of companies (ROC), as applicable, in connection with the proposed initial public offering of the Company. 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.

**As Per Our Report Of Even Date**  
**For S.N Shah & Associates**  
**Chartered Accountants**  
**FRN : 109782W**  
**Peer Review no. 018603**

**-SD-**

**CA Priyam Shah**  
**Partner**  
**M. No. 144892**  
**UDIN: 25144892BMHWVI8460**  
**Place: Ahmedabad**  
**Date : 21<sup>st</sup> September, 2025**

**AASTHA SPINTEX LIMITED****(Formerly known as "Aastha Spintex Private Limited")****PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES.***(All amounts in Rs. lacs, except per share data and as stated otherwise)*

	Particulars	Aastha Spintex Limited	Acquisition-Falcon Yarns Private Limited	Proforma Adjustments	Aastha Spintex (Consolidated)
<b>I.</b>	<b>ASSETS</b>				
<b>(1)</b>	<b>Non-Current Assets</b>				
(a)	Property, Plant And Equipment	8,072.22	6,186.65	-	14,258.87
(b)	Capital Work - in - Progress	-	-	-	-
(c)	Other Intangible Assets	7.28	-	-	7.28
(d)	Goodwill			8,143.45	8,143.45
(e)	Financial Assets				
	(i) Loans	-	-	-	-
	(ii) Other financial assets	66.19	48.46	-	114.65
(f)	Non Current Investment	-	23.27	(23.27)	-
		<b>8,145.69</b>	<b>6,258.38</b>	<b>8,120.18</b>	<b>22,524.25</b>
<b>(2)</b>	<b>Current Assets</b>				
(a)	Inventories	11,870.19	1,468.33	-	13,338.52
(b)	Financial Assets				
	(i) Trade Receivable	3,907.27	1.51	-	3,908.78
	(ii) Cash And Cash Equivalents	1,111.37	279.35	-	1,390.72
	(iii) Other Financial Assets	233.85	1,680.99	-	1,914.84
(c)	Other Current Assets	2,161.98	90.45	-	2,252.43
		<b>19,284.67</b>	<b>3,520.63</b>	<b>-</b>	<b>22,805.30</b>
	<b>Total Assets</b>	<b>27,430.36</b>	<b>9,779.01</b>	<b>8,120.18</b>	<b>45,329.55</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>(1)</b>	<b>Equity</b>				
(a)	Equity Share Capital	2,993.62	3,945.36	(3,945.36)	2,993.62
(b)	Other Equity				
	(i) Equity Attributable to the owners of the company	9,169.81	1,084.46	(1,084.46)	9,169.81
		<b>12,163.43</b>	<b>5,029.82</b>	<b>(5,029.82)</b>	<b>12,163.43</b>
<b>(2)</b>	<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities				
	(i) Borrowings	2,634.47	3,002.42	-	5,636.89
(b)	Deferred Tax Liabilities (Net)	797.87	490.77	-	1,288.64
(c)	Long Term Provisions	98.99	-	-	98.99
		<b>3,531.33</b>	<b>3,493.19</b>	<b>-</b>	<b>7,024.53</b>
<b>(3)</b>	<b>Current Liabilities</b>				
(a)	Financial Liabilities				
	(i) Borrowings	6,870.65	963.55	-	7,834.20
	(ii) Trade Payables	3,946.57	79.80	-	4,026.37
	(iii) Other Financial Liabilities	111.56	-	-	111.56
(b)	Other Current Liabilities	340.75	133.83	13,150.00	13,624.58
(c)	Provisions	54.49	78.81	-	133.30
(d)	Current Tax Liabilities (Net)	411.58	-	-	411.58
		<b>11,735.60</b>	<b>1,256.00</b>	<b>13,150.00</b>	<b>26,141.59</b>
	<b>Total Equity and Liabilities</b>	<b>27,430.36</b>	<b>9,779.01</b>	<b>8,120.18</b>	<b>45,329.55</b>

**As Per Our Report Of Even Date****For S.N Shah & Associates****Chartered Accountants****FRN : 109782W****-SD-****CA Priyam Shah****Partner****M. No. 144892****UDIN: 25144892BMHWVI8460****Place: Ahmedabad****Date : 21<sup>st</sup> September 2025****-SD-**

**Vivek R. Gothi**  
**Whole time Director**  
**DIN:03149400**

**-SD-**

**Tushar Devera**  
**Company Secretary**

**-SD-**

**Divyang J. Patel**  
**Managing Director**  
**DIN:03148915**

**-SD-**

**Kunal Monpara**  
**Chief financial Officer**

<b>AASTHA SPINTEX LIMITED</b> <b>(Formerly known as "Aastha Spintex Private Limited")</b> <b>PRO FORMA CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b> <i>(All amounts in Rs. lacs, except per share data and as stated otherwise)</i>					
	Particulars	Aastha Spintex Limited	Acquisition-Falcon Yarns Private Limited	Proforma Adjustments	Aastha Spintex (Consolidated)
	<b>Income</b>				
I.	Revenue from operations	35,116.02	24,944.39	(346.59)	59,713.82
II.	Other Income	101.04	574.74	-	675.78
III.	<b>Total Income (I+II)</b>	<b>35,217.06</b>	<b>25,519.13</b>	<b>(346.59)</b>	<b>60,389.60</b>
IV.	<b>Expenses</b>				
	Cost of Materials Consumed	28,799.64	21,036.27	(346.59)	49,489.31
	Purchases of Stock in Trade	2,966.10	-	-	2,966.10
	Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress	(3,842.31)	309.52	-	(3,532.79)
	Manufacturing Expenses	1,027.49	-	-	1,027.49
	Employee benefits expense	810.45	1,142.90	-	1,953.35
	Finance costs	1,015.06	176.59	-	1,191.65
	Depreciation and amortisation expense	805.21	785.60	-	1,590.81
	Other Expenses	368.55	1,875.22	-	2,243.77
	<b>Total expenses</b>	<b>31,950.17</b>	<b>25,326.10</b>	<b>(346.59)</b>	<b>56,929.68</b>
V.	<b>Profit Before Share of Profit/(Loss) of Associates, Exceptional Item and Tax (III-IV)</b>	<b>3,266.89</b>	<b>193.03</b>	-	<b>3,459.92</b>
	Share of profit/ (loss) from associates	-	-	-	-
	<b>Profit Before Exceptional Item and Tax</b>	<b>3,266.89</b>	<b>193.03</b>	-	<b>3,459.92</b>
	Exceptional Items				
VI.	<b>Profit before tax</b>	<b>3,266.89</b>	<b>193.03</b>	-	<b>3,459.92</b>
	<b>Tax Expenses :</b>				
	Current Tax	(570.79)	(14.48)	-	(585.27)
	Deferred Tax	(281.14)	(41.46)	-	(322.60)
	MAT Credit Reserve	(65.13)	-	-	(65.13)
VII.	<b>Profit for the year</b>	<b>2,349.83</b>	<b>137.09</b>	-	<b>2,486.92</b>
VIII.	<b>Other comprehensive income</b>				
A.	<i>Items not to be reclassified to profit or loss :</i>				
	- Re-measurement Loss/ (Gain) on defined benefit plans	(11.00)	-	-	(11.00)
	- Tax charge/(credit) on above	1.92	-	-	1.92
	<b>Total other comprehensive income</b>	<b>(9.07)</b>	<b>-</b>	<b>-</b>	<b>(9.07)</b>
IX.	<b>Total comprehensive income for the year</b>	<b>2,358.91</b>	<b>137.09</b>	-	<b>2,496.00</b>
X.	<b>Total comprehensive income for the year attributable to :</b>				
	- Owners of the Company	2,358.91	137.09	-	2,496.00
XI.	<b>Earning per equity share [face value Rs.10/- each]</b>				
	Basic			-	9.00
	Diluted			-	9.00
<b>As Per Our Report Of Even Date</b> <b>For S.N Shah &amp; Associates</b> <b>Chartered Accountants</b> <b>FRN : 109782W</b>  <b>-SD-</b>  <b>CA Priyam Shah</b> <b>Partner</b> <b>M. No. 144892</b> <b>UDIN: 25144892BMHWV18460</b> <b>Place: Ahmedabad</b> <b>Date : 21<sup>st</sup> September 2025</b>					
		<b>-SD-</b>  <b>Vivek R. Gothi</b> <b>Whole time Director</b> <b>DIN:03149400</b>		<b>-SD-</b>  <b>Divyang J. Patel</b> <b>Managing Director</b> <b>DIN:03148915</b>	
		<b>-SD-</b>  <b>Tushar Devera</b> <b>Company Secretary</b>		<b>-SD-</b>  <b>Kunal Monpara</b> <b>Chief financial Officer</b>	

## **Notes to Pro Forma Consolidated Financial Information.**

### **1. Background.**

Aastha Spintex Limited was incorporated on 12<sup>th</sup> August 2013 under the provision of the companies' act, 1956 as a Private Limited Company. Thereafter the company was converted from private limited to public limited via fresh certificate of incorporation dated 8<sup>th</sup>, February 2025 issued by Register of Companies, CPC. The company's registered office situated at Survey No 1441 1442 1448/1 1449 1450/2 P2 & 1443/P2, Halvad Maliya Highway, Halvad, Surendra Nagar, Halvad, Gujarat, India, 363330. The company is engaged in Manufacturing and trading of Cotton Products.

### **2. Basis of preparation**

The Pro Forma Consolidated financial information of the company comprising the consolidated Pro Forma statement of asset and liabilities as at March 31, 2025, the consolidated Pro Forma statement of profit and loss for the year ended March 31, 2025 read with the notes to the Pro Forma financial information.

These Pro forma Consolidated Financial Information have been prepared by the management of the Company for the purpose of inclusion in offer document based on the following criteria:

- a) Aastha Spintex Limited will acquire shareholding in Falcon Yarns Private Limited by acquisition of 100% holding of the above company vide term sheet dated 17<sup>th</sup> September 2025.
- b) By making a line-by-line consolidation of the financial information as at and for the year ended March 31, 2025.
- c) Using accounting policies as adopted by the Company for the preparation of restated Financial Statement for like transactions and other events in similar circumstances. If a member of the group used accounting policies other than those adopted in the restated financial information for like transactions and events in similar circumstances, appropriate adjustments have been made to that group member's financial statements in preparing the Pro Forma Consolidated Financial Information to ensure conformity with the Group's accounting policies.
- d) Combine like items of assets, equity, liabilities, income and expenses.
- e) Eliminating in full intra group assets and liabilities, income and expenses relating to transactions among entities of the Group.
- f) Company will make Investment in Falcon Yarns Private Limited amounting to Rs. 13,150.00 Lacs which have been eliminated in Pro Forma Consolidated Financial Statements and the Purchase Consideration for the acquisition will be completed through the proceeds of Initial Public Offer.

The Pro Forma Consolidated Financial Information is based on:

- a) The Restated Financial Statement of Assets and Liabilities as at March 31, 2025, and Restated Financial Statement of Profit and Loss for the year ended March 31, 2025 of the Company Aastha Spintex Limited.
- b) Financial Statement of Assets and Liabilities as at March 31, 2025 and Financial Statement of Profit and Loss for the year ended March 31, 2025 of the Company Falcon Yarns Private Limited certified by Hitesh M Dhanani & Co., Chartered Accountants.
- c) Term Sheet dated 17<sup>th</sup> September, 2025 as prepared and certified by Aastha Spintex Limited and Falcon Yarns Private Limited.

These Pro Forma Consolidated Financial Information illustrate the results of operations that would have resulted in the financial statements of the Company pursuant to its investment in Falcon Yarns Private Limited, The Pro Forma adjustments are based upon available information and assumptions that the management of the Group believes to be reasonable.

In addition, the rules and regulations related to the preparation of Pro Forma Consolidated Financial Information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these Pro Forma Consolidated Financial Information.

Accordingly, the degree of reliance placed by anyone in other jurisdictions on such Pro Forma Consolidated Financial Information should be limited.

### 3. Proforma Adjustments.

#### Acquisition related adjustments

The adjustments made to the Pro Forma Consolidated Financial Information are included in the following section.

- Acquisition of Equity shares in Falcon Yarns Private Limited for a consideration of Rs. 13,150.00 lacs to acquire 100.00% of Equity share Capital.
- The consideration payable for the acquisition, aggregating to Rs. 13,150.00 lacs is recorded as a liability in the pro forma financial statements as on March 31<sup>st</sup>2025 respectively.  
The Purchase price of Rs. 13,150.00 lacs as on the date of acquisition had been allocated to the acquired assets and liabilities as follows:

(₹ in Lacs)	
Particulars	Amount
Value of Assets acquired	9,755.74
Less – Liabilities Acquired	4,749.19
<b>Net Assets as on 31<sup>st</sup> March, 2025</b>	<b>5,006.55</b>
Share of Net Assets Acquired (100.00%)	100.00
Less – Purchase Consideration (# 1)	13,150.00
<b>Goodwill recognized on Acquisition</b>	<b>(8,143.45)</b>

(₹ in Lacs)	
Particulars	Amount
Shares acquired prior to March 31, 2025	NIL
Shares acquired post to March 31, 2025	13150.00
<b>Total Purchase Consideration</b>	<b>13150.00</b>

Goodwill have been calculated on the basis of allocation of purchase consideration to assets acquired and liabilities assumed by the group based on their respective Financials book values as at March 31<sup>st</sup>2025 respectively.

- The difference between the assets acquired and liabilities assumed of the Acquired Enterprise being the net asset value, has been reversed as part of the business combination accounting, in the pro forma consolidated statements of assets and liabilities.

#### Intercompany Elimination.

Intragroup eliminations have been made in respect of transactions and balances of Aastha Spintex Limited and Falcon Yarns Private Limited in the preparation of these Pro Forma Consolidated Financial Information.

Eliminations on account of intragroup balances in the Pro Forma Consolidated Statement of Assets and Liabilities and Pro Forma Consolidated Statement of Profit & Loss as at March 31, 2025, are as follows:

Intercompany Transactions as on 31.03.2025:

(₹ in Lacs)			
Particulars	Aastha Spintex Limited	Falcon Yarns Private Limited	Total
Elimination of Investment	13,150.00	-	13,150.00
Elimination Reserve		5,006.55	5,006.55
Generated Investment		8,143.45	8,143.45

### 4. Use of Proceeds of proposed Initial Public Offer

Even though one of the objects of the proposed initial public offering is to pay for acquiring enterprise as purchase consideration, since the pro forma consolidated financial information has been prepared for purpose of illustrating the hypothetical impact of the acquisition of the Acquired Enterprise, no adjustments have been made for the use of proceeds or related transaction costs.



## 5. Other notes

The financials for the year ended March 31<sup>st</sup>,2025 of Falcon Yarns Private Limited are considered for the preparation of Pro forma Financial Statements. In the Financial statements, the company has shown investment in Arno Exim Private Limited amounting to Rs. 23.05 lacs.

However, for the preparation of Pro forma Consolidated Financials, all other Identified Assets (comprising the assets and the shares of Arno Exim Private Limited held by the Company), to the extent not already transferred, will be transferred by the Company to the Promoters or their affiliate/nominee.

## 6. Earnings per Share (EPS)

The pro forma EPS Calculation for the year ended March 31, 2025, has been made based on Pro forma Statements of Profit and Loss of respective year for which pro forma financial information have been presented.

Other than as mentioned above, no additional adjustments have been made to the pro forma consolidated statement of assets and liabilities or statement of profit and loss to reflect any other transactions of the company entered subsequent to March 31, 2025.

**As Per Our Report Of Even Date  
For S.N Shah & Associates  
Chartered Accountants  
FRN : 109782W**

**-SD-**

**CA Priyam Shah  
Partner  
M. No. 144892  
UDIN: 25144892BMHWVI8460  
Place: Ahmedabad  
Date : 21<sup>st</sup> September,2025**

**-SD-**

**Vivek R. Gothi  
Whole time Director  
DIN:03149400**

**-SD-**

**Tushar Devera  
Company Secretary**

**-SD-**

**Divyang J. Patel  
Managing Director  
DIN:03148915**

**-SD-**

**Kunal Monpara  
Chief financial Officer**

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 -Related Party Disclosures, read with the SEBI ICDR Regulations for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023 and as reported in the Restated Financial Information, see “*Restated Financial Information – Note 5.8: Related Party Transactions*” on page 260.

## CAPITALISATION STATEMENT

The following tables set forth the Company's capitalisation as of March 31, 2025, derived from the Restated Financial Information of the Company.

(₹ in Lacs excepts ratios)

Particulars	Pre- Issue as at March 31, 2025	As adjusted for the Issue <sup>#</sup>
<b>Total Borrowings</b>		
Current Borrowings (A)	4,977.33	[●]
Non – current Borrowings (B)	4,527.79	[●]
<b>Total Borrowings (C) = (A)+(B)</b>	<b>9,505.12</b>	<b>[●]</b>
<b>Total Equity</b>	2,993.62	
Equity Share Capital (D)	9,169.81	[●]
Reserve and Surplus ( E )	<b>12,163.43</b>	[●]
<b>Total Equity (F) = (D) + ( E )</b>		<b>[●]</b>
<b>Total Borrowings/Total Equity ( E )/(F)</b>	0.78	[●]
<b>Non- Current Borrowing / Total Equity (B)/(F)</b>	0.37	[●]

### Notes:

- The above table has been computed on the basis of the Restated Financial Information.
- The above terms carry the meaning as per Division I of Schedule III of the Companies Act, 2013.
- The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage and is pending the completion of the Book Building Process and accordingly have not been provided in the above statement. Post Offer capitalisation will be determined after finalization of Offer Price
- Changes in Share Capital Subsequent to March 31, 2025\***

(in ₹ lakhs)

Particulars	Equity Shares (Nos.)	Equity Share Capital	CCPS (Nos.)	CCPS (Amount)	Total Share Capital
As of March 31, 2025 *	2,94,68,520	2,946.85	18,70,640	46.77	2,993.62
Issue and Conversion of CCPS / preference shares into equity after March 31, 2025	21,73,670	217.37	(18,70,640)	(46.77)	170.60
<b>Total as adjusted</b>	<b>3,16,42,190</b>	<b>3,164.22</b>	<b>-</b>	<b>-</b>	<b>3,164.22</b>

\*CCPS as on March 31, 2025 were partly paid up at 25% of face value of Rs. 10 per share and issue price of Rs. 82.50 per share. Same has been fully paid and converted prior to certificate date.

\*\*Any change in the share capital since March 31, 2025, including private placements, conversion of CCPS/preference instruments and allotments under ESOP, has been reflected above. Subject to compliance with applicable statutes and approvals, additional changes (if any) shall also be included in the further filing of the Red Herring Prospectus and Prospectus

## FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements, and for other business purposes. For details of the borrowing powers of our Board, please see the chapter entitled “*Our Management - Borrowing Powers*” on page 197.

Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Issue, such as, *inter alia*, [effecting a change in our shareholding pattern, change in the management of our board and implementation of expansion, amendments in our constitutional documents in connection with or post the Issue.

As on June 30, 2025, the aggregated outstanding borrowings of our Company amounted to ₹ 8503.33 lakhs. Set forth below is a brief summary of the borrowings:

(in ₹ lakhs)		
Category of borrowing	Sanctioned amount	Outstanding amount as on June 30, 2025*
<b>Fund based borrowings</b>		
<b>Secured</b>		
Working Capital from Banks	3800.00	3348.66
Term Loans		
- From Banks	3108.70	1629.28
- From NBFC	1850.46	1204.06
<b>Total secured borrowings (A)</b>	<b>8759.16</b>	<b>6182.00</b>
<b>Unsecured</b>		
Term Loans		
- From Banks	150.00	46.95
- From NBFC	317.17	189.47
Inter corporate deposit	Not Applicable	571.72
Loan from Director and Relatives	Not Applicable	578.03
<b>Total unsecured borrowings (B)</b>	<b>467.17</b>	<b>1386.17</b>
<b>Total fund-based borrowings (C = A + B)</b>	<b>9226.33</b>	<b>8503.33</b>
<b>Non-Fund based borrowings</b>		
<b>Secured</b>		
Bill Discounting Facility	**695.85	695.85
Bank Guarantee	248.00	239.31
<b>Total borrowings (C+D)</b>	<b>10170.18</b>	<b>8503.33</b>

\*As certified by the Statutory Auditor pursuant to his certificate dated September 29, 2025.

\*\* Transaction based limit on TReDS

Below are the details regarding the existing indebtedness of the Company:

### 1. Bank of Baroda

Set out below are the details of the credit facilities availed by our Company as per latest Sanction Letter No. RZ/RR/RAJKOT/ADV/2024-25/507 dated September 12, 2024 from **Bank of Baroda**:

(in ₹ lakhs)					
Sl. No.	Nature of Borrowing / Purpose	Sanctioned/ Reviewed Limit	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
I	Term Loan to Set-up a Wind Power Plant	* 1,500.00	1,123.06	8.50%	7 years
	<b>Repayment terms:</b> Repayable in 84 months (83 monthly instalments of ₹17.86 lakhs and 84 <sup>th</sup> instalment of ₹17.62 lakhs) commencing from October 2023. <b>Margin:</b> 28.37% for plant & machinery & equipment				
ii	Cash Credit for pre-sale and post-sale working capital requirement of the	3,800.00	3,348.67	8.75%	12 months subject to annual review

	Company				
a.	Cash Credit (Ginning Division) (Sublimit of CC)	** (2,700.00)	-	As above	As above
b.	Cash Credit (Spinning Division) (Sublimit of CC)	(1,100.00)	-	As above	As above
	* Sanctioned amount vide sanction letter dated February 20, 2023 ** Out of this, Limit of ₹300.00 lakhs (Ginning Division) is allowed to be parked at Halvad Branch				
	<b>Repayment terms:</b> Repayable on demand subject to annual review <b>Margin:</b> 25% for Raw material, Stock in process and Finished Goods and 40% for book-debts up to 90 days				
iii	Additional Working Capital Term Loan (AWCTL) under BGECLS 2.0 for providing additional working capital term loans in view of COVID-19 crisis to build up current assets for working capital requirement/ To meet out liquidity mismatch/ To use for other business requirement	1065.00 *	320.21	9.15%	5 years
iv	Additional Working Capital Term Loan (AWCTL) under BGECLS 2.0 (Extension) for the purpose same as Facility 2 above	530.00 **	177.50	9.25%	6 years
	* Sanctioned amount vide sanction letter dated March 31, 2021 ** Sanctioned amount vide sanction letter dated December 31, 2021				
	<b>Security for Additional Working Capital Term Loans under BGECLS 2.0 and BGECLS 2.0 (Extension):</b> <ul style="list-style-type: none"> <li>The credit under the BGECLS 2.0 and BGECLS 2.0 (Extension) Schemes will rank second with the existing credit facilities in terms of cash flows (including repayments) and securities charged to existing facilities.</li> <li>Existing primary/collateral securities would be extended to cover the BGECLS facility.</li> <li>NCGTC guarantee as per guidelines</li> </ul> <b>Repayment terms:</b> Term Loan under BGECL 2.0 Scheme (at Sl. No. 3), is to be repaid by 48 monthly instalments of ₹22.20 lakhs, commencing from March 31, 2022.  Term Loan under BGECL 2.0 (Extension) Scheme (at Sl. No. 4), is to be repaid by 47 monthly instalments of ₹11.00 lakhs and 48th instalment of ₹11.00 lakhs, commencing from December 31, 2023.  <b>Margin:</b> 25% for Raw material, Stock in process and Finished Goods and 40% for book-debts up to 90 days				
v	Inland Bank Guarantee (Performance/ Financial) for power connection in favour of PGVCL and of import of machineries under EPCG scheme to be issued in favour of	248.00	239.31	PBG 2.40 % / 2.50%, FBG- 3.00%/ 3.10%	12 months subject to annual review

	'Director DGFT'				
	<b>Repayment terms:</b> Not Applicable  <b>Margin:</b> 25% cash margin in the form of FDR (minimum ₹88.00 lakhs) and 100% cash margin for BGs issued against disputed liabilities				
	<b>Security for Term Loan, Cash Credit and Inland Bank Guarantee limits:</b>  <b>Primary Security:</b> <ol style="list-style-type: none"> <li>Hypothecation of Stocks and Book Debts</li> <li>Exclusive charge on Wind Mill Power Plant</li> <li>25% cash margin on BG (minimum ₹88.00 lakhs)</li> </ol> <b>Collateral Security:</b> <ol style="list-style-type: none"> <li>Extension of Legal Mortgage of Factory Land, admeasuring area 720.00 sq. mtrs. Factory building thereon, built up area 432.09 sq. mtrs. situated at S. No. No. 1792p &amp; 1794p Plot No.14, Morbi Chowkdi, Halvad – Maliya Highway, Halvad, Dist- Surendranagar belonging to M/s. Krishna Packaging and It's Partners 1. Jashwantkumar Valjibhai Patel 2. Vivek Rasiklal Patel 3. Kamleshbhai Maganbhai Varmora 4. Manojkumar Pranjivanbhai Saidva.</li> <li>Extension of Legal Mortgage of Residential House (Ancestral Property), land admeasuring area 751.10 sq. mtrs. with built up area 428.10 sq. mtrs., situated at City Survey No.6710, Property No.3419, Kanbipara, Halvad, Dist Morbi belonging Mr. Jashwantbhai (Jasubhai) Valjibhai Patel (Director).</li> <li>Extension of Legal Mortgage of Residential House, land admeasuring area 170.02 sq. mtrs. with built up area 1157.66 sq. mtrs., situated at S. No. 2026p, Plot 42, Uma society at Halvad, Tai. Halvad, Dist. Surendranagar, belonging to Mr. Manojkumar Pranjivanbhai Saidva (Guarantor).</li> <li>Ext. of Legal Mortgage of Residential House, land admeasuring area 170.02 sq. mtrs. with built up area 157.66 Sq. Mtrs., situated at S. No. 2026, Plot No.38, "Uma Society", At. Halvad, Dist – Surendranagar, belonging to Mr. Maganbhai Bhagvanjibhai Vidja (Guarantor).</li> <li>Extension of Legal Mortgage of Residential House, Land admeasuring area 145.60 sq. mtrs. with built-up area 211.12 sq. mtrs., situated at S. No.1126/1, 1128p, Plot No. 5, 2nd floor, Flat No. 4, "Shree Kamdhenu Apartment", Somnath Society, Ravapar Road, Morbi belonging to Mr. Rasiklal Valjibhai Patel (Guarantor).</li> <li>Extension of Legal Mortgage of -82- Residential Open Plot No. 1 to 17, 22 to 32, 35 to 48, 66 to 105 admeasuring area 11994.19 sq. mtrs. situated at Rev. Survey No. 1620/p, Village -Halvad, Tai: Halvad, Dist: Surendranagar Maliya Dhrangadhra State Highway, Near Sandipani High School, Halvad belonging to Mr. Rasiklal Valjibhai Patel (Guarantor).</li> <li>Extension of Legal Mortgage of Residential Open Plot, land admeasuring area 120.00 sq. mtrs, situated at S. I No. 1407/1, 1406/p3, 1406/p2, 1408, 1409, 1406/p1, Plot No.110, "Umiya Township" At Halvad, Tai. Halvad, Dist Surendranagar belonging to Mrs. Nishaben Jashubhai Patel (Guarantor).</li> <li>Legal Mortgage of Residential Open Plot, land admeasuring area 175.50 sq. mtrs, situated at S. No. 1407/1, 1406/p3, 1406/p2, 1408, 1409, 1406/p1, Plot No.111, "Umiya Township" At Halvad, Tai. Halvad, Dist Surendranagar belonging to Mrs. Nishaben Jashubhai Patel (Guarantor).</li> <li>Legal Mortgage of Residential Open Plot, land admeasuring area 120.00 sq. mtrs, situated at S. No. 1407/1, 1406/p3, 1406/p2, 1408, 1409, 1406/p1, Plot No.132, "Umiya Township" At Halvad, Tai. Halvad, Dist Surendranagar belonging to Mrs. Nishaben Jashubhai Patel (Guarantor).</li> <li>Legal Mortgage of Residential Flat, situated at "Samarpan Apartment", Flat No. 501, Fifth Floor, Nr. Radhe Residency &amp; Scientific Clock, Patel Nagar, St. No. 2, Off. Canal Road, Vajepar, Morbi, Morbi – 363642, standing in the name of Mrs: Manjulaben Rameshbhai Patel (Guarantor).</li> <li>Legal Mortgage of Commercial Shop, situated at "Madhav Automobiles" Shop No.19 &amp; 20, Ground Floor, 1 Shtvam Arcade, Shreeji Darshan, South Side of Dhangadhara Maliya Highway, Halvad, Dist. J Surendranagar, with total area of 462.50 sqft in the name of Mr. Sanjay Pranjivanbhai Saidva.</li> <li>Legal Mortgage of 08 Residential Non Agriculture Open plots at Halvad Revenue Survey No. 1817 paiki 1, Plot No. 48 to 54 &amp; 75, Gajanan Park, Opp. Vrundavan Park, Nr. Narmada Canal, Ranakpur Road, South Side of Dhangadhara Maliya Highway, Halvad, Dist. Surendranagar, with total area of 772.25 Sq. Yard standing in the name of Mr. Ashokbhai Valiibhai Patel.</li> <li>Extension of Legal Mortgage of Factory Land admeasuring area is 51092 Sq. Mtrs. &amp; Factory Building situated at Revenue Block No. 1441, 1442, 1443/p2, 1448/1, 1449 &amp; 1450/2/paiki 2 at village-Halvad, Tai-Halvad; DistMorbi, belonging to M/s Aastha Spintex Limited.</li> <li>2nd Charge on Solar Power Plant funded by Candi Solar Pvt. Ltd. in the name of M/s Aastha Spintex Limited (Present and Future).</li> <li>Hypothecation of Plants &amp; Machineries (Ginning and Spinning) in the name of M/s Aastha Spintex Private Limited (Present and Future).</li> </ol> <b>Personal Guarantee:</b> <ol style="list-style-type: none"> <li>Mr. Jashvant Valjibhai Patel (Director)</li> <li>Mr. Patel Divyang Jashvantbhai (Director)</li> <li>Mr. Gothi Vivek Rasiklal (Director)</li> </ol>				

d)	Mr. Sanjaybhai Pranjivabhai Saidva
e)	Mr. Manojkumar Pranjivanbhai Saidva
f)	Ms. Nishaben Jashubhai Patel / Mrs. Nisha Aniruddha Patel (Post Marriage Name)
g)	Mr. Maganbhai Bhagvanjibhai Vidja
h)	Mr. Rasiklal Valjibhai Patel
i)	Mr. Ashokbhai Valjibhai Patel
j)	Mr. Jayeshkumar Maganlal Varmora
k)	Mr. Kamleshbhai Maganbhai Varmora
l)	Mrs. Manjulaben Rameshbhai Patel
m)	Mr. Rameshbhai Vasrambhai Patel
n)	M/s. Krishna Packaging (Partnership Firm)

## 2. Candi Solar IN 1 Private Limited

Set out below are the details of the term loan facilities availed by our Company from **Candi Solar IN 1 Private Limited**:

(in ₹ lakhs)

Sl. No.	Purpose	Sanctioned/ Reviewed Limit	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
i	Term Loans to purchase and install the Solar System from CANDI	1538.06 *	1052.79	10%	5.5 years
* Sanctioned amount vide sanction letter dated February 21, 2022					
<b>Security:</b> <ul style="list-style-type: none"> <li>a) A first charge by way of hypothecation on the Solar System and all rights, title and interest under the Clearances.</li> <li>b) A first charge by way of mortgage on the Site(s) located at Nava Ghanshyamgad, Survey No. 525 and Village- Juna Amrapar, Survey no. 283 &amp; 284, Taluka – Halvad, District – Morbi, Gujarat</li> </ul> <b>Personal Guarantee(s):</b> <ul style="list-style-type: none"> <li>a) Mr. Gothi Vivek Rasiklal (Director)</li> <li>b) Mr. Patel Divyang Jashvantbhai (Director)</li> </ul> <b>Repayment terms:</b> 60 monthly instalments of fixed amount of ₹32.70 lakhs, comprising both Interest and Repayment Instalments (principal). <b>Margin:</b> 13.55%					
ii	Term Loan for the purpose of purchasing and installing the Solar System from CANDI.	312.40 *	151..27	10%	5 years
	<b>Total^</b>	1850.46	1204.06	10%	5 years
* Term Loan was sanctioned vide sanction letter dated January 03, 2021 ^Amount outstanding as provided by CANDI solar IN 1 Private Limited is on a consolidated basis for both the loans					
<b>Security:</b> <ul style="list-style-type: none"> <li>a) A first charge by way of hypothecation on the Solar System.</li> </ul> <b>Personal Guarantee:</b> <ul style="list-style-type: none"> <li>a) Mr. Gothi Vivek Rasiklal (Director)</li> <li>b) Mr. Patel Divyang Jashvantbhai (Director)</li> </ul> <b>Repayment terms:</b> 60 monthly instalments of fixed amount of ₹6.60 lakhs, comprising both Interest and Repayment Instalments (principal). <b>Margin:</b> Not Applicable					

## 3. Bank of Baroda

Set out below are the details of the vehicle availed by our Company as per latest Sanction Letter Reference No. ADV/Retail-00001835010-LMS dated April 04, 2023 from **Bank of Baroda**:

(in ₹ lakhs)

Sl. No.	Purpose	Sanctioned/ Reviewed Limit	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
i	Auto Loan for Four-Wheeler Vehicle *	13.70	8.50	9.50	5 years
	<b>Security:</b> Hypothecation of vehicle Isuzu HI LANDER valued at ₹ 15.26 lakhs <b>Personal Guarantee(s):</b> NA <b>Repayment terms:</b> 60 monthly instalments of fixed amount of ₹ 28,773 thousand, comprising both Interest and Repayment Instalments (principal). <b>Margin:</b> 10.24%				

\* As on the date of this Draft Red Herring Prospectus, the auto loan has been repaid in full, as evidenced by the no-dues certificate dated September 23, 2025 issued by Bank of Baroda.

#### Unsecured Loans from Banks/NBFC:

Sl. No.	Purpose	Maximum Amount borrowed	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
1.	Axis Bank Ltd- Term Loan	50.00	14.44	15.00%	36
2.	HDFC Bank Loan- Term Loan	50.00	16.20	15.00%	36
3.	ICICI Bank Ltd- Term Loan	50.00	16.31	15.00%	36
4.	Bajaj Finance- Term Loan	36.14	11.00	17%	36
5.	Kisetsu Saision Finance- Term Loan	40.80	-	16.50%	24
6.	Oxyzo Financial Services Private Limited- Dropline Overdraft	200.00	166.28	15.50%	24
7.	Tata Capital Financial- Term Loan	40.24	12.19	16.00%	36

#### 4. Unsecured Loans availed from the Corporates

Set out below are the details of the unsecured loan availed by our Company from Corporates:

(in ₹ lakhs)

Sl. No.	Purpose	Maximum Amount borrowed	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
	Unsecured Loan to meet the business requirement of our Company				
i	LCGC Chromatography Solutions Private Limited- Inter corporate deposit for working capital	250.00	221.72	Interest Free	On demand
ii	Devkinandan Paper Mills Private Limited- Inter corporate deposit for working capital	400.00	60.00	Interest Free	On demand
iii	Elkinstradelink Limited- Inter corporate deposit for working capital	300.00	290.00	Interest Free	On demand

#### 5. Unsecured Loans availed from the Individuals (Directors/ Promoters/ Promoter Group)

Set out below are the details of the unsecured loans availed by our Company from our Directors, Promoters and Promoter Group Individuals:



(in ₹ lakhs)

SI. No.	Purpose	Maximum Amount borrowed	Amount outstanding as on June 30, 2025	Rate of Interest/ Commission	Tenure
	Total Unsecured Loans availed to meet operational expenditures and working capital requirements of our Company				
i	Bavariya Jalpaben Mayakbhai	5.00	3.80	Interest Free	On demand
ii	Jaykumar Kantilal Patel	25.00	10.95	Interest Free	On demand
iii	Saidva Sanjaybhai Pranjivanbhai	250.00	242.86	Interest Free	On demand
iv	Hashumati Jaswantbhai Patel	150.00	76.28	Interest Free	On demand
v	Bapordariya Ramesh Patel	50.00	25.00	Interest Free	On demand
vi	Patel Kushumben Rasikbhai	100.00	86.40	Interest Free	On demand
vii	Patel Ripal Divyangbhai	50.00	19.80	Interest Free	On demand
viii	Patel Sheetal Vivek	50.00	2.30	Interest Free	On demand
ix	Patel Divyang Jashwantbhai	300.00	18.62	Interest Free	On demand
x	Jashwantbhai Valjibhai Patel	200.00	16.22	Interest Free	On demand
xi	Rasiklal Valjibhai Patel	500.00	56.56	Interest Free	On demand
xii	Gothi Vivek Rasiklal	400.00	19.23	Interest Free	On demand
	<b>Repayment terms:</b> On demand				

**Principal terms of the financial arrangements entered into by our Company are disclosed below:**

The details provided below are indicative and there may be additional terms, conditions and requirements under various financing documentation executed by our Company in relation to our indebtedness.

- Penal Interest:** The terms of certain financing facilities availed by our Company prescribes penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, delay in payment of or non-payment of instalments or interest, irregularity in cash credit, non-submission / delay in stock/book debt statements, Balance Sheet/Profit and Loss account and QIS/QMR statements, non-submission of renewal data, non-compliance with covenants.
- Validity/tenor:** The tenor of working capital facility availed by our Company has a tenor ranging between 12 months to 60 months. Further, the tenor of the secured term loans availed by our Company typically ranges from 12 months to 84 months.
- Security:** In terms of our borrowings where security needs to be created, there are charge or mortgage over movable and immovable properties of the Company, as applicable, besides personal guarantees of the Promoters of our Company.
- Pre-payment:** Some of the terms of facilities availed by our Company have prepayment provisions which allow for pre-payment of the outstanding loan amount, subject to such prepayment penalties as laid down in the facility agreements or sanction letters.
- Restrictive Covenants:** Certain financing arrangements entered into by us contain restrictive covenants. An indicative list of such restrictive covenants is disclosed below. Our Company shall not without the prior approval of the lenders:
  - Undertake or enter into any amalgamation, demerger, merger, corporate reconstruction, re-organization, take-over or any other schemes of compromise or arrangement affecting its present constitution;
  - Substantially alter the nature of its business or amend any provision in its constitutional documents relating to its principal business activities or its power to borrow, secure or guarantee;
  - Enter into a single transaction or a series of transactions (whether related or not) to sell, lease, transfer or otherwise dispose of a substantial part of its assets, which, either alone or when aggregated with all other disposals, is substantial in relation to its assets, or those of itself and its

- Affiliates taken as a whole, or the disposal of which (either alone or when so aggregated) could have a material or adverse effect on it;
- iv. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits or provide/maintain any guarantees or indemnities for the benefit of any person, or voluntarily assume any liability whether actual or contingent in respect of any third-party obligation;
  - v. Effect any change in the unit's capital structure or management setup or remuneration payable to the Directors, etc. either in the form of sitting fees or otherwise;
  - vi. Undertake any trading activity other than the sale of produce arising out of its own manufacturing /trading operations; and
  - vii. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the Bank.

**6. *Events of Default:*** *The financing arrangements entered into by our Company contain standard events of default, including:*

- i. Failure by the Company to pay any amount (due under the Finance Documents) to the Banks on the relevant due date;
- ii. Any representation or statement made by the Company in any Finance Document is found to be incorrect; failure by the Company to perform or observe any terms or conditions or provisions contained in any of the Loan Documents or any other Finance Document;
- iii. Breach of any terms and conditions of any Loan Documents by the Company;
- iv. If an insolvency petition has been admitted in relation to the Company or the Company commits an act of insolvency or makes an application for declaring itself an insolvent or an order is passed against the Company declaring it an insolvent;
- v. If the Company enters into any arrangement or composition with its creditors or committing any act of insolvency / Bankruptcy, or any act, the consequences of which may lead to insolvency / Bankruptcy of the Company;
- vi. If there is execution or distress or other process being enforced or levied upon or against the whole or any part of the Company's assets whether secured in favour of the Banks or not;
- vii. If an insolvency resolution professional, a liquidator or a receiver is being appointed in respect of the whole or any part of the property of the Company and/or the Guarantor;
- viii. If the Company, without the prior written consent of the Banks, attempts or purports to avail loan in connection with the purpose from any other bank, financial institution, organization, company or any other person;
- ix. The Borrower and or the Guarantor: (i) fails to create and perfect security interest over the Secured Assets in favour of and to the satisfaction of the Banks in accordance with the terms of the Loan Documents and other Finance Documents, or (i) subsequently creates any security interest over the Secured Assets in favour of another person;
- x. If any event or circumstance occurs that is likely to prejudicially or adversely affect the capacity of the Company to repay the Facility or to carry out the activities contemplated in the purpose; the Company, goes into dissolution / reconstitution without the previous written permission of the Banks;
- xi. The Company utilizes or attempts to utilize the Facility for any purpose other than as set forth in the Loan Documents;
- xii. occurrence of any Material Adverse Effect;

The details above are indicative and there are additional terms that may amount to an event of default under the financing arrangements entered into by our Company. Our Company are required to ensure that the aforementioned events of default and other events of default, as specified under the agreements relating to the financing arrangements entered into by our Company is not triggered.

**7. *Consequences of Events of Default:*** *The financing arrangements entered into by our Company set out the consequences of occurrence of events of default, including:*

- i. Refusal to disburse any amount under the Facility, reduce the Facility Limit or any part thereof to be disbursed and / or revoke any concessions granted in relation to the Facility without giving any notice or assigning any reason;

- ii. Accelerate the repayment of the entire balance outstanding under the Facility (at the time of occurrence of an Event of Default);
- iii. Make a claim against the Guarantor under the guarantee issued in terms of the Loan Documents;

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific financing arrangements entered into by our Company.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see *“Risk Factors – Risk Factor 38- We are subject to restrictive covenants under our financing agreements that may limit our operational and financial flexibility. Any default or breach of these covenants could lead to acceleration of repayment obligations, enforcement of security interests, cross-defaults, or termination of financing arrangements, which may materially and adversely affect our business, results of operations, and financial condition.”* on page 49.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATION

*You should read the following discussion in conjunction with the Restated Financial Information. The Restated Financial Information has been prepared by our management as required under the SEBI ICDR Regulations read with the ICAI Guidance Note. For more information, see "Risk Factors – Risk Factor 73- Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus" on page 63.*

*Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or a Fiscal are to the twelve months ended March 31 of that year.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 19.*

*Unless otherwise indicated or the context otherwise requires, the financial information as at and for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, ("**Restated Financial Information**") included herein is derived from the Restated Financial Information included in this Draft Red Herring Prospectus.*

*Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Risk Factors Risk Factor 74– In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance." on page 63. These Non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Textile industry. Certain assumptions and estimates are relied upon to calculate such measures, therefore such measures may not be comparable with financial, operational or industry-related statistical information of similar nomenclature computed and presented by other similar companies.*

*The industry-related information contained in this section is derived from the industry report titled "Outlook for Textile Industry 2025" issued on September 29, 2025, prepared by Infomerics Analytics & Research Private Limited (the "**Infomerics Report**"). We have exclusively commissioned and paid for the Infomerics Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged Infomerics Analytics & Research Private Limited in connection with the preparation of the Infomerics Report pursuant to an engagement letter dated May 28, 2025. The Infomerics Report will form part of the material documents for inspection and is available on the website of our Company at [www.aasthaspintex.com/investor-corner](http://www.aasthaspintex.com/investor-corner). Unless otherwise indicated, the industry-related information contained in this section is derived from the Infomerics Report (extracts of which have been appropriately incorporated as part of "Industry Overview" beginning on page 129). For further details and risks in relation to the Infomerics Report, see "Risk Factors- Risk Factor 67 – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Infomerics Analytics & Research Private Limited ("Infomerics Analytics & Research"), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue." on page 61.*

### BUSINESS OVERVIEW

We are engaged in the business of manufacturing and trading of carded, combed and compact combed cotton yarns and cotton bales. In Fiscal 2025, our Company has achieved the highest ROCE and RONW amongst its selected peers. Our cotton bales are utilized both for captive production of cotton yarns and for supply to other spinning units and the cotton yarns produced are used in both knitting and weaving applications, catering to a wide spectrum of end-use segments and products including denim, terry towels, shirting, sheeting, sweaters, socks, bottom wear, home textiles, and industrial fabrics.

We have a semi-automated and integrated spinning and ginning Manufacturing Facility situated at Halvad, Morbi, Gujarat. We produce 100% cotton yarns in counts ranging from Ne 26 to Ne 40 which includes carded, combed

and combed compact varieties ("*Ne*" refers to the English Cotton Count System, which is a standard way to measure the fineness or thickness of yarn. The higher the *Ne*, the finer the yarn).

The product wise bifurcation of revenue from operations from manufacturing and trading of our products for last three fiscals is set out below:

Our operation	For financial year ended March 31, 2025		For financial year ended March 31, 2024		For financial year ended March 31, 2023	
	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products	Revenue from sale of Products (₹ In Lakhs)	% of Revenue from Operations from sales of products
<b>Sale of Product</b>						
Cotton Yarn	18,383.84	53.49%	20,883.39	70.55%	19,443.67	82.76%
Cotton Bales	11,529.26	33.55%	5,812.14	19.63%	1,308.74	5.57%
<b>Sale of Cotton waste</b>						
Cotton Waste by-products	4,456.40	12.97%	2,906.84	9.82%	2,740.42	11.66%
<b>Total</b>	<b>34,369.50</b>	<b>100.00%</b>	<b>29,602.37</b>	<b>100.00%</b>	<b>23,492.83</b>	<b>100.00%</b>

We have more than a decade of operational experience in the textile industry, we presently operate through our manufacturing facility which is strategically located at Halvad, Morbi (Gujarat) in proximity to high quality cotton growing area of Gujarat and spans a built-up area of approximately 65,762 sq. m ("**Manufacturing Facility**"). As on date of this Draft Red Herring Prospectus, we have a spindle count capacity of 25,920 spindles through 15 compact ring spinning machines and an annual 12,000 MT production capacity of cotton bales through 28 ginning machines. We have a cotton yarn production capacity of 7,700 MT per annum. Our Manufacturing Facility operates 24 hours per day on a 3-shift basis to maximize output and ensure uninterrupted operations and usually operates for 365 days a year.

We have a quality control and product development team ("**Quality Team**") at our Manufacturing Facility that undertakes testing of raw materials, unfinished product at different stages of production, and finished products before dispatch. We have set up an in-house laboratory to undertake such tests on the intermediate and finished products. Additionally, standard operating procedures are adopted for controlling each step of our manufacturing process to ensure compliance with the quality specifications provided by our customers. In order to ensure uniformity in our products and minimize errors, we have implemented a semi-automated manufacturing process that regulates key stages of production, thereby helping maintain consistent quality and standards while reducing the scope for error. We believe these quality measures improves the effectiveness of the manufacturing process, thereby improving the quality of our products.

Our Promoters Divyang Jashwantbhai Patel (Chairman and Managing Director), Vivek Rasik Gothi (Whole-time Director), Jashwant Valjibhai Patel (Executive Director) and Rasiklal Valjibhai Patel (Administrative Head), play a pivotal role in strategic business development and driving the growth of our Company. With deep industry knowledge and strong entrepreneurial skills, their emphasis on product quality and integration of advanced technology in our manufacturing process, continue to guide our expansion and define our core values. All our Promoter Directors remain actively involved in our operations. Their vision, business acumen, and leadership have been instrumental in sustaining our operations and driving consistent growth. They are 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 page 212 and 189, respectively.

We are also an environmentally conscious organization committed to promoting the use of renewable energy. As part of our sustainability efforts, we installed a rooftop solar power plant, ground-mounted solar power plant and wind power plant, which became operational in 2023, 2023 and 2024 respectively to source captive power thereby substantial cost effectiveness on power cost. The installed capacity of this rooftop solar power plant, ground-mounted solar power plant and wind power plant stands at 1 MW, 4 MW and 2.7 MW respectively. This initiative supports our shift toward clean energy, contributing to our daily power requirements and resulting in a generation of average 37,692 units per day collectively during the period in between April 2024 to March 2025 resulting in reduction of monthly electricity expenses. This green initiative not only helps reduce operational costs but also reinforces our commitment to eco-friendly and energy-efficient manufacturing practices by lowering our overall carbon footprint.

**SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD BEGINNING FROM APRIL '25:**

1. The company vide Special Resolution Dated 11<sup>th</sup> July, 2025 and Special Resolution Dated 30<sup>th</sup> August, 2025 has increased its authorized share capital as follows:

Year	As on March 31, 2025		As on September 29, 2025	
Particulars	Authorized Share Capital (₹ In lakhs)	Number of Shares (Face value ₹ 10)	Authorized Share Capital (₹ In lakhs)	Number of Shares (Face value ₹ 10)
Equity Share Capital	3000.00	3,00,00,000	4500.00	4,50,00,000
Preference Share Capital	225.00	22,50,000	-	-
<b>Total</b>	<b>3225.00</b>	<b>3,22,50,000</b>	<b>4500.00</b>	<b>4,50,00,000</b>

2. **Acquisition of Falcon Yarns Private Limited by Aastha Spintex Limited through execution of Shareholders' Agreement and Share Purchase Agreement:**

Pursuant to the applicable provisions of Companies Act, 2013, other applicable laws, The Company has entered into definitive agreements to acquire a controlling stake in **Falcon Yarns Private Limited**.

The Company executed:

- **Share Purchase Agreement (SPA):** with the existing shareholders of **Falcon Yarns Private Limited** for the acquisition of 100% of the issued and paid-up share capital of the company executed on September 22, 2025.
- **Shareholders' Agreement (SHA):** between the Company and the continuing shareholders of **Falcon Yarns Private Limited**, setting out the rights and obligations of the shareholders, governance structure, and other customary provisions executed on September 22, 2025.

3. **Passing of Resolution for Initial Public Offering (IPO) Post Balance Sheet Date:**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations and 2015, Companies Act, 2013 /other applicable laws and rules, the Board of Directors of The Company at its meeting held on **16<sup>th</sup> July, 2025** and meeting of the members held on **08<sup>th</sup> August, 2025** has approved a special resolution to initiate the process for an Initial Public Offering (IPO) of the equity shares of the Company.

4. **Conversion of Compulsorily Convertible Preference Shares to Equity Shares at Face Value of ₹ 10/- Each and Securities Premium of ₹ 72.5/- each:**

Pursuant to the Board resolution passed on 14<sup>th</sup> July 2024 for conversion of 2,00,000 shares and Board resolution passed on 22/09/2025 for conversion of 19,73,670 shares, Compulsorily Convertible Preference Shares were converted to Equity Shares at Face Value of ₹ 10/- Each and Securities Premium of ₹ 72.5/- each post receipt of remaining payment of ₹ 61.875/- per share post balance sheet date. This resulted into increase of Equity Share Capital post 31<sup>st</sup> March, 2025 as follows:

Particulars	Equity Share Capital (₹ In lakhs)	Preference Share Capital (₹ In lakhs)	Securities Premium (₹ In lakhs)
As on 31/03/2025	2946.85	46.77	1904.06
As on 22/09/2025	3164.22	-	3140.91
<b>Increase</b>	<b>217.37</b>	<b>(46.77)</b>	<b>1236.86</b>

The table below shows our key financial and operational metrics for the financial years indicated below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations <sup>(1)</sup> (₹ Lakhs)	35,116.02	30,486.16	23,926.50
PAT for the year/ period <sup>(2)</sup> (₹ Lakhs)	2,349.83	1,628.76	105.83
Cash Flow from Operations <sup>(3)</sup> (₹ Lakhs)	(1,871.62)	1,293.13	1,547.49
EBITDA <sup>(4)</sup> (₹ Lakhs)	4,694.39	3,424.59	1,160.02

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
EBITDA Margin <sup>(5)</sup> (%)	13.37%	11.23%	4.85%
PAT Margin <sup>(6)</sup> (%)	6.69%	5.34%	0.44%
Net Worth <sup>(7)</sup> (₹ Lakhs)	12,163.43	7,637.83	6,000.94
Current Ratio <sup>(8)</sup>	1.64	1.29	1.23
Total Debt / Equity <sup>(9)</sup>	0.78	1.08	1.35
Debt Service Coverage Ratio <sup>(10)</sup>	2.37	1.35	0.65
ROE <sup>(11)</sup> (%)	23.73%	23.88%	1.78%
ROCE <sup>(12)</sup> (%)	19.12%	18.95%	4.58%
Inventory turnover ratio <sup>(13)</sup>	3.15	4.31	4.01
Trade Receivables turnover ratio <sup>(14)</sup>	6.28	6.96	18.00
Trade payables turnover ratio <sup>(15)</sup>	6.19	4.97	8.31
Working Capital Turnover Ratio <sup>(16)</sup>	6.41	12.29	12.14
Fixed Assets Turnover Ratio <sup>(17)</sup>	4.17	3.79	3.68
Installed Capacity in M.T. (Ginning Division) <sup>(18)</sup>	12,000	12,000	12,000
Installed Capacity in M.T. (Spinning Division) <sup>(18.1)</sup>	7,700.00	7,700.00	6,400.00
Utilised Capacity M.T. (Ginning Division) <sup>(19)</sup>	9,897.00	9,526.00	8,531.00
Utilised Capacity M.T. (Spinning Division) <sup>(19.1)</sup>	7,436.00	7,361.00	6,137.00

Note:

(1) Revenue from Operations is defined as sales.

(2) PAT for the period/year is defined as profit for the year.

(3) Cash flow from operations as per Restated Cash Flow Statement

(4) EBITDA is defined as profit before non-operating income, tax, interest, depreciation and amortisation.

(5) EBITDA Margin is calculated as EBITDA/revenue from operation

(6) PAT margin is calculated as "PAT"/revenue from operation.

(7) 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 Financial Information

(8) Current ratio means current assets divided by current liabilities.

(9) Total debt /Equity is calculated as total debt /net worth.

(10) Debt service coverage is defined as profit after tax + non-cash expenses + finance cost/interest expenses +principal repayment +lease payment.

(11) ROE is calculated as profit after tax /average total net worth.

(12) ROCE is calculated as profit before tax plus Interest cost /Capital Employed. Capital employed will be calculated as sum of Net Worth and Total Debt reducing Deferred Tax liability.

(13) Inventory Turnover Ratio is calculated by dividing cost of goods sold during the period with average inventory. Inventory will exclude Packing material and stores & spares.

(14) Trade Receivables Turnover Ratio is calculated by dividing Credit Sales during the period with average receivables.

(15) Trade Payables Turnover Ratio for calculated by dividing Credit purchases during the period with average payables.

(16) Working capital turnover ratio defined as revenue from operations divided by average working capital. Working capital will be calculated as Current Assets -Current liabilities.

(17) Fixed Asset Turnover is calculated as total revenue from operations divided by average net fixed assets excluding Capital work in Progress.

(18) Installed Capacity in M.T. (Ginning Division) is calculated as total production capacity of (Ginning Division).

(18.1) Installed Capacity in M.T. (Spinning Division) is calculated as total production capacity of (Spinning Division).

(19) Utilized Capacity in M.T. (Ginning Division) is calculated as total production of (Ginning Division).

(19.1) Utilized Capacity in M.T. (Spinning Division) is calculated as total production of (Spinning Division).

## PRINCIPAL FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of factors, including:

### A. *Macro-economic conditions affecting the textile market*

The demand for our products such as carded, combed and compact combed cotton yarns and cotton bales is closely linked to trends in the domestic and international textile industries. Our yarns are used in both weaving and knitting applications, catering to a broad range of end-use segments including denim, shirting, home textiles, terry towels, sweaters, socks, and industrial fabrics. The consumption of cotton yarn is influenced by macroeconomic conditions, growth in apparel and home textile industries, urbanisation, household income levels, and export demand from global buyers. Any slowdown in economic growth, reduction in disposable incomes, or contraction in consumer spending could adversely affect demand for downstream textile products, which in turn may reduce demand for our yarns and bales.

In international markets, our sales are exposed to factors such as global cotton price movements, exchange rate fluctuations, changes in trade policies of importing countries, tariff or non-tariff barriers,

and shifting customer preferences toward man-made fibres. Geopolitical tensions, regulatory restrictions, or global trade disruptions could also impact export volumes routed through our reseller.

Given the concentration of our revenues in cotton yarn and bales, any sustained downturn in demand whether due to economic slowdown, consumer preference shifts, policy changes, or adverse global trade developments may materially and adversely affect our growth prospects, revenues, profitability, cash flows, and overall financial condition.

## **B. Dependency on Suppliers and Customers**

Raw cotton and cotton bales are the principal raw material used in our manufacturing operations and constitute the single largest component of our production costs. Our ability to remain cost competitive and operationally efficient is closely linked to the procurement of raw cotton and cotton bales in adequate quantities, of consistent quality, and at commercially viable terms. Our factory is located within major cotton growing area of Gujarat and hence, we procure raw cotton from farmers and traders for processing at our ginning unit into cotton bales. In addition, we source cotton bales for our spinning unit from other ginning mills and traders across Gujarat, which helps reduce transportation costs, shorten lead times, and support timely production. Over the years, we have built relationships with the farmers and a network of reliable suppliers; during the last three Fiscals, we procured cotton bales from more than 125 Suppliers out of which 8 suppliers are in top 10 suppliers where 6 Suppliers are associated with us over 5 years and top 10 suppliers contribute 73.05 %, 79.62 % and 44.30% of the total purchase during the last three fiscals.

Consumption of cotton bales in spinning unit is much higher in value term than raw cotton in ginning unit and purchase of raw cotton is relatively scattered among large numbers of farmers and traders and hence, all of our Top 10 suppliers are involved in supplying of cotton bales to us. The details of our top 05 (five) and top 10 (ten) raw material suppliers vis-à-vis our total purchases as per our Restated Financial Statements are set out below:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases	₹ in Lakhs	% of total purchases
Top (5) suppliers	20,027.02	59.06%	14,962.58	58.82%	5,904.29	31.44%
Top (10) suppliers	24,770.21	73.05%	20,252.10	79.62%	8,320.64	44.30%
<b>Total Purchase</b>	<b>33,909.72</b>		<b>25,435.79</b>		<b>18,780.51</b>	

## **C. Fluctuations in market prices for our major Products**

Products	Fiscal 2025			Fiscal 2024			Fiscal 2023		
	Qty (in Tonne)	Revenue (₹ in Lakhs)	Rate/Tonne (₹ in Lakhs)	Qty (in Tonne)	Revenue (₹ in Lakhs)	Rate/Tonne (₹ in Lakhs)	Qty (in Tonne)	Revenue (₹ in Lakhs)	Rate/Tonne (₹ in Lakhs)
Cotton Yarn	6,964.64	18,383.84	2.64	8,465.66	20,883.39	2.47	6,385.79	19,443.67	3.04
Cotton bales	7,314.40	11,529.26	1.58	3,243.85	5,812.14	1.79	665.07	1,308.74	1.97
Cotton seeds	6,309.71	2,183.69	0.35	1,000.00	279.48	0.28	127.15	47.63	0.37
Cotton waste	2,577.16	2,272.71	0.88	2,588.46	2,627.36	1.02	2,419.60	2,692.79	1.11
<b>Total</b>	<b>23,165.91</b>	<b>34,369.50</b>	<b>NA</b>	<b>15,297.97</b>	<b>29,602.37</b>	<b>NA</b>	<b>9,597.61</b>	<b>23,492.83</b>	<b>NA</b>

## **Certain Non-GAAP Measures**

Certain non-GAAP measures like EBITDA, EBITDA Margin, Return on Capital Employed, PAT Margin and Debt to Equity Ratio ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year 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, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised 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 it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – Risk Factors 74- In this Draft Red Herring Prospectus, we have included certain Non-GAAP ("Generally Accepted Accounting Principles") financial measures and certain other industry measures related to our operations and financial performance.*" on page 63.

## **MATERIAL ACCOUNTING POLICIES**

For details, please see "*Restated Financial Statement*" on page 220

## **PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

**Set forth below are the principal components of statement of profit and loss from our continuing operations:**

### **Income**

Our total income comprises of (i) revenue from operations and (ii) other income.

#### *Revenue from Operations*

Revenue from operations comprises of Income generated from (i) sale of manufactured and Traded products domestically (ii) VAT/SGST Reimbursement (iii) Commission and Brokerage (GST) (iv) Job Work Income (GST), (v) Settlement of Bales Contract and (vi) Insurance Claim Against Damage Material.

#### *Other Income*

Other income includes (i) Interest Income from FDR & Others, (ii) Other Miscellaneous Income, (iii) Profit on Sale of Asset, (iv) Sundry Balances Written Off, (v) MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL), (vi) Provision for Expected Credit Loss Reversed, (vii) Interest Income on financial instruments at amortised cost, and (viii) Deferred Income on Financial instruments carried at amortised cost.

### **Expenses**

Our expenses comprise of: (i) Cost of material consumed; (ii) Purchase of Stock-in-Trade (iii) Changes in the inventories of Finished Goods and Work-In Progress; (iv) Manufacturing Expenses; (v) Employee benefits expense; (vi) Finance costs; (vii) Depreciation and amortisation expense; and (viii) Other expenses.

#### *Cost of Material Consumed*

Cost of material consumed the purchase of various raw material adjusted with opening and closing stock of Raw material.

#### *Purchase of Stock-in-Trade*

Purchase of Stock-in-Trade Comprises of purchase of goods for trading.

#### *Changes in the inventories of Finished Goods and Work-In Progress*

Change in inventory includes difference between opening and closing balance of Finish Goods, Ginning Division goods, WIP Goods and Waste Goods as at the beginning and end of the year.

#### *Manufacturing Expenses*

Manufacturing expenses comprise of (i) Stores, Spares and Repairs, (ii) Packing Materials, (iii) Repair & Maintenance (iv) Power & Fuel Expenses and (v) Other Manufacturing Expenses.

#### *Employee Benefits Expense*

Employee benefits expenses primarily include (i) Salary, wages & labour charges, (ii) Director's remuneration, (iii) Contribution to PF, ESI and other fund, (iv) Employee Gratuity and leave encashment expenses, (v) Government Subsidy for PF and Pension Fund, (vi) Other allowances & expenses, and (vii) Staff welfare expenses.

#### *Finance Cost*

Finance cost includes (i) Interest expenses to Bank/FI, (ii) Bank Charges (incl. Commission on Bank Guarantee) & Loan Processing Charges, (iii) Interest on Late Payment Statutory Dues, (iv) Other Interest Expenses, and (v) Interest on financial instruments at Amortised Cost.

#### *Depreciation and Amortisation expenses*

Depreciation and amortisation expenses primarily include depreciation expenses on our property, plant and equipment.

#### *Other Expenses*

Other expenses include Postage, telephone , internet & web charges, Transport Charges, Computer Expense, Travelling, conveyance & vehicle expenses, Legal & professional charges, Insurance, Stationery & Printing, Rent, rates & taxes, Auditor's remuneration, Other expense, Provision for Expected Credit Loss, (Profit)/Loss on Sale/Disposal of Asset, Deferred Expenses on Financial instruments carried at amortised cost, Corporate Social Responsibility, Advertisement expenses, Clearing & Forwarding, Commission expenses, Business promotion expenses and Quality/Quantity Discount.

### **RESULTS OF OPERATIONS BASED ON OUR RESTATED FINANCIAL INFORMATION**

The following table sets forth select financial data from our statement of profit and loss for Fiscals 2025, 2024 and 2023, from our Restated Financial Information, the components of which are also expressed as a percentage of total income for such periods.

Particulars	Standalone					
	As at and for Fiscal 2025		As at and for Fiscal 2024		As at and for Fiscal 2023	
	(In ₹ Lakhs)	(As a % of total income)	(In ₹ Lakhs)	(As a % of total income)	(In ₹ Lakhs)	(As a % of total income)
Revenue from operations	35,116.02	99.71%	30,486.16	99.74%	23,926.50	99.82%
Other income	101.04	0.29%	80.92	0.26%	42.72	0.18%
<b>Total income (A)</b>	<b>35,217.06</b>	<b>100.00%</b>	<b>30,567.08</b>	<b>100.00%</b>	<b>23,969.22</b>	<b>100.00%</b>
Cost of Materials	30,199.76	85.75%	21,890.91	71.62%	19,449.66	81.14%
Purchase Stock in Trade	1,565.97	4.45%	3,747.43	12.26%	888.84	3.71%
Changes in inventories	(3,842.31)	(10.91)%	(1,291.62)	(4.23)%	(496.20)	(2.07)%
Manufacturing Expenses	1,027.49	2.92%	1,396.80	4.57%	1,669.17	6.96%
Employee benefits expense	810.45	2.30%	728.90	2.38%	750.65	3.13%
Finance Cost	1,015.06	2.88%	1,050.86	3.44%	739.34	3.08%
Depreciation and amortization expense	805.21	2.29%	626.95	2.05%	579.92	2.42%
Other expenses	368.55	1.05%	294.11	0.96%	257.87	1.08%
<b>Total expenses (B)</b>	<b>31,950.17</b>	<b>90.72%</b>	<b>28,444.34</b>	<b>93.06%</b>	<b>23,839.26</b>	<b>99.46%</b>
<b>Profit before tax (A-B)</b>	<b>3,266.89</b>	<b>9.28%</b>	<b>2,122.74</b>	<b>6.94%</b>	<b>129.96</b>	<b>0.54%</b>
<b>Income tax expense / (credit)</b>						
Current Tax	(570.79)	(1.62)%	(370.89)	(1.21)%	(21.69)	(0.09)%
MAT Credit Reserve	(281.14)	(0.80)%	117.11	0.38%	21.69	0.09%
Deferred Tax	(65.13)	(0.18)%	(240.20)	(0.79)%	(24.13)	(0.10)%
<b>Total tax expense (C)</b>	<b>917.06</b>	<b>2.60%</b>	<b>493.98</b>	<b>1.62%</b>	<b>24.13</b>	<b>0.10%</b>
<b>Profit for the year (D)</b>	<b>2,349.83</b>	<b>6.67%</b>	<b>1,628.76</b>	<b>5.33%</b>	<b>105.83</b>	<b>0.44%</b>

### **COMPARISON OF THE RESULTS OF OPERATIONS**

#### *Fiscal 2025 compared to Fiscal 2024*

### *Total Income*

Our total income increased by **15.21%** to **₹35,217.06 Lakhs** in Fiscal 2025 from **₹30,567.08 Lakhs** in Fiscal 2024, primarily on account of the factors discussed below.

### *Revenue from operations*

Our revenue from operations increased by **15.19%** to **₹35,116.02 Lakhs** in Fiscal 2025 from **₹30,486.16 Lakhs** in Fiscal 2024, mainly due to higher sales volumes, Commission & Brokerage Income.

Our sales from ginning unit has increased from 32,43,853 Kgs in Fiscal 2024 to 73,14,401.50 Kgs in Fiscal 2025 which in terms of value has increased from ₹ 5,812.14 lakhs in Fiscal 2024 to ₹ 11,529.26 lakhs in Fiscal 2025. Over and above that sales from cotton seeds has increased from ₹ 279.48 lakhs in Fiscal 2024 to ₹ 2183.69 Lakhs in Fiscal 2025. Cotton seeds are by-product of ginning unit and with increase in ginning activity during the Fiscal 2025, further sale of cotton seeds has also increased.

Our Number of customers has increase from 78 in Fiscal 2024 to 231 in Fiscal 2025.

This was partially offset primarily by decrease in sale of traded goods amounting to ₹ 1767.73 Lakhs in Fiscal 2025 from ₹ 4011.62 Lakhs in Fiscal 2024 increase in VAT & GST reimbursement to ₹ 372.83 Lakhs in Fiscal 2025 from ₹ 331.21 Lakhs in Fiscal 2024;

### *Other income*

Our other income increased by **24.87%** to **₹101.04 Lakhs** in Fiscal 2025 from **₹80.92 Lakhs** in Fiscal 2024, largely due to reversal of provision for expected credit loss of ₹37.74 Lakhs in Fiscal 2025 from ₹8.47 Lakhs in Fiscal 2024. This was partially offset by reduction in interest income from FDR and others to ₹9.69 lakhs in Fiscal 2025 from ₹22.54 lakhs in Fiscal 2024;

### *Expenses*

Our total expenses increased by **12.33%** to **₹31,950.17 Lakhs** in Fiscal 2025 from **₹28,444.34 Lakhs** in Fiscal 2024, on account of the factors discussed below.

### *Cost of Materials*

Our material cost increased to ₹30,199.76 Lakhs in Fiscal 2025 from ₹21,890.91 Lakhs in Fiscal 2024, primarily due to increase in ginning activity.

Our raw material purchase increased to 2,49,71,058.15 Kgs in Fiscal 2025 from 1,35,594,17.32 Kgs in Fiscal 2024 resulting in increase in purchase of ₹10.655.07 Lakhs. Our closing stock of raw materials increased to ₹3,273.55 Lakhs in Fiscal 2025 from ₹1,098.86 lakhs in Fiscal 2024 due to reasons explained below under head “Changes in Inventories”.

### *Purchase of Stock in Trade*

Our Purchase of Stock in Trade decreased by 58.21% to ₹1,565.97 Lakhs in Fiscal 2025 from ₹ 3,747.43 Lakhs in Fiscal 2024 as we were able to fulfil orders from customers through own manufacturing due to better management of inventory as a result of which we were able to suffice needs of our customers. We also need to trade goods if we get orders for cotton yarns of different quality from customers. As a result, in order to fulfil the orders, we buy certain required finished products from other suppliers.

### *Changes in inventories*

Our changes in inventories increased by 198.10% to ₹ 3,842.31 Lakhs in Fiscal 2025 from ₹ 1,291.62 Lakhs in Fiscal 2024, primarily due to higher purchases of cotton bales (or raw cotton as the case may be) in the 4<sup>th</sup> quarter of Fiscal 2025 due to higher volume of orders received from customers during the period. Similarly, during 1<sup>st</sup> quarter of Fiscal 2026 stood at ₹ 9,104.94 lakhs as compared to sales of ₹ 6,412.42 lakhs in 1<sup>st</sup> quarter of Fiscal 2025. Due to increased order book resulting in to increased production activity in last quarter of Fiscal 2025, inventory holding of the company was higher at the end of year 31<sup>st</sup> March, 2025;

### *Manufacturing Expenses*

Declined substantially by **26.44%** to **₹1,027.49 Lakhs** in Fiscal 2025 from **₹1,396.80 Lakhs** in Fiscal 2024. It primarily decreased due to reduction in power charges to ₹735.58 Lakhs in Fiscal 2025 from ₹933.06 Lakhs in Fiscal 2024. This was due to full year captive power generation from solar power plant and windmill purchased by us. Also, Repairs, Maintenance and spares & stores reduced to ₹140.43 Lakhs in Fiscal 2025 from ₹229.94 Lakhs in Fiscal 2024.

#### *Employee Benefits Expense*

Our employee benefits expense Increased by **11.19%** to **₹810.45 Lakhs** in Fiscal 2025 from **₹728.90 Lakhs** in Fiscal 2024, mainly due to increase in salary paid to the employees and labour. There was increase in director remuneration from **₹77.40 Lakhs** in Fiscal 2024 to **₹80.80 Lakhs** in Fiscal 2025;

#### *Finance Costs*

Declined marginally by **3.41%** to **₹1,015.06 Lakhs** in Fiscal 2025 from **₹1,050.86 Lakhs** in Fiscal 2024. There was increase in Bank Charges & Loan Processing Charges to ₹32.03 Lakhs in Fiscal 2025 from ₹9.71 Lakhs in Fiscal 2024. There was decrease in interest expenses paid to bank due to decline in outstanding term loans with regular repayment of the loans, late payment of statutory dues and interest to others to ₹939.35 Lakhs in Fiscal 2025 from ₹1004.91 Lakhs in Fiscal 2024.

#### *Depreciation and Amortization expense*

Increased by **28.43%** to **₹805.21 Lakhs** in Fiscal 2025 from **₹626.95 Lakhs** in Fiscal 2024, primarily due to full year depreciation on windmill amounting having WDV of ₹1,913.52 Lakhs which was installed in Fiscal 2024.

#### *Other Expenses*

Other Expenses Increased by **25.31%** to **₹368.55 Lakhs** in Fiscal 2025 from **₹294.11 Lakhs** in Fiscal 2024, primarily due to increase in:

- i. Selling & Distribution expenses to ₹48.16 Lakhs in Fiscal 2025 from ₹ 36.82 Lakhs in Fiscal 2024; and
- ii. Admin & other expenses to ₹320.38 Lakhs in Fiscal 2025 from ₹ 257.29 Lakhs in Fiscal 2024. There was increase in rent, rates & taxes to ₹23.78 Lakhs in Fiscal 2025 from ₹6.16 Lakhs in Fiscal 2024 primarily due to full year rent of leasehold land on which windmill is built. We had also incurred CSR of ₹26.75 Lakhs in Fiscal 2025.

#### *Profit before tax*

As a result of the above, our profit before tax increased significantly to **₹3,266.89 Lakhs** in Fiscal 2025 compared to **₹2,122.74 Lakhs** in Fiscal 2024, reflecting increased profitability due to improved operational performance.

#### *Tax Expense*

Our total tax expense increased to **₹917.06 Lakhs** in Fiscal 2025 from **₹493.98 Lakhs** in Fiscal 2024, in line with increased profit before tax due to higher profitability.

#### *Profit after tax for the period*

Consequently, our profit after tax increased to **₹2,349.83 Lakhs** in Fiscal 2025 compared to **₹1,628.76 Lakhs** in Fiscal 2024, reflecting a substantial improvement in overall earnings

#### ***Fiscal 2024 compared to Fiscal 2023***

### ***Total Income***

Our total income increased by **27.53%** to **₹30,567.08 Lakhs** in Fiscal 2024 from **₹23,969.22 Lakhs** in Fiscal 2023, primarily on account of higher revenue from operations.

### ***Revenue from Operations***

Our revenue from operations increased by **27.42%** to **₹30,486.16 Lakhs** in Fiscal 2024 from **₹23,926.50 Lakhs** in Fiscal 2023, largely attributable to higher sales volumes, settlement income and commission & brokerage income.

Our sales from spinning unit has increased from ₹19,443.67 lakhs in Fiscal 2023 to ₹ 20,883.39 lakhs in Fiscal 2024.

Our sales from ginning unit has increased from 6,65,068 Kgs in Fiscal 2023 to 32,43,853 Kgs in Fiscal 2024 which in terms of value has increased from ₹1308.74 lakhs in Fiscal 2023 to ₹ 5812.14 lakhs in Fiscal 2024.

We have received income of ₹ 491.47 Lakhs in Fiscal 2024 towards settlement of Bales Contract. Our revenue from operations includes trading sales of ₹ 4011.62 lakhs in Fiscal 2024 which was only ₹876.03 lakhs in Fiscal 2023.

### ***Other Income***

Other income increased by **89.42%** to **₹80.92 Lakhs** in Fiscal 2024 from **₹42.72 Lakhs** in Fiscal 2023, primarily due to higher interest income from FDR & others, MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL), Deferred Income, & Interest income of financial instruments

### ***Expenses***

Our total expenses increased by **19.32%** to **₹28,444.34 Lakhs** in Fiscal 2024 from **₹23,839.26 Lakhs** in Fiscal 2023, due to the following factors:

#### ***Cost of Materials***

Increased by **12.55%** to **₹21,890.91 Lakhs** in Fiscal 2024 from **₹19,449.66 Lakhs** in Fiscal 2023. The costs increased primarily due to increase in purchase of raw materials to ₹21,688.69 Lakhs in Fiscal 2024 from ₹17,891.67 Lakhs in Fiscal 2023 in correlation to higher orders resulting into increased sales during fiscal 2024 as compared to Fiscal 2023.

This shows that input cost of the company in % terms has reduced with increase in production and sales in Fiscal 2024 which in turn has led to higher gross profit in Fiscal 2024 as compared to Fiscal 2023.

#### ***Changes in inventories***

Inventory level increased by **160.30%** to **₹1,291.62 Lakhs** in Fiscal 2024 from **₹496.20 Lakhs** in Fiscal 2023, primarily due to higher stock purchases on account of increased orders position from the customers and visibility of higher sales. Finished goods inventory at the end of Fiscal year 2024 was ₹3,781.06 Lakhs as compared to ₹2,436.97 Lakhs in Fiscal year 2023. With increase in production and higher demand at the end of Fiscal Year 2024, the company had higher inventory of finished goods;

#### ***Manufacturing Expenses***

Declined substantially by **16.32%** to **₹1,396.80 Lakhs** in Fiscal 2024 from **₹1,669.17 Lakhs** in Fiscal 2023. It primarily decreased due to reduction in power charges to ₹933.06 Lakhs in Fiscal 2024 from ₹1,345.67 Lakhs in Fiscal 2023. This was due to full year captive power generation from solar power plant installed by us.

#### ***Employee Benefits Expense***

Decreased slightly by **2.90%** to **₹728.90 Lakhs** in Fiscal 2024 from **₹750.65 Lakhs** in Fiscal 2023, mainly due to cost optimisation in salaries & wages, govt subsidy for PF, and a reduction in other allowances & expenses.

#### ***Finance Costs***

Increased by **42.13%** to **₹1,050.86 Lakhs** in Fiscal 2024 from **₹739.34 Lakhs** in Fiscal 2023, driven by higher borrowings mainly towards acquisition of wind mills and enhancement in working capital finance, bank charges and other interest expenses.

#### *Depreciation and Amortization expense*

Increased by **8.11%** to **₹626.95 Lakhs** in Fiscal 2024 from **₹579.92 Lakhs** in Fiscal 2023, on account of asset additions of wind mills during Fiscal 2024 and full year depreciation on Solar power plant in Fiscal 2024. Solar power plant was installed in Fiscal 2023.

#### *Other Expenses:*

Increased by **14.05%** to **₹294.11 Lakhs** in Fiscal 2024 from **₹257.87 Lakhs** in Fiscal 2023, primarily on account of higher administrative and selling & distribution expenses corresponding to higher business activity reflected in sales growth.

#### *Profit before tax*

As a result of the foregoing factors, our profit before tax increased significantly to **₹2,122.74 Lakhs** in Fiscal 2024 from **₹129.96 Lakhs** in Fiscal 2023 registering growth of 1533.33%.

#### *Tax Expense*

Our tax expense increased to **₹493.98 Lakhs** in Fiscal 2024 from **₹24.13 Lakhs** in Fiscal 2023, corresponding to higher taxable income during the year.

#### *Profit after tax for the period*

Consequently, our profit after tax increased substantially to **₹1,628.76 Lakhs** in Fiscal 2024 from **₹105.83 Lakhs** in Fiscal 2023, reflecting a sharp improvement in profitability with increase in business vis-à-vis achieving increased operational efficiencies.

### **LIQUIDITY AND CAPITAL RESOURCES**

Historically, our primary liquidity requirements have been to finance the working capital needs of our operations. We have met these requirements through cash flows from operations and borrowings.

As of March 31, 2025, we had ₹11,870.19 Lakhs in inventories, ₹5,252.49 Lakhs in financial assets (including trade receivables of ₹3,907.27 Lakhs, cash and cash equivalents of ₹1,111.37 Lakhs, and other financial assets of ₹233.85 Lakhs), and ₹ 2,161.98 Lakhs in other current assets.

Our total outside liabilities, based on our Restated Financial Information, amounted to ₹11,735.60 Lakhs, ₹11,810.65 Lakhs, and ₹6,650.63 Lakhs as of Fiscal 2025, Fiscal 2024, and Fiscal 2023, respectively.

Our Current Ratio, which is reflection of the liquidity position of the company remained 1.64, 1.29 and 1.23 as of Fiscal 2025, Fiscal 2024, and Fiscal 2023, respectively.

Our Debt to Equity Ratio, which is reflection of the leverage position of the company remained 0.78, 1.08 and 1.35 as of Fiscal 2025, Fiscal 2024, and Fiscal 2023, respectively.

### **CASH FLOWS BASED ON RESTATED FINANCIAL INFORMATION**

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

<i>(in ₹ lakhs)</i>			
<b>Particulars</b>	<b>Fiscal 2025</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
Net cash generated from / (used in) operating activities	(1,871.62)	1,293.13	1,547.49
Net cash generated from / (used in) investing activities	(35.97)	(393.83)	(2,783.89)
Net cash generated from / (used in) financing activities	2,370.83	(865.56)	1,422.14
<b>Cash and cash equivalents at the end of the year</b>	<b>1,111.37</b>	<b>648.13</b>	<b>614.39</b>

## *Operating Activities*

### *Fiscal 2025*

Our net cash used in operating activities was ₹1,871.62 Lakhs in Fiscal 2025. Our operating profit before working capital change was ₹5,107.63 Lakhs in Fiscal 2025. The movements in working capital in Fiscal 2025 primarily consisted of (i) increase in inventories of ₹ 6,224.16 Lakhs, (ii) decrease in trade receivables of ₹ 3,380.03 Lakhs, (iii) increase in other current assets, non-current financial assets and other financial assets of ₹1,088.80 Lakhs, (iv) decrease in trade payables of ₹ 2,560.49 Lakhs and (v) increase in other current liabilities, provisions and other financial liabilities of ₹63.22 Lakhs.

### *Fiscal 2024*

Our net cash generated from operating activities was ₹1,293.13 Lakhs in Fiscal 2024. Our operating profit before working capital change was ₹3,844.08 Lakhs in Fiscal 2024. The movements in working capital in Fiscal 2024 primarily consisted of (i) increase in trade payables of ₹4,291.32 Lakhs, (ii) increase in other current liabilities of ₹190.61 Lakhs, (iii) increase in other current assets and financial assets of ₹130.34 Lakhs, (iv) decrease in trade receivables of ₹5,810.08 Lakhs and (v) decrease in other financial liabilities and provisions of ₹153.48 Lakhs.

### *Fiscal 2023*

Our net cash generated from operating activities was ₹1,547.49 million in Fiscal 2023. Our operating profit before working capital change was ₹1,493.07 million in Fiscal 2023. The movements in working capital in Fiscal 2023 primarily consisted of (i) decrease in inventories of ₹839.57 Lakhs, (ii) increase in trade receivables of ₹326.61 Lakhs, (iii) increase in other current assets, other non current assets and financial assets of ₹250.71 Lakhs, (iv) increase in trade payables of ₹124.16 Lakhs and (v) decrease in other financial liabilities and provisions of ₹79.19 Lakhs.

## *Investing Activities*

### *Fiscal 2025*

Our net cash used in investing activities was ₹35.97 Lakhs in Fiscal 2025. This was primarily due to purchase of fixed assets including CWIP and capital advances of ₹134.98 Lakhs, partially offset by loans repaid of ₹89.32 Lakhs and interest received of ₹9.69 Lakhs.

### *Fiscal 2024*

Our net cash used in investing activities was ₹393.83 Lakhs in Fiscal 2024. This was primarily due to purchase of fixed assets including CWIP and capital advances of ₹369.14 Lakhs and loans given of ₹47.24 Lakhs, partially offset by interest received of ₹22.54 Lakhs.

### *Fiscal 2023*

Our net cash used in investing activities was ₹2,783.89 Lakhs in Fiscal 2023. This was primarily due to purchase of fixed assets including CWIP and capital advances of ₹2,762.13 Lakhs and loans given of ₹42.08 Lakhs, partially offset by proceeds from sale of fixed assets of ₹5.00 Lakhs and interest received of ₹15.33 Lakhs.

## *Financing Activities*

### *Fiscal 2025*

Our net cash generated from financing activities was ₹2,370.83 Lakhs in Fiscal 2025. This was primarily due to proceeds from short-term borrowings of ₹2,393.51 Lakhs, proceeds from share capital of ₹262.63 Lakhs, and proceeds from securities premium of ₹1,904.06 Lakhs partially offset by repayment of long-term borrowings of ₹1,174.30 Lakhs and financial expenses of ₹1,015.06 Lakhs.

### *Fiscal 2024*

Our net cash used in financing activities was ₹865.56 Lakhs in Fiscal 2024. This was primarily due to repayment of long-term borrowings of ₹253.54 Lakhs and financial expenses of ₹1,050.86 Lakhs, partially offset by proceeds from short-term borrowings of ₹438.85 Lakhs.

## *Fiscal 2023*

Our net cash generated from financing activities was ₹1,422.14 Lakhs in Fiscal 2023. This was primarily due to proceeds from long-term borrowings of ₹1,205.46 Lakhs and short-term borrowings of ₹956.02 Lakhs, partially offset by financial expenses of ₹739.34 Lakhs.

### **FINANCIAL INDEBTEDNESS**

As of March 31, 2025, we had term loans (excluding deferred payment liabilities) of ₹ 9,505.12 lakhs\*, with a debt to equity ratio of 0.78 as per the Restated Financial Information. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. For further information on our agreements governing our outstanding indebtedness, see “*Financial Indebtedness*” on page 280.

*\*Debt comprises non-current borrowings and current borrowings.*

### **CONTINGENT LIABILITIES**

The following table sets forth the principal components of our contingent liabilities as of March 31, 2025, as per the Restated Financial Information:

<i>(₹ in Lakhs)</i>	
<b>Particulars</b>	<b>As of March 31, 2025</b>
Bank guarantees given to PGVCL from Bank of Baroda	239.31
<b>Total</b>	<b>239.31</b>

For further information see “*Restated Financial Information*” on page [●].

### **OFF-BALANCE SHEET ARRANGEMENTS.**

As of the date of this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

### **RELATED PARTY TRANSACTIONS**

For details of our related party transactions, see “Summary of the Issue Document - Summary of related party transactions” and “*Restated Financial Statements - Related Party Transactions*” on pages 27 and 260, respectively.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, interest rate risk and inflation risk in the normal course of our business.

#### **Commodity risk**

We are exposed to the price risk associated with purchasing our raw materials, which form the highest component of our expenses. We typically do not enter into formal arrangements and long-term contract with our suppliers. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk.

#### **Interest rate risk**

We are exposed to interest rate risk primarily as a result of term loans from banks. As at March 31, 2025, we had all of our loans that are subject to floating rates of interest, which exposes us to market risk as a result of changes in interest rates. Upward fluctuations in interest rates would increase the cost of new debt and interest cost of outstanding variable rate borrowings. In addition, any increase in interest rates could adversely affect our ability to service long-term debt, which would in turn adversely affect our results of operations. Interest rates are highly



sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations and cash flows.

### **Credit Risk**

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle, and/or we may have to make provisions for or write-off on such amounts.

### **Inflation**

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs.

### **Capital Expenditures**

Our historical capital expenditures were, primarily for setting up additional operating facilities. For the Fiscal Years 2025, 2024 and 2023 and, our capital expenditures outflow (including Capital Work in Progress) were ₹131.98 lakhs, ₹ 2,051.50 lakhs and ₹2,226.61 lakhs, respectively as per our Restated Financial Information.

### **Change in accounting policies**

Other than as disclosed in the Restated Financial Information, there have been no changes in accounting policies during Fiscals 2025, 2024 and 2023.

### **Segment Reporting**

Both the units of the company are integrated and functioning in same premises. Product manufactured in ginning unit is captively consumed and hence segment reporting is not applicable to the company.

### **Significant Economic Changes.**

Other than as described above under the heading titled “*Principal Factors Affecting Our Financial Condition and Results of Operations*,” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

### **Unusual or Infrequent Events of Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **Known Trends or Uncertainties**

Apart from the risks as disclosed under Section titled “Risk Factors” on page \_\_, to our knowledge there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### **Future Relationship Between Cost and Income**

Other than as described “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Position and Result of Operations” on Pages 33, 156 and 288 respectively, to our knowledge, there are no known factors that might affect the future relationship between expenditure and income which may have a material adverse impact on our operations and finances.

### **New products, Services or Business Segments**

Other than as described in “Our Business” on page 156 of this Draft Red Herring Prospectus, there are no new products or business segments in which we operate

### **Seasonality of Business**

*For details please see “Risk Factor – Risk Factor 11- Our ginning operations are seasonal in nature, which may result in variability in production, inventory management challenges, and lower in-house consumption of cotton bales, thereby exposing us to operational and financial risks.” on page 40*

#### **Suppliers or Customer Concentration**

*For details please see “Risk Factor – Risk Factor 3- We are dependent on a limited number of suppliers for procurement of raw cotton and cotton bales, our principal raw material, and any disruption in supply or adverse movement in cotton prices may materially affect our business, results of operations and financial condition.” on page 34*

#### **Competitive Conditions.**

We operate in a competitive environment. Our Business operations are affected by competition from domestic as well international Competitors. For details, see “Our Business”, “Industry Overview” and “Risk Factors” on page 156, 129 and 33 respectively.

#### **Reservations, Qualifications and Adverse Remarks Included by Auditors**

There are no reservations, qualifications and adverse remarks included by Auditors in the Restated Financial Information.

#### **Significant Developments After March 31, 2025**

Other than as disclosed in this chapter there are no significant events after March 31, 2025.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings; (ii) actions by regulatory authorities and statutory authorities (including all penalties and show cause notices); (iii) claims relating to direct and indirect taxes; (iv) other material outstanding proceedings including arbitration proceedings which have been determined to be material pursuant to the Materiality Policy, in each case involving our Company, its Subsidiaries, Promoters and Directors (collectively, “Relevant Parties”); (v) litigation involving our Group Companies which have a material impact on our Company; (vi) criminal proceedings and actions by statutory and regulatory authorities involving our KMPs and members of our Senior Management. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals, including any outstanding actions.*

*Further, as on the date of this Draft Red Herring Prospectus, there are no findings/observations of any inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision. Further, there are no litigations involving our Group Companies which have a material impact on our Company*

*For the purposes of above, in terms of the Materiality Policy adopted by resolution of our Board dated 08<sup>th</sup> August, 2025: any outstanding litigation / arbitration proceedings (other than as covered in points (i) to (iii) above) involving the Relevant Parties (including tax litigation mentioned in (iii) above) shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:*

- (a) the monetary amount of claim/amount in dispute, to the extent quantifiable, involved in any such outstanding litigation or arbitration proceedings exceeds: a) 2% of our turnover, as per the latest Financial Year included in the Restated Financial Information; or (b) 2% of our net worth, as per the latest Financial Year included in the Restated Financial Information; except in case the arithmetic value of the net worth is negative; or (c) 5% of the average of absolute value of profit or loss after tax, as per the last three Financial Years included in the Restated Financial Information, whichever is lower (“**Materiality Threshold**”). Accordingly, 5% of the average of absolute value of profit or loss after tax, for the last three Financial Years as per the Restated Financial Information, amounting to ₹ 68.07 lakhs has been considered as the Materiality Threshold for the Relevant Parties; or*
- (b) where the monetary liability is not quantifiable or lower than the Materiality Threshold specified in (a) above any outstanding litigation/arbitration proceedings, (i) where the outcome could materially and adversely affect our Company's business, prospects, operations, performance, financial position or reputation; or (ii) where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the amount as specified in (a) above, even though the amount involved in an individual matter may not exceed the amount as specified in (a) above.*

*It is clarified that for the purposes of the above, (a) first information reports (FIRs) (whether cognizance has been taken or not) initiated against the Relevant Parties shall also be disclosed in this Draft Red Herring Prospectus; and (b) pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by any regulatory, government, tax or statutory authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, not be considered as outstanding material litigation and accordingly not be disclosed in this Draft Red Herring Prospectus until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum, tribunal or government authority.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the restated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The restated trade payables of our Company as on March 31, 2025, was ₹ 3,946.57 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor is equal to or exceeds ₹ 197.33 lakhs as on March 31, 2025.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. Unless otherwise specified, the terms defined in the description of a particular legal proceeding pertains to such proceeding only.*

**I. Litigation involving our Company**

***A. Litigation filed against our Company***

**a. Criminal proceedings**

Nil

**b. Outstanding actions by regulatory and statutory authorities**

Nil

**c. Material civil proceedings**

Nil

***B. Litigation filed by our Company***

**a. Criminal proceedings**

Nil

**b. Material civil proceedings**

Nil

**II. Litigation involving our Directors**

***A. Litigation filed against our Directors***

**a. Criminal proceedings**

Nil

**b. Outstanding actions by regulatory and statutory authorities**

Nil

**c. Material civil proceedings**

Nil

***B. Litigation filed by our Directors***

**a. Criminal proceedings**

Nil

**b. Material civil proceedings**

Nil

**III. Litigation involving our Promoters**

***A. Litigation filed against our Promoters***

**a. Criminal proceedings**

Nil

**b. Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions**

Nil

**c. Outstanding actions by regulatory and statutory authorities**

Nil

**d. Material civil proceedings**

Nil

***B. Litigation filed by our Promoters***

**a. Criminal proceedings**

Rasiklal Valjibhai Patel (“**Complainant**”), in his capacity as Director of our group company, Devkinandan Paper Mill Private Limited, has filed a criminal complaint under Sections 138, 141 and 142 of the Negotiable Instruments Act, 1881 (“**Act**”) before the Hon’ble Chief Judicial Magistrate, Morbi, against Vardhman Packaging and others (“**Accused**”) in respect of dishonour of two cheques bearing number 053354 dated March 12, 2019 and 053348 dated July 1, 2019, respectively, each for ₹28.48 lakhs, issued towards consideration for kraft paper supplies and were deposited to IndusInd Bank on March 28, 2019 and July 1, 2019, respectively, and both the cheques were dishonoured with remarks “payment stopped by drawer”. Hence, the Complainant filed a criminal complaint under section 138, 141 and 142 of the Act and prayed for disqualification of the Accused and payment of amount due by the Accused. The statutory notice was issued within the prescribed period, and a reply has been received from certain notices. The proceeding is currently pending before the Magistrate.

**b. Material civil proceedings**

Nil

**IV. Litigation involving our KMPs**

***A. Litigation filed against our KMPs***

**a. Criminal proceedings**

Nil

**b. Outstanding actions by regulatory and statutory authorities**

Nil

***B. Litigation filed by our KMPs***

**a. Criminal proceedings**

Nil

**V. Litigation involving our SMPs**

***A. Litigation filed against our SMPs***

**a. Criminal proceedings**

Nil

**b. Outstanding actions by regulatory and statutory authorities**

Nil

**B. Litigation filed by our SMPs**

**b. Criminal proceedings**

*Rasiklal Valjibhai Patel*

Except as disclosed in “*Outstanding Litigation and material developments- Litigation filed by our Promoter*” on page 305, there have been no cases filed by our SMPs.

**VI. Tax proceedings against our Company, Promoters and Directors**

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Promoters and Directors:

Nature of case	Number of cases	Amount involved (₹ in lakhs)*
<b>Company</b>		
Direct Tax*	6	0.18
Indirect Tax	2	277.76
<b>Promoters</b>		
Direct Tax*	9	1,805.65
Indirect Tax	-	-
<b>Directors</b>		
Direct Tax*	8	1805.42
Indirect Tax	-	-

*\*To the extent quantifiable*

**VII. Outstanding dues to creditors**

As per the Materiality Policy, a creditor of our Company, shall be considered to be material (“**Material Creditors**”) for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is in excess of 5% of the restated consolidated trade payables of our Company, as per the latest completed fiscal year of the Restated Financial Statements (i.e., March 31, 2025). Accordingly, a creditor has been considered ‘material’ by our Company if the amount due to such creditor exceeds ₹ 197.33 lakhs as of March 31, 2025.

As of March 31, 2025, outstanding dues to Material Creditors, micro, small and medium enterprises and other creditors were as follows:

(₹ in lakhs)

Particulars	Number of Creditors	Amount Outstanding
<b>Material Creditors (A)</b>		
- Micro, Small and Medium Enterprises*	-	-
- Other	6	2,839.00
<b>Total (A)</b>	<b>6</b>	<b>2,839.00</b>
<b>Other creditors (B)</b>		
- Micro, Small and Medium Enterprises*	20	21.35
- Other creditors	78	1,086.23
<b>Total (B)</b>	<b>98</b>	<b>1,107.58</b>
<b>Total (A+B)</b>	<b>104</b>	<b>3,946.57</b>

The details pertaining to outstanding dues to Material Creditors, along with the name and amount involved for each such Material Creditor, are available on the website of our Company at <https://www.aasthaspintex.com/>. It is clarified that such details available on our Company’s website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company’s website, <https://www.aasthaspintex.com/>, would be doing so at their own risk.

## **Material Developments**

Other than as stated in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 288, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the DRHP

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our business and operations require various approvals, licenses, registration, and permits issued by relevant governmental and regulatory authorities of the jurisdictions in which we operate under applicable law. Except as disclosed herein and in “Risk Factors”, on page 33 (Our Company may not be able to obtain certain material approvals which are required but not obtained or applied for by us), set out below is a list of all material and necessary approvals, licenses, registrations and permits obtained by our Company for the purposes of undertaking its business activities and operations and except as mentioned below, no further material approvals are required for carrying on our present business activities. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course of business and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For details in connection with the applicable regulatory and legal framework, see, “Key Regulations and Policies” on page 170.*

*In addition to these approvals, we have also disclosed below (i) the approvals applied for, including renewal applications made, but not received; and (ii) the approvals for which applications are yet to be made by our Company. For Issue related approvals, see “Other Regulatory and Statutory Disclosures” on page 312 and for incorporation details of our Company, see “History and Certain Corporate Matters” on page 185.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities.*

### **I. Material approvals obtained by our Company**

#### **A. Incorporation details of our Company**

1. Certificate of Incorporation dated August 12, 2013, issued by the RoC, Gujarat, Dadra and Nagar Haveli under our former name ‘Aastha Spintex Private Limited’.
2. Fresh certificate of Incorporation dated February 12, 2025, issued by RoC, Central Processing Centre, consequent upon conversion to public company and change of name from ‘Aastha Spintex Private Limited’ to ‘Aastha Spintex Limited’.
3. The Corporate Identity Number (“CIN”) of our Company is U17120GJ2013PLC076361.

#### **B. Approval in relation to the Issue**

1. The Issue has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated July 16, 2025, and a resolution of our Shareholders passed in the Extra-ordinary General Meeting dated August 08, 2025.

Our Board has on September 30, 2025 approved the Red Herring Prospectus for filing with the RoC, SEBI and the Stock Exchanges.

2. Our Company has received in-principal approval from BSE Limited and National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

#### **C. Tax related approvals obtained by our Company**

We are required to obtain registrations under various National tax laws and state specific tax laws such as the Income Tax Act, 1961, Central Goods and Services Tax Act, 2017 and any other tax legislation as applicable, state wise. We have obtained the Material Approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

1. The Permanent Account Number of our Company is AALCA9242J.
2. The Tax Deduction Account number of our Company is AHMA12866A.
3. Goods and Services Tax (“GST”) registration number of our Company is 24AALCA9242J1ZG.
4. Professional Tax Enrolment certificate of our Company is PEN159001219.



5. Professional Tax Registration certificate of our Company is PRN159000047.

**D. Material approvals obtained in relation to the business and operations of our Company**

In order to carry on our operations, our Company requires various approvals, licenses and registrations under several central or state-level acts, rules and regulations. The list of the material approvals required by us is provided below:

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/ Renewal	Valid up to
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	<b>Registration no.-</b> UDYAM-GJ-32-0000302	August 26, 2020	Valid until cancelled or modified
2.	Importer-Exporter Code issued under the Foreign Trade (Development and Regulation) Act, 1992 and Foreign Trade Policy.	Ministry of Commerce and Industry (DGFT)	<b>Reference no.-</b> 2413011811	November 29, 2013; modified July 23, 2025	Valid until cancelled or modified
3.	Registration-cum-Membership Certificate under Foreign Trade Policy for export facilitation in the textiles sector.	Cotton Textiles Export Promotion Council	<b>Certificate no.-</b> RCMC/CTEPC/00489/2023-2024	July 24, 2025	March 31, 2026
4.	Registration and license to work a factory issued under Section 6 of the Factories Act, 1948, authorizing factory operations at the registered premises.	Directorate Industrial Safety and Health, Gujarat	<b>License No.-</b> 23092; <b>Registration No.-</b> 92/13111/2016	March 1, 2015	December 31, 2033
5.	Legal Entity Identifier issued under the Global Legal Entity Identifier System for financial market identification and reporting.	Legal Entity Identifier India Limited	<b>Reference no.-</b> 335800WKRDAC823JCV37	-	January 12, 2027
6.	Consolidated Consent and Authorization 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	<b>Reference no.-</b> GPCB/CCA/MOR-846/ID-43975/	August 21, 2025	July 28, 2030
7.	Certificate of compliance with Global Organic Textile Standard (GOTS v7.0) for spinning of greige yarns and undyed fibers, evidencing conformity of processes and inputs.	CU Inspections & Certifications India Private Limited	<b>Reference no.-</b> CU843020GOTS-2025-00065604; <b>License no.-</b> CB-GOTS-CUC-03-843020	June 20, 2025	March 18, 2026

8.	OEKO-TEX Standard 100 Certification (Product Class I – Annex 6) evidencing product safety for textiles, subject to updated certificate reflecting current company name.*	OEKO-TEX Service GmbH, Zurich	<b>Reference no.-</b> 15.HIN.70555	January 8, 2025	October 31, 2025
9.	Certificate of compliance with Organic Content Standard (OCS v3.0) and Global Recycled Standard (GRS v4.0) for spinning of greige yarns, evidencing chain-of-custody compliance.	CU Inspections & Certifications India Private Limited	<b>Reference no.-</b> CU843020MUL-2025-00065605; <b>License no.-</b> CB-CUI-843020	June 20, 2025	March 18, 2026
10.	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	<b>Certificate no.-</b> 3710995/MOR/2025/01	September 1, 2025	September 1, 2026

*\*As on the date of this DRHP, the OEKO-TEX Standard 100 certificate (Product Class I – Annex 6) bearing No. 15.HIN.70555, dated January 8, 2025, and valid up to October 31, 2025, remains issued in the name 'Aastha Spintex Private Limited'. An application to update the certificate to reflect the new name 'Aastha Spintex Limited' was filed on July 17, 2025, and approval is awaited. The certificate holder details will be updated to reflect the new name upon approval.*

#### E. Labour related approvals obtained by our Company

Sr. No.	Type of License/Approval	Issuing Authority	Reference / Registration / License No.	Date of Issue/ Renewal	Valid up to
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	<b>Certificate no.-</b> 4173140767RAJ  <b>Code no.-</b> GJRAJ1378502000	September 23, 2015	Valid until cancelled or modified
2.	Registration of shop/commercial establishment under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019, evidencing registration of the establishment.	Halvad Nagarpalika	<b>Registration no.-</b> CR156000005	May 19, 2025	Valid until cancelled or modified


*\*As on the date of this DRHP, EPFO records reflect the establishment's particulars under the name 'Aastha Spintex Private Limited' against PF Code 'GJRAJ1378502000' pursuant to Certificate No. 4173140767RAJ dated September 23, 2015. An application to update the establishment's name from 'Aastha Spintex Private Limited' to 'Aastha Spintex Limited' was filed on July 16, 2025, and approval is awaited. The establishment details on the EPFO portal will be updated to reflect the new name upon approval.*

#### F. Domain related details of our Company

- Domain of our Company bearing name aasthaspintex.com and domain ID 1873695556\_DOMAIN\_COM-VSRN registered on September 1, 2014, and valid till September 1, 2029, issued by Domains by Proxy, LLC and registered with godaddy.com, LLC.

#### II. Intellectual property of our Company

As on the date of this Draft Red Herring Prospectus, our Company owns one trademark with logo. For further details, see our “*Our Business – Intellectual Property*” on 168.

Sr. No.	Name of the IPR registration/ license	Type of Trademark	Registration Number	Date of registration/ application	Class	Status
1.	AASTHA Spintex* 	Device	2937732	April 9, 2015	23	Registered

*\*As on the date of this DRHP, the online records of the Trade Marks Registry reflect the proprietor's name as 'Aastha Spintex Private Limited'. An application dated July 10, 2025, has been submitted to record the change of name from 'Private Limited' to 'Public Limited' with the Trade Marks Registry, and approval is awaited. The trademark proprietor details will be updated to reflect the new name upon approval.*

*For risks associated with intellectual property, see, “Risk Factors- Risk Factors 44 – We may not be able to adequately protect our intellectual property, including our trademarks, and any failure to do so may adversely affect our business, reputation, and goodwill.” on page 52.*

### **III. Material Approvals applied for but not received by our Company**

Except for the approvals which our Company has filed or is in the process of filing the necessary applications with the relevant statutory and regulatory authorities for updating changes in its name pursuant to its conversion from a private company to a public company, there are no material approvals which our Company has applied for but not yet received.

### **IV. Material Approvals that have expired and for which renewal applications have been made**

There are no material approvals that have expired and for which renewal applications have been made as on the date of this Draft Red Herring Prospectus.

### **V. Material Approvals required but yet to be obtained or applied for by our Company**

There are no material approvals required but yet to be obtained or applied for by our Company as on the date of this Draft Red Herring Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

#### *Corporate Approvals*

1. Our Board of Directors has authorized the Issue by a resolution passed in their meeting held on July 16, 2025.
2. Our Shareholders have approved and authorized the Issue by way of a special resolution passed at their extraordinary general meeting held on August 8, 2025.
3. This Draft Red Herring Prospectus was approved by our Board through its resolution in its meeting dated September 30, 2025.

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI or other Governmental Authorities

Our Company, Promoters, Directors, the members of the Promoter Group, have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Our Company, Promoters and the Directors have neither 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 and Fraudulent Borrowers issued by the RBI.

Our Promoters and Directors have not been declared as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018

None of the Companies with which our Directors and Promoters are associated with as Promoters or Directors have been debarred from accessing capital markets under any order or direction passed by the SEBI or any other authorities.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of our Promoter Group, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to it, in respect of its respective holding in our Company, as on the date of this Draft Red Herring Prospectus

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there have been no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the eligibility criteria provided under Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹300.00 lakhs, calculated on a restated basis, in each of the preceding three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, of which not more than 50% are held in monetary assets;
- Our Company has an average operation profit of at least ₹1500.00 lakhs, calculated on a restated basis, during the preceding three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023,

with operating profit in each of these financial years;

- Our Company has a net worth of at least ₹100.00 lakhs in each of the preceding three financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, calculated on a restated basis; and
- Our Company has not changed its name in the year immediately preceding the date of this Draft Red Herring Prospectus, except for the change in status to a public limited company from a private limited company

The computation of net tangible assets, operating profit, net worth, monetary assets, as restated and derived from the Restated Financial Statements in the Draft Red Herring Prospectus, as at and for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023 are set forth below:

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Net tangible assets <sup>(1)</sup> (A) (₹ in lakhs)	12,954.01	8,359.57	6,488.42
Operating profit <sup>(2)</sup> (B) (₹ in lakhs)	4,180.91	3,092.68	826.58
Net worth <sup>(3)</sup> (C) (₹ in lakhs)	12,163.43	7,637.83	6,000.94
Monetary assets <sup>(4)</sup> (D) (₹ in lakhs)	1,112.40	648.42	614.68
Monetary assets as a % to net tangible assets (E) = (D)/(A) (in %)	8.59%	7.76%	9.47%

**Notes:**

(1) 'Net tangible assets' have been defined in Section 2(1)(gg) of the SEBI ICDR Regulations as the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38.

(2) 'Monetary assets' means cash and cash equivalents, bank balance other than cash and cash equivalents and exclude earmarked balances with banks (Deposit with banks with original maturity for more than 12 months) and Interest accrued on fixed deposits which are not readily available for utilisation by the group.

(3) Operating Profit' has been calculated as net profit after taxes + finance costs + tax expense –other income (Net profit after tax is excluding Other comprehensive income and prior to allocation of share to Non-controlling interest).

(4) 'Net worth' means 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, derived from Restated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulation. Capital Reserve being reserve created on account of business acquisition will be excluded from calculation of Net Worth.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- Our Company, Promoters, members of the Promoter Group, and our Directors are not debarred from accessing the capital markets by SEBI;
- The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- None of our Company, our Promoters or Directors are a Wilful Defaulter or Fraudulent Borrower;
- None of our Promoters or Directors have been declared as a Fugitive Economic Offender;
- There are no outstanding convertible securities of our Company or any other rights to convert debentures, loans or other instruments into, or 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;
- Our Company along with Registrar to the Issue has entered into tripartite agreements each dated August 22, 2025 and September 5, 2025, with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- The Equity Shares of our Company held by our Promoters are in dematerialized form;
- 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
- 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 75% of the stated means of finance.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 7(2) 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 Allottees under the Issue shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with the SEBI ICDR Regulations and applicable law.

#### **DISCLAIMER CLAUSE OF THE 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 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 MANAGERS, BEING, BOI MERCHANT BANKERS LIMITED AND PNB INVESTMENT SERVICES LIMITED (“BRLMs”) HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, 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 BRLMs IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V FORM AOF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**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 AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, 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 the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All applicable 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, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

#### **Disclaimer from our Company, our Promoters, our Directors, and the BRLMs**

Our Company, our Promoters, our Directors, and the BRLMs 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 and anyone placing reliance on any other source of information, including our Company's website, [www.aasthaspintex.com](http://www.aasthaspintex.com) or the respective websites (as applicable) of our Promoter, Promoter Group, any affiliate of our Company, our Group Companies or the BRLMs, would be doing so at his or her own risk.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Issue Agreement and as will be provided for in the Underwriting Agreement to be entered into among the Underwriters, and our Company.

All information shall be made available by our Company, and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever,

including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

The Investors will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives, as applicable 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 and each of their respective directors, officers, agents, affiliates, and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates, in their capacity as principal or agents, may engage in transactions with, and perform services for, our Company, our Group Companies, and their respective directors and officers, partners, trustees, affiliates, associates or third parties, as applicable 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, and our Group Companies, and each of their respective directors and officers, partners, trustees, affiliates, associates or third parties, as applicable for which they have received, and may in the future receive, compensation.

Investors are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **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, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions as specified under Section 2(72) of the Companies Act, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, permitted insurance companies and pension funds, insurance funds set up and managed by the army, navy or air force and insurance funds set up and managed by the Department of Posts, Government of India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to, Issue to sell or purchase the Equity Shares in the Issue in any jurisdiction, including India, to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus for the Issue.

**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.**

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 SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any Issue or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date. 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.

### **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 outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such Issues 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.**

**Investors 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 Investor where required must agree in the Allotment Advice that such Investor 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 BSE Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by 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 their filing with the RoC.

### **Disclaimer Clause of the National Stock Exchange of India Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by 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 their filing with the RoC.

### **Listing**

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

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 3 (three) Working Days from the Bid/ Issue Closing Date or such period as may be prescribed by SEBI.

If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Investors, failing which interest shall be due to be paid to the Investors at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

### **Consents**

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, our Key Managerial Personnels and Senior Management, the Statutory Auditors, Infomerics, the legal counsel to the Company, the bankers to our Company, the BRLMs, Registrar to the Issue, practising Company Secretary, Independent Chartered Engineer to act in their respective capacities, have been obtained; and (b) the Syndicate Members,



Monitoring Agency, and Bankers to the Issue /Escrow Collection Bank(s), Public Issue Account Bank(s), Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Experts to the Issue**

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

Our Company has received written consent dated September 29, 2025, from our Statutory Auditor, S.N. Shah & Associates, Chartered Accountants holding a valid peer review certificate from ICAI to include their name in this Draft Red Herring Prospectus in their capacity as an 'expert' in respect of their examination report on the Restated Financial Statements dated September 21, 2025 and the Statement of Possible Tax Benefits dated September 29, 2025, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term 'expert' and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated September 15, 2025, from S.K. Patel, Independent Chartered Engineer to include his name as an 'expert' as defined under Section 2(38) of the Companies Act to the extent and in his capacity as Independent Chartered Engineer in respect of the certificate dated September 15 issued by him in connection with capacity details included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. The term 'expert' and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated September 30, 2025, from Dhyanam Vyas and Associates, Practicing Company Secretary to include their name in this Draft Red Herring Prospectus in their capacity as an "expert" in respect of certificate issued by them in their capacity as the independent practising company secretary to our Company submitted for the purposes of this Issue and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

### **Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects – our Company**

Our Company has not undertaken any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary and corporate promoters.

### **Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public Issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Draft Red Herring Prospectus.

### **Capital issue by our Company, listed Group Company, subsidiaries and associates during the previous three years**

Our Company does not have any listed subsidiaries, Group Companies. Further, our Company does not have any associates. Except as disclosed in the section "*Capital Structure-Notes to Capital Structure-Equity Share capital history of our Company*" on page 80, our Company has not undertaken any capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

### **Past price Information of past issues handled by the BRLMs**

1. Price information of past issues handled **BOI Merchant Bankers Limited** (during the current

Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
<b>MAINBOARD IPO</b>								
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>SME IPO</b>								
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> 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%
2023-24	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2024-25	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Price information of past issues handled **PNB Investment Services Limited** (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
<b>MAINBOARD IPO</b>								

1.	Pyramid Technoplast Limited	1350.00	166.00	August 29, 2023	187.00	3.04% [2.12%]	24.06% [2.53%]	4.51% [15.05%]
2.	Shree Tirupati Balajee Agro Trading company Limited	1696.5	83.00	September 12, 2024	92.90	-7.37% [-1.67%]	-7.19% [-2.94%]	-41.13% [-11.38]
<b>SME IPO</b>								
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> 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%
2023-24	1	1350.00	-	-	-	-	-	1	-	-	-	-	-	1
2024-25	1	1696.5	-	-	1	-	-	-	-	1	-	-	-	-

#### Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the website of the BRLMs mentioned below:

S. No.	Name of the Book Running Lead Manager	Website
1.	BOI Merchant Bankers Limited	<a href="https://www.boimb.com/">https://www.boimb.com/</a>
2.	PNB Investment Services Limited	<a href="https://www.pnbisl.com/">https://www.pnbisl.com/</a>

For further details in relation to the BRLMs, see “General Information – Book Running Lead Manager” on page 72.

#### Stock Market Data of Equity Shares

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on 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 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 or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Investors.

**Investors can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in**

**case of any pre- Issue or post- Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders 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 BRLMs, in the manner provided below. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.**

All Issue related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving 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, address of Investor, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Investor shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. For Issue -related grievances, investors may contact the BRLMs, details of which are given in “*General Information – Book Running Lead Manager*” on page 72.

The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Investors. 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.

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, Investors' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/ Issue Closing Date, the Investor shall be compensated at a uniform rate of ₹100 per day 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 BRLMs, in its sole discretion, may identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. In terms of SEBI ICDR Master Circular, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Investors for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Investor 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 payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, 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.

The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock

Blocking of multiple amounts for the same Bid made through the UPI Mechanism	<ol style="list-style-type: none"> <li>1. Instantly revoke the blocked funds other than the original application amount; and</li> <li>2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher</li> </ol>	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	<ol style="list-style-type: none"> <li>1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and</li> <li>2. ₹100 per day or 15% per annum of the difference amount, whichever is higher</li> </ol>	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Bidder shall be compensated by the manner specified in the SEBI ICDR Master Circular. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

#### **Disposal of investor grievances by our Company**

Our Company shall obtain SCORES authentication and shall comply with the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023 and the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/183) dated December 1, 2023, 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 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and Issue of duplicate shares. For details of our Stakeholders' Relationship Committee, see "*Our Management - Stakeholders' Relationship Committee*" on page 203.

Our Company has also appointed Tushar Dhirubhai Devera, Company Secretary of our Company, as the compliance officer for the Issue. For details, "*General Information- Company Secretary and Compliance Officer*" on page 72.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

#### **Other confirmations**

No person connected with the Issue, except for fees or commission for services rendered in relation to the Issue, shall Issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making a Bid.

We confirm that as on date of this Draft Red Herring Prospectus there are no findings/observations of any regulators that are material, and which need to be disclosed or non-disclosure of which may have bearing on the investment decision. It is further confirmed that our Company has not received any findings/observations from SEBI, as on date.

#### **Exemptions from complying with any provision of securities laws, if any, granted by SEBI**

Our Company has not applied for any exemption from complying with any provisions of securities laws before SEBI.

## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares issued, transferred and Allotted in the Issue will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Abridged Prospectus and other terms and conditions as maybe incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating the issue of capital and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and, or, other authorities to the extent applicable or such other conditions as may be prescribed by such governmental and, or, regulatory authority while granting approval for the Issue.

#### The Issue

The Issue comprises Fresh Issue of Equity Shares of our Company. The fees and expenses for the Issue shall be borne by our Company in the manner specified in the section titled “*Objects of the Issue - Issue Expenses*” beginning on page 110.

#### Ranking of the Equity Shares

The Equity Shares being issued and Allotted in the Issue will be subject to the provisions of the Companies Act, the Memorandum of Association, the Articles of Association, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA and SCRR and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company. The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment, as per the applicable law. For further details, see “*Main provisions of Articles of Association*” on page 359.

#### Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and other applicable laws including any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared by our Company, after the date of Allotment, will be payable to the Allottees for the entire year, in accordance with applicable law. For further information, please see the section entitled “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on pages [●] and [●], respectively.

#### Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 10 each, and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size in the Issue will be decided by our Company, in consultation with the BRLMs and shall be published at least 2 Working Days prior to the Bid/Issue Opening Date, advertised in all editions of the [●], an English language national daily with wide circulation, all editions of [●], a Hindi language national daily with wide circulation and [●], a Gujarati language national daily with wide circulation (Gujarati being the regional language of Gujarat, where our Registered Office is located) 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 at the website of the Stock Exchanges. The Issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable law, rules, regulations and the provisions of 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 powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, or e-voting in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” beginning on page 359.

### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated September 05, 2025, amongst our Company, CDSL and Registrar to the Issue; and
- Tripartite agreement dated August 22, 2025, amongst our Company, NSDL and 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 this Issue will be only in dematerialised form in multiples of [●] Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see “*Issue Procedure*” on page 334.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship, subject to the provisions of Articles of Association.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in Ahmedabad, Gujarat, India.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Investor, or the first Investor along with other joint Investors, may nominate any one person in whom, in the event of the death of sole Investor or in case of joint Investors, death of all the



Investors, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. 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 the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. 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.

Further, 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 the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 monies 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 dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Investor would prevail. If the Investor wants to change the nomination, they are requested to inform their respective Depository Participants.

#### Bid/Issue Programme

<b>BID/ISSUE OPENS ON*</b>	[●]
<b>BID/ISSUE CLOSES ON**</b>	[●]^

*\*Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations*

*\*\*Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

*^UPI mandate end time and date shall be at 5.00 pm on the Bid/Issue Closing Date.*

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

Event	Indicative Date
Bid/ Issue Closing Date	[●]*
Finalisation 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 (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Investor shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock 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 Investor 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 till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Investor shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Investor shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs 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 the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor*

*grievances in relation to blocking/unblocking of funds.. For the avoidance of doubt, the provisions of the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022, and SEBI master circular SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable. The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the SEBI ICDR Master Circular and SEBI RTA Master Circular.*

**The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Book Running Lead Managers.**

**While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 3 Working Days of the Bid/Issue Closing Date or such period as may be prescribed by 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 BRLMs, 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. The Issue Procedure is subject to change based on any revised SEBI circulars to this effect.**

**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.**

In terms of the UPI Circulars, in relation to the Issue, the BRLMs 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 or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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 Investor shall be compensated 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, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Issue Period (except the Bid/Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Bid/Issue Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs, Non-Institutional Investors.	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (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 ₹5 lakhs)	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 NIIs)	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 ₹5 lakhs)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories <sup>#</sup>	Only between 10.00 a.m. on the Bid/Issue 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. on the Bid/Issue Opening Date and up to 5.00 p.m. IST

<sup>\*</sup> UPI mandate end time and date shall be at 5.00 pm on the Bid/Issue Closing Date.

<sup>#</sup> QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- (a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and
- (b) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors
  - a) On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.
  - b) 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 BRLMs and the Registrar to the Issue on a daily basis, as per the format prescribed in SEBI RTA Master Circular. 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. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.
  - c) **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.**

Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the Book Running Lead Managers to the Stock Exchanges. For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

Due to limitation of time available for uploading Bids on the Bid/Issue Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issues, it may lead to some Bids not being uploaded due to lack of sufficient time to upload and such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Issue. 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 the SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected. Bids will be accepted only on Working Days.

Bidders may please note that 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 the BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public 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.

The Designated Intermediary shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5:00 p.m. 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.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations, provided that (i) the Cap Price will be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be at least 105% of the Floor Price, and (iii) the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Issue Period will be extended by at least three 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 circumstances, our Company may, in**

**consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days.**

**Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice and by indicating the change on the websites of the Book Running Lead Managers and terminals of the Syndicate Members and will also be intimated to the Designated Intermediaries and the Sponsor Bank(s), as applicable. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Investor, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or (ii) the minimum subscription of 90% of the Fresh 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 Companies Act, SEBI ICDR Regulations and the SEBI ICDR Master Circular.

In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI Master Circular, our Company shall within two days from the closure of the Issue, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond such time period as prescribed under applicable law, interest at the rate of 15% per annum shall be paid.

In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for the valid Bids will be made towards subscription for 90% of the Issue.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will 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 dematerialised 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.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Share capital of our Company, lock-in of our Promoter's minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*", on page 79 and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For details, see "*Description of Equity Shares and Terms of the Articles*

*of Association”*, on page 359.

### **Allotment of Equity Shares only in Dematerialized Form**

Allotment of Equity Shares to successful Investors will only be in the dematerialized form. Investors 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. However, the Equity Shares may be rematerialized subsequently to Allotment of the Equity Shares in the Issue, subject to applicable laws.

### **Authority for the Issue**

The Issue has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated July 16, 2025, and by our Shareholders pursuant to a special resolution passed at their meeting dated August 8, 2025. This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated [●] for filing with SEBI and Stock Exchanges.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLMs, reserve the right to not proceed with the entire or portion of the Issue, in whole or in part thereof, after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within 2 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 are proposed to be listed. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank(s) (in case of UPI Investors using the UPI Mechanism), to unblock the bank accounts of the ASBA Investors and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within 1 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. In terms of the UPI Circulars, in relation to the Issue, the BRLMs will submit reports of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 2 Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% p.a., whichever is higher for the entire duration of delay exceeding 2 Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company, in consultation with the Book Running Lead Managers, withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining: (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

Notwithstanding the foregoing, this 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 within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed 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.

## ISSUE STRUCTURE

Initial public offering of up to [●] Equity Shares of face value ₹10 each at issue price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹ 16,000 lakhs comprising a Fresh Issue of up to [●] Equity Shares of face value ₹10 each aggregating up to ₹ 16,000 lakhs. The Net Issue shall constitute [●]%, respectively of the post-issue paid-up Equity Share capital of our Company. For details, please see the section titled “*The Issue*” beginning on page 68.

In terms of Rule 19(2)(b) of the SCRR, the Issue is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

The issue is being made through book building process:

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors <sup>(3)</sup>	Retail Individual Investors
Number of Equity Shares of face value ₹10 each available for Allotment/ allocation <sup>*(2)</sup>	Not more than [●] Equity Shares of face value ₹10 each	Not less than [●] Equity Shares of face value ₹10 each available for allocation or Issue less allocation to QIB Investors and Retail Individual Investors	Not less than [●] Equity Shares of face value ₹10 each available for allocation or Issue less allocation to QIB Investors and Non-Institutional Bidders
Percentage of Issue Size available for Allotment or allocation	<p>Not more than 50% of the Net Issue shall be available for allocation to QIB Investors. However, up to 5% of the Net QIB 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 QIB Portion.</p> <p>The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.</p>	<p>Not less than 15% of the Net Issue. The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares of face value ₹10 each in the Non-Institutional Portion and the remaining available Equity Shares of face value ₹10 each, if any, shall be available for allocation out of which:</p> <p>(a) One third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹ 2 lakhs and up to ₹ 10 lakhs and</p> <p>(b) two-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹10 lakhs provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.</p>	Not less than 35% of the Net Issue or the Issue less allocation to QIB Investors and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [●] Equity Shares of face value ₹10 each shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) up to [●] Equity Shares of face value ₹10 each shall be available for allocation on a proportionate basis to</p>	The allotment of specified securities 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 this regard in Schedule XIII of	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares of face value ₹ 10 each in Retail Portion and the remaining available Equity Shares of face value ₹10 each if any, shall be allotted on a proportionate basis. For

	<p>all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value ₹10 each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	<p>the SEBI ICDR Regulations subject to:</p> <p>(a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹2 lakhs and up to ₹10 lakhs; and</p> <p>(b) two thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹10 lakhs,</p> <p><i>provided that</i> the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.</p> <p>For further details, see “<i>Issue Procedure</i>” on page 334.</p>	<p>further details, please see section titled “Issue Procedure” beginning on page 334.</p>
Mode of Bidding^	Through ASBA process only (excluding the UPI Mechanism) (except in case of Anchor Investors)	ASBA process only (including the UPI Mechanism for Bids up to ₹5 lakhs)	ASBA process only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares of face value ₹10 each in multiples of [●] Equity Shares of face value ₹10 each such that the Bid Amount exceeds ₹ 2 lakhs	Such number of Equity Shares of face value ₹10 each in multiples of [●] Equity Shares of face value ₹ 10 each such that the Bid Amount exceeds ₹2 lakhs.	[●] Equity Shares of face value ₹10 each and in multiples of [●] Equity Shares of face value ₹10 each thereafter.
Maximum Bid	Such number of Equity Shares of face value ₹10 each in multiples of [●] Equity Shares of face value ₹10 each not exceeding the size of the Net Issue, (excluding the Anchor portion) subject to applicable limits to each Investor	Such number of Equity Shares of face value ₹10 each in multiples of [●] Equity Shares of face value ₹10 each not exceeding the size of the Net Issue, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares of face value ₹10 each in multiples of [●] Equity Shares of face value ₹10 each so that the Bid Amount does not exceed ₹ 2 lakhs
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares of face value ₹10 each and in multiples of [●] Equity Shares of face value ₹10 each thereafter		
Allotment Lot	A minimum of [●] Equity Shares of face value ₹10 each and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can Apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, state industrial development corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 2500 lakhs, pension fund with	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and FPIs who are individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 2.00 lakhs in value.

	minimum corpus of ₹ 2500 lakhs 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 in accordance with applicable law and 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 and systemically important nonbanking financial companies		
Terms of Payment	<p><i>In case of Anchor Investors:</i> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(3)</sup></p> <p><i>In case of all other Bidders:</i> Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank(s) through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form</p>		

\* Assuming full subscription in the Issue

^ Anchor Investors are not permitted to use the ASBA process. Further, pursuant to SEBI ICDR Master Circular, the SEBI has mandated that ASBA applications in the Issue will be processed only after the Bid Amounts are blocked in the bank accounts of the investor. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and Retail Individual Investors and all modes through which the Applications are processed, accept ASBA Forms in their electronic book-building platform only with a mandatory confirmation on the Bid Amounts blocked.

<sup>(1)</sup>Our Company, in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹1000 lakhs (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 10,000 lakhs but up to ₹2500 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹500 lakhs per Anchor Investor, and (iii) in case of allocation above ₹25000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 250,000 lakhs and an additional 10 Anchor Investors for every additional ₹ 25000 lakhs or part thereof will be permitted, subject to minimum allotment of ₹500 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares of face value ₹ 10 each, that the Bid Amount is at least ₹ 1000 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company, in consultation with the BRLMs. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Category. For further details, see "Issue Procedure" beginning on page 334.

<sup>(2)</sup> Subject to valid Bids being received at or above the Issue Price. This Issue is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares of face value of ₹10 each 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, 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 of face value of ₹10 each available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, subject to availability of Equity Shares of face value of ₹10 each in the respective categories, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

<sup>(3)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor



*Application Forms, provided that any difference between the price at which Equity Shares of face value ₹10 each are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.*

*<sup>(4)</sup> 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.*

Investors will be required to confirm and will be deemed to have represented to our Company, the Promoter the Underwriters, their respective directors, officers, agents, affiliates and representatives that are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares of face value ₹ 10 each.

The Bids by FPIs with certain structures as described under the section “*Issue Procedure*” on page 334 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and 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 BRLMs and the Designated Stock Exchange, on a proportionate basis. 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, please see section titled “*Terms of the Issue*” beginning on page 323.

## ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by the SEBI and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in the SEBI ICDR Master Circular and the SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. Further, the SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (“**SEBI RTA Master Circular**”) and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, have 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 Draft Red Herring Prospectus. Additionally, pursuant to the circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The SEBI Master Circular has consolidated and rescinded the aforementioned circulars, to the extent they relate to the SEBI ICDR Regulations, and also prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of the SEBI*

*Master Circular are deemed to form part of this Draft Red Herring Prospectus.*

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher 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 till 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 till 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 BRLMs 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 and SEBI RTA Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.*

*The BRLMs shall be the nodal entity for any Issues arising out of the public issuance process.*

*SEBI vide its circular no. SEBI/HO/CFD/CFD-TPD-1/P/CIR/2024/5 dated May 24, 2024 (“**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. Further, investors are advised to rely only on the information contained in the Issue Documents and the pre-Issue and Price Band advertisement for making investment decisions.*

*Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023, issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023, issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of this Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Issue shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Issue Opening Date.*

*Our Company, the BRLMs and the members of the syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for 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 this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

*Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and does 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. Further, our Company, and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.*

## **Book Building Procedure**

*The Issue is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance*

with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the 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 them at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹2 lakhs and up to ₹10 lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹10 lakhs and under-subscription in either of these two sub-categories of Non Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except the Net QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. However, under-subscription, if any, in the Net QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Issue will constitute at least [●]% of the post Issue paid-up Equity share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021, and March 30, 2022, read with press release dated March 28, 2023.**

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID, for UPI Bidders Bidding 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 the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to compliance with Applicable Law.**

### **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 UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase was applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated

Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all public issues opening on or after September 1, 2023 and is now applicable on a mandatory basis for all public issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

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, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and National Payments Corporation of India (NPCI) in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

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 UPI Streamlining 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 Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, 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 BRLMs. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the BRLMs will be required to compensate the concerned investor.

### **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 BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

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. SEBI vide its

circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, the Stock Exchanges shall, for all categories of investors viz. RIB, QIB, NII 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. UPI Bidders shall Bid through the UPI Mechanism.

UPI Bidders 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. UPI Bidders bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders) as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Forms in the manner as follows:

- (i) RIBs and NIBs (other than NIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders 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 Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, 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 a 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.

Non-Institutional Bidders Bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. For Anchor Investor, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour 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 <sup>^</sup>	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	[●]
Anchor Investors <sup>**</sup>	[●]

*\*Excluding electronic Bid cum Application Forms*

*\*\*Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

*^Electronic Bid cum Application forms will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding through the UPI Mechanism) to the respective SCSB where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank 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. In accordance with circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022, and the notice issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using 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, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) 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 issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Manager for analysing the same and fixing liability.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

- (i) Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by Syndicate Member, registrars to the Issue and depository participants shall continue till further notice.
- (ii) 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.
- (iii) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

- (iv) Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100 – Block Request Accepted by Investor/ Client, based on responses/status received from the Sponsor Bank.

The Sponsor Bank 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 Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank 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.

For ASBA Forms (other than UPI Bidders using 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.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till 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 online 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 online 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 till 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 till 5:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges' 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 our Promoters, Promoter Group, the Book Running Lead Managers and the Syndicate Member and persons related to Promoters/Promoter Group/the Book Running Lead Managers and Syndicate Member.**

The BRLMs and the Syndicate Member shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as disclosed below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.



Further, the Promoters and members of their respective Promoter Groups, except to the extent of their respective Offered Shares, shall not participate by applying for Equity Shares in the Issue. Further, persons related to the Promoters and their respective Promoter Groups shall not apply in the Issue under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLMs” 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, amongst the Anchor Investor and the BRLMs.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

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 net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds, exchange traded funds, or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (NRE Account), or Foreign Currency Non-Resident Accounts (FCNR Account), and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (NRO) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (in [●] colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (in [●] colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated April 29, 2025 and Shareholders' resolution dated April 30, 2025, increased the limit of investment of NRIs

and OCIs from 10% to up to 24% of the paid-up equity share capital of our Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

For details of restrictions on investment by NRIs, please see the section entitled “*Restrictions on Foreign Ownership of Indian Securities*” on page 357. Participation of Eligible NRIs shall be subject to the FEMA Regulations.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs are required to 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 as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs may be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of the post-Issue paid-up capital on a fully diluted basis, as applicable.

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).

If the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA Non-Debt Instruments Rules was 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 finalisation 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 as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the

same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to 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; (vii) Entities registered as Collective Investment Scheme having multiple share classes; (viii) Multiple branches in different jurisdictions of foreign bank registered as FPIs; (ix) Government and Government related investors registered as Category 1 FPIs; and (x) Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation 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 its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Issue shall be subject to the FEMA Rules.

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 the 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 VCFs, AIFs and FVCIs**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (SEBI AIF Regulations) prescribe, amongst others, the investment restrictions on AIFs. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on FVCIs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules, amended from time to time.

**There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. 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.**

**Our Company or the BRLMs 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 BRLMs reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the 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 BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (Banking Regulation Act), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India

(Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 bids.

### **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, the Company in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (IRDA Investment Regulations), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 2500 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) 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 BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason hereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve 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 BRLMs, may deem fit.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section

the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the office of the BRLMs.

Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.

Neither the (a) the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if: (i) 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 (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, among the Anchor Investors and any BRLMs.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1000 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 1000 lakhs.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and will be completed on the same day.

Our Company, in consultation with the BRLMs may finalise 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) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1000 lakhs;
- (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1000 lakhs but up to ₹ 25,000 lakhs, subject to a minimum Allotment of ₹ 500 lakhs per Anchor Investor; and
- (iii) in case of allocation above ₹ 25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹ 25,000 lakhs, subject to minimum Allotment of ₹ 500 lakhs per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

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.

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

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.

**The information set out above is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that 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 regulations, or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus. 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.**

**In accordance with RBI regulations, OCBs cannot participate in this Issue.**

### **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 BRLMs 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 or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date.

#### ***Do's:***

1. 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;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) 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;
4. UPI Bidders bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only 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;

5. UPI Bidder 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;
6. UPI Bidders 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;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Bidders, may submit their ASBA Forms with Syndicate Member, sub-Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. 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;
19. 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;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
21. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
22. 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 ASBA 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;



23. 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 <http://www.sebi.gov.in>);
24. 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;
25. The ASBA bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;
26. 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. In case of UPI Bidders, once the Sponsor Bank issues the UPI 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;
27. 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;
28. UPI Bidders 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. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website and is also appearing in 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019. 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 or 'Annexure A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/20189/85 dated July 26, 2019 is liable to be rejected;
29. 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 Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
30. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
31. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
32. However, 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
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 5:00 p.m. of the Bid/ Issue Closing Date;
34. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were 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 are liable to be rejected;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) 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](http://www.sebi.gov.in)) or such other websites as updated from time to time;
37. 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 Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
38. UPI Bidders Bidding through the 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 authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

39. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 2 lakhs would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 2 lakhs would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.
40. The ASBA Bidders shall ensure that bids above ₹ 5 lakhs, are uploaded only by the SCSBs;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid using UPI ID, if you are not an UPI Bidder;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
7. Anchor Investors should not Bid through the ASBA process;
8. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
10. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date; (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications)
15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
16. 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;
17. Do not submit the General Index Register (GIR) number instead of the PAN;
18. Do not Bid for a Bid Amount exceeding ₹ 2 lakhs (for Bids by Retail Individual Investors)
19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details

for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders in the UPI-linked bank account where funds for making the Bid are available;
21. 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 Investor. Retail Individual Investors revise or withdraw their Bids until the Bid/Issue Closing Date;
22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
23. 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;
24. 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;
25. 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);
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not Bid on another Bid cum Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
28. 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;
29. 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;
30. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
31. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders); and
32. Do not Bid if you are an OCB.
33. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 5,00,000.

#### ***Grounds for technical rejection***

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by 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 Bank);
6. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹ 2 lakhs;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Investors 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. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as informed to the Stock Exchanges.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI ICDR Master Circular see, “*General Information – Details of the Book Running Lead Manager*” on page [•].

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, please see “*General Information*” on page [•].

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher 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 till 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 till 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 Book Running Lead Manager shall, in its 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 the Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The processing fees for applications made by the UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI ICDR Mater Circular.

SEBI through the SEBI ICDR Master Circular, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5 lakhs, shall use UPI. RIBs and individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 2 lakhs and up to ₹ 5 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through 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.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised 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 offered through the Issue through the Issue document 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 1% of the Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs 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 RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not more 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 ₹ 2 lakhs and up to ₹ 10 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 10 lakhs, 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

### **Payment into Anchor Investor Escrow Account**

Our Company, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[•]”

(b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from Anchor Investors.

### **Filing of Issue Document**

A copy of this Draft Red Herring Prospectus has been filed electronically through the SEBI intermediary portal at <https://siportal.sebi.gov.in>, in accordance with the SEBI ICDR Master Circular, and has been emailed to SEBI at [cfdil@sebi.gov.in](mailto:cfdil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD” and as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with the SEBI ICDR Master Circular.

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 shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act through the electronic portal at <https://www.mca.gov.in/content/mca/global/en/foportal/fologin.html>. A copy of the Prospectus will also be submitted with SEBI and Stock Exchanges, for information and record.

### **Pre-Issue and Price Band Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue and Price Band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] editions of [●], a Gujarati language regional daily newspaper with wide circulation (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. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the Book Running Lead Manager and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, advertised in all editions of all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] editions of [●], a Gujarati language regional daily newspaper with wide circulation (Gujarati, being the regional language of Gujarat, where our Registered Office is located) (each with wide circulation).

**The above Information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Signing of the Underwriting Agreement and Filing with the RoC**

Our Company, the Underwriters, and the Registrar to the Issue intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price which shall be a date prior to the filing of Prospectus. After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. 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.

### **Undertakings by our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders

- (including Anchor Investor Application Form from Anchor Investors);
- 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 shall be taken within three Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue, except for fees or commission for services rendered in relation to the Issue;
- the funds required for making refunds (to the extent applicable) 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 applicant 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;
- If our Company in consultation with the Book Running Lead Manager may withdraw the Issue after the Bid/Issue Closing Date but prior to Allotment and the reason thereof shall be given by our Company as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly; thereafter determines that it will proceed with an Issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that except for the Equity Shares to be Allotted pursuant to the Fresh Issue, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.

### Utilisation of Issue Proceeds

Our Company confirms that all monies received out of the Issue shall be credited/transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act. Details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

### Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 100 lakhs 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 ₹ 10 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both



## RESTRICTION 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 Department of Industrial Policy and Promotion (“DPIIT”) issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDIPolicy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

As per the Consolidated FDI Policy, read with FEMA Rules, 100% foreign direct investment is permitted under the automatic route in the sector in which our Company operates, however, investments under the foreign direct investment route 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 will require prior approval of the Government of 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.

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 further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see “*Issue Procedure*” on page 334.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, 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, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments 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 of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares 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, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each 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 issued 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 regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## **SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

*We confirm that there are no material clauses of Articles of Association of our Company, which have been left out from disclosure in this Draft Red Herring Prospectus which has any bearing on the Issue.*

### **THE COMPANIES ACT, 2013 ARTICLES OF ASSOCIATION OF AASTHA SPINTEX LIMITED A COMPANY LIMITED BY SHARES (Table F as notified under Schedule I of Companies Act, 2013)**

#### **Interpretation**

- I.** (1) In these regulations'
- (a) 'Company' means **AASTHA SPINTEX LIMITED**.
  - (b) 'Office' means the Registered Office of the Company.
  - (c) 'Act' means the Companies Act, 2013 and any statutory modification thereof.
  - (d) 'Seal' means the rubber stamp of the company and the same shall be affixed on voluntary basis.
  - (e) 'Director' means a director appointed to the Board of a company.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) The Company is a Public Company Limited by Shares within the meaning of Section 2 (71) of the Companies Act, 2013 and accordingly
- "Public company" means a company
- (a) is not a private company;
  - (b) has a minimum paid-up share capital as may be prescribed:
- Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

#### **Share capital and variation of rights**

- II.** 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) 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.

- (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.
3. (i) 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.
  - (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
  4. Except as required by law, no person shall be 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 regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
  5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (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.
  - (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.
  6. (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 section 48, 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 regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
  7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
  8. Subject to the provisions of section 55, 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.

#### **Lien**

9. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

- (iii) That the fully paid-up shares shall be free from all kind of lien and that in the case of partly paid-up shares the issuers lien shall be restricted to monies called or payable at the fixed time in respect of such shares.
- 10.** The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 11.** (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

- 13.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no 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.
- (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.
- (iv) That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
- 14.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
- 15.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16.** (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.
- 17.** (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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**18. The Board—**

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

**Transfer of shares**

- 19.** (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) 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.
- (iii) That the company shall use a common form of transfer.
- (iv) That the registration of transfer shall not be refused on the grounds of the transferor being either alone or jointly with any person or persons indebted to the issuer on any account whatsoever.

**20. The Board may, subject to the right of appeal conferred by section 58 decline to register—**

- (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.

**21. The Board may decline to recognize any instrument of transfer unless—**

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

**22. On giving not less than seven days' previous notice in accordance with section 91 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.

**Transmission of shares**

- 23.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- (iii) That the company shall use a common form of transmission.
- 24.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.

- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of shares**

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. 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.
29. 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.
30. (i) A forfeited share may be sold or otherwise disposed of 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.
31. (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.
- (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.
32. (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.
33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

34. 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.
35. Subject to the provisions of section 61, the company may, by ordinary resolution, —
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. 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 regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. 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; or
  - (c) any share premium account.

#### **Capitalisation of profits**

38. (i) The company 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, subject to the provision contained in clause (iii), 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 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 may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 39. (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 capitalized 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 authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, 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**

- 40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

- 41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 42. (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.
- (iii) that option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting

#### **Proceedings at general meetings**

- 43. (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.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. 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.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **Adjournment of meeting**

47. (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**

48. 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;
- and
- (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.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (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.
51. 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.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. 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.
54. (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**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. 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**

58. Unless otherwise determined by the Company in the General Meeting, the number of Directors shall not be less than three (3) and not be more than fifteen (15) and at least one (1) Director shall be resident of India in the previous year. Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them

The first Directors of the Company are:

**1. DIVYANG JASHWANT PATEL**

**2. VIVEK RASIKLAL GOTHİ**

59. (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) 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.

(c) director other than the Managing/ Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees as may be decided by the Board, however, not exceeding a sum prescribed in the Act for attending meetings of the Board of directors or meetings of the Committees of the Board of Directors thereof;

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. 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.

63. 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.

64. (i) Subject to the provisions of section 149, 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.

#### **Proceedings of the Board**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (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.
67. 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.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (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.
70. (i) A committee may elect a Chairperson of its meetings.  
(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.
71. (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.
72. 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.
73. 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**

74. 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 think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **The Seal**

76. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal means the rubber stamp of the company and the same shall be affixed on voluntary basis. 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 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**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (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, think 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.
80. (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.
- (iv) there will be no forfeiture of unclaimed dividends before the claim becomes barred by law,
- (v) that any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared,
81. 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.
82. (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.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

85. No dividend shall bear interest against the company.

#### **Accounts**

86. (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**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories 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**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **Dematerialization of Securities**

89. Subject to the provisions of the Act and rules made thereunder the Company may offer its Members facility to hold Securities issued by it in dematerialized form and will offer the Securities for subscription in dematerialized form. Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the Register of Members as a holder of any Share / Securities or whose names appear as beneficial owners of Shares/Securities in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such Share / Security on the part of any other person whether or not it shall have express or implied notice thereof.

#### **Further Issue of Capital**

90. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –
- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) Employees under any scheme of employees' stock option; or
- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
91. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules and SEBI guidelines.

#### **Registers**

92. The Company shall keep and maintain at its registered office or such other place as may be permitted under the Act and approved by the Board, all statutory registers namely, 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 their indices (except when they are closed under the provisions of the Act) and copies of annual return shall be open for inspection during business hours at such reasonable time on every working day other than Saturdays, at the registered office of the Company by the persons entitled thereto in accordance with the provisions of the Act and applicable laws, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules

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. Foreign register

Subject to the provisions of the Act, the foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members

### **Secrecy Clause**

93. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

### **Others**

94. **A. Employee Stock Option Scheme**

Subject to and in accordance with the provisions of the Act and any other rules regulations or guidelines as may be prescribed if any the Company may frame guidelines or scheme to be known as Employee Stock Option Scheme (ESOPS) ESOS may provide for the issue of Options shares warrants bonds or other debt instruments including the terms of payment. The Board of Directors in pursuance to approval of shareholders of the Company shall have the power to vary alter or amend the terms and conditions of the ESOS at their sole discretion in such manner as they may deem fit in the best interest of the company.

**B. Issue of Sweat Equity Shares**

Notwithstanding anything contained in these articles the Company shall have right to issue sweat equity shares to its promoters Directors employees or to such other persons as may be decided by the Board in accordance with the provisions of the Companies Act, 2013 and any statutory amendments or re-enactment thereof.

**C. Borrowing powers**

The Board may from time to time for the purpose of the Company's business raise or borrow or secure the payment of any sum or sums exceeding paid up capital and free reserves in addition to temporary loans if any obtained from the Company's bankers as they in their discretion deem fit and proper with such approval from the members. Any such money may be raised or the payment or repayment of thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds perpetual or redeemable debentures stocks 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 lands buildings machinery plant goods or other property and securities of the Company or by other means as the Board deems expedient.

**D. Managing Director or Whole Time Director**

The Board of Directors may from time to time appoint one or more of their body to the office of the Managing Director or whole time Director for such period and on such remuneration and other terms as they think fit and subject to the terms of any agreement entered into in any particular case may revoke such appointment. His appointment will be automatically terminated if The ceases to be a Director. Such appointment can be made with the formal Letter of Appointment and by passing of resolution as may be required in the Act. However-

(i) Ratification from shareholders for appointment of Managing Director or Whole Time Director shall not be required.

(ii) A notice of the Board Meeting proposing a resolution required to be passed for appointment of Managing Director or Whole Time Director shall not mandatorily contain Terms Conditions of appointment and details pertaining to remuneration. A Managing or whole time Director maybe paid such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in other) as the Board of Directors may determine and subject to the provisions of Section 197 198 and Schedule V of the Companies Act, 2013. The Board of Directors subject to the provisions of the Act may entrust to and confer upon a Managing or Whole-Time Director or Committee of Directors any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke withdraw or alter or vary all or any of such powers.



## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts which are, or may be deemed material, have been entered or are to be entered into by our Company, will be attached to the copy of the Red Herring Prospectus to be filed with the RoC, and also the documents for inspection referred to hereunder (i) may be inspected at the Registered Office, from 10.00 a.m. to 5.00 p.m. on all Working Days; and (ii) will also be available for inspection on the website of our Company at <https://www.aasthaspintex.com>, 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).

#### Material contracts to the Issue

1. Issue Agreement dated September 19, 2025 entered into between our Company and the Book Running Lead Managers.
2. Registrar Agreement dated September 19, 2025 entered into between our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Registrar to the Issuer, the Book Running Lead Managers and Bankers to the Issue.
4. Syndicate Agreement dated [●] amongst our Company, the Book Running Lead Managers, the Registrar to the Issue and Syndicate Members.
5. Share Escrow Agreement dated [●] entered into among our Company and the Share Escrow Agent;
6. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
7. Underwriting Agreement dated [●] amongst our Company and the Underwriters.

#### Material Documents

1. Certified copies of the Memorandum of Association and the Articles of Association, as amended until date.
2. Certificate of incorporation dated August 12, 2013, issued to our Company by the Registrar of Companies, Dadra & Nagar Havelli, Gujarat in the former name being 'Aastha Spintex Private Limited'.
3. Fresh certificate of incorporation dated February 12, 2025, issued to our Company by the Registrar of Companies, Central Processing Centre upon conversion of our Company from private limited company to public limited company and consequent change in name from 'Aastha Spintex Private Limited' to 'Aastha Spintex Limited'.
4. Resolution of our Board dated July 16, 2025 authorising the Issue and other related matters, and the resolution of the Shareholders dated August 8, 2025, approving the Issue and other related matters.
5. Resolution dated September 30, 2025, passed by the Board approving this Draft Red Herring Prospectus.
6. Resolution of the Audit Committee dated September 25, 2025, approving the KPIs.
7. Certificate dated, September 29, 2025, from S.N. Shah & Associates, Chartered Accountants, our Statutory Auditors, certifying the KPIs of our Company.
8. Written consent dated September 29, 2025, from S.N. Shah & Associates., Chartered Accountants to include their name as required under section 26 (1) of the Companies Act, 2013 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 their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 21, 2025 on our Restated Financial Information; and (ii) their report dated September 29, 2025 on the statement of possible 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. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

9. Written consent dated September 15, 2025 from S.K. Patel, the independent chartered engineer, to include their name as required under Section 26(5) of the Companies Act, 2013 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 their capacity as an independent chartered accountant in respect of the certificates issued by them, as included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
10. Written consent dated September 30, 2025, from Dhyanam Vyas and Associates, Company Secretary, holding a valid peer review certificate, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 30, 2025, issued by them in their capacity as an independent practicing company secretary to our Company, in connection with the Issue and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
11. The examination report dated September 21, 2025, of our Statutory Auditors on the Restated Financial Information, included in this Draft Red Herring Prospectus.
12. The statement of possible tax benefits dated September 29, 2025, from our Statutory Auditors.
13. Industry report titled “*Outlook for Textile Industry 2025*” dated September 29, 2025,, prepared and issued by Infomerics Analytics & Research Private Limited, available on our Company’s website at <https://www.aasthaspintex.com>.
14. Consent dated September 29, 2025, issued by Infomerics Analytics & Research Private Limited for inclusion of their name and to reproduce the industry report titled “*Outlook for Textile Industry 2025*” in this Draft Red Herring Prospectus.
15. Consents of the BRLMs, the Registrar to the Issue, the Syndicate Members, Bankers to the Company, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s) and Sponsor Bank(s), Underwriter(s), Monitoring Agency, the legal counsel to the Company as to Indian law, our Promoters, our Directors, the Company Secretary and Compliance Officer, Chief Financial Officer and members of our Senior Management, to act in their respective capacities.
16. Copies of annual reports of our Company for Fiscal 2025, Fiscal 2024 and Fiscal 2023.
17. Tripartite agreement dated August 22, 2025, among our Company, NSDL and the Registrar to the Issue.
18. Tripartite agreement dated September 05, 2025, among our Company, CDSL and the Registrar to the Issue.
19. Due diligence certificate dated September 30, 2025, addressed to SEBI from the Book Running Lead Managers.
20. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
21. SEBI final observation letter, bearing reference number [●] dated [●]

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY



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**Patel Divyang Jashvantbhai**  
(Chairman and Managing Director)

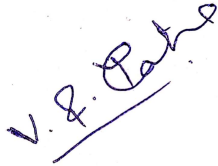
Date: September, 30, 2025

Place: Halvad, Gujarat

## DECLARATION

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SIGNED BY THE WHOLE TIME DIRECTOR OF OUR COMPANY

A handwritten signature in blue ink, appearing to read 'V. & P. Rasiklal', is written over a horizontal line.

**Gothi Vivek Rasiklal**  
(Whole Time Director)

Date: September, 30, 2025

Place: Halvad, Gujarat

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE EXECUTIVE DIRECTOR OF OUR COMPANY



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**Jashwant Valjibhai Patel**  
Executive Director


Date: September, 30, 2025

Place: Halvad, Gujarat

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY



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**Amrutiya Pankajkumar Chaturbhai**  
(Non-Executive Director)

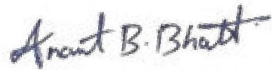
Date: September, 30, 2025

Place: Halvad, Gujarat

### DECLARATION

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SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY



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**Anant Bharatbhai Bhatt**  
Independent Director

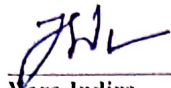
Date: September, 30, 2025

Place: Halvad, Gujarat

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY



Vora Indira  
Independent Director

Date: September, 30, 2025


Place: Halvad, Gujarat



## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY



**Shyamsunder Kiranbhai Panchal**  
Independent Director

Date: September, 30, 2025

Place: Halvad, Gujarat

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY



**Rukaiya Mufazzal Shakir**  
Independent Director

Date: September, 30, 2025

Place: Halvad, Gujarat

### DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 (SCRA), the Securities Contracts (Regulation) Rules, 1957 (SCRR) and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

  
Monpara Kunal Babulal  
(Chief Financial Officer)

Date: September, 30, 2025

Place: Halvad, Gujarat