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Draft Prospectus
September 28, 2024
please read Section 26 & 32 of The
Companies Act, 2013
Fixed Price Issue

KEN ENTERPRISES LIMITED
CIN: U17299PN1998PLC012572

(Formerly known as Ken Enterprises Private Limited)

Our Company was originally incorporated as “Ken Textiles Private limited” on June 05, 1998, vide certification of incorporation bearing No. 25-12572 of 1998 under the provision of Companies Act, 1956 issued by the Registrar of Companies, Pune. Further, the name of Company was changed from “Ken Textiles Private limited” to “Shri Ken Enterprise Private Limited”, vide special resolution passed in the Extraordinary General Meeting held on March 06, 2004. Subsequently, the name of Company was changed from “Shri Ken Enterprises Private Limited” to “Ken Enterprise Private Limited”, vide special resolution passed in the Extraordinary General Meeting held on June 18, 2013, and a fresh certificate of incorporation pursuant to name change was issued by Registrar of Companies, Pune on June 28, 2013. Subsequently, the status of the Company was changed to Public Limited and the name of the company was changed to “Ken Enterprises Limited” vide special resolution passed by the shareholders at the Extra-Ordinary General Meeting of our company held on June 01, 2024. Consequent upon conversion from Private Limited to Public Company a fresh certificate of incorporation was issued on August 05, 2024 by the Registrar of Companies, Central Processing Centre. For further details, please refer to section titled “Our History and Certain Corporate Matters” beginning on page no 135 of the Draft Prospectus.

Registered and Corporate Office: 9/621 Industrial Estate near Kalyan Kendra, Ichalkaranji, Maharashtra - 416115, India

Contact Number: +91-0230-2438538 **E-mail:** cs@kenindia.in **Website:** www.kenindia.in

Contact Person: Ms Shailja Dubey, Company Secretary and Compliance Officer;

THE PROMOTERS OF OUR COMPANY ARE MR. NIKUNJ HARIPRASAD BAGDIYA AND MRS. BINA HARIPRASAD BAGDIYA

ADDENDUM TO THE DRAFT PROSPECTUS DATED SEPTEMBER 28, 2024: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

INITIAL PUBLIC ISSUE OF UP TO 89,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF KEN ENTERPRISES LIMITED FOR CASH AT A ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UP TO 62,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UPTO 27,00,000 EQUITY SHARES BY MR. NIKUNJ HARIPRASAD BAGDIYA AND MRS BINA HARIPRASAD BAGDIYA (“SELLING SHAREHOLDERS”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”) (“THE ISSUE”) AND UPTO [●] EQUITY ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION I.E. OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS (“NET OFFER”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. PLEASE REFER TO SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 234 OF THE DRAFT PROSPECTUS.

Potential Applicants may note the following: “Cover Page”, “Definitions and abbreviations”, “Summary of Issue Document”, “Risk Factors”, “General Information”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Our Management”, “Statement of Financial Indebtedness”, “Management Discussion and analysis of financial position and results”, “Outstanding Litigations and Material Developments “Government and Other Approvals”, “Material contacts and documents for inspection and declaration” have been updated in accordance with the suggestions made by NSE.

The above is to be read in conjunction with the Draft Prospectus and accordingly their references in the Draft

Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Prospectus.

Place: Ichalkaranji, Maharashtra

Date: January 21, 2025

On behalf of Ken Enterprises Limited

**Sd/
Nikunj Hariprasad Bagdiya
Managing Director**

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 Corporate Makers Capital Limited 611, 6th Floor, Pragati Tower, Rajendra Place, New Delhi- 110008 Telephone: 011-41411600 Email: compliance@corporatemakers.in Website: www.corporatemakers.in Investor Grievance Email: info@corporatemakers.in Contact Person: Mr. Rohit Pareek/ Mr. Pawan Mahur SEBI Registration Number: INM000013095 CIN: U65100DL1994PLC063880	 Skyline Financial Services Private Limited D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 Telephone: 011 40450193-197 Email ID: ipo@skylinerta.com Investor grievance email: grievances@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Virender Rana SEBI Registration Number: INR000003241 CIN: U74899DL1995PTC071324
ISSUE PROGRAMME	
ISSUE OPENS ON [●]	ISSUE CLOSES ON [●]

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**SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS**

KPI	Key Performance Indicators
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SECTION II – SUMMARY OF ISSUE DOCUMENT

Business Overview

“Our company is an ISO 9001:2015 certified and has won several awards from the cotton textiles exports promotion council (**Texprocil**) over the past several years. The Company has over twenty years of experience in the field of textile manufacturing.

We operate as a design-to-delivery solutions provider for both greige and finished fabrics catering to the domestic as well as export markets. We export regular and sustainable greige and finished fabrics in 10+ number of countries. We are approved vendors for international brands such as ZARA (Inditex Group), Target and Primark. We offer a diverse range of fabrics such as structures, seer suckers, double layer, three layer, four layer, chambrays, fashion fabrics with metallic yarns etc, catering to various applications such as women fashion wear, men and kids shirts, home textiles, embroidery, light canvas etc amongst others.

F. Objects of the Issue

Our Company proposes to utilize the funds which are being raised through this Fresh Issue towards the below-mentioned objects:

Sr. No.	Particulars	Estimated Amount	% of Fresh Issue Size
1.	Unidentified Acquisitions in India and abroad	625.00**	42.90%
2.	Purchase of New Machinery	453.30*	7.78%
3.	Capital Expenditure for renovation of both manufacturing facilities	376.54	10.72%
4.	To meet working capital requirements	2500.00	42.90%
5.	General Corporate Expenses	Upto 1,348.64 **	23.14%
6.	Issue Expenses	Upto 524.52	9.00%
	Total IPO Proceeds	Up to 5,828.00	100.00%

*We have received the quotation in Euro thereafter we have converted the value of Euro into Indian Rupees prevailing on September 28, 2024 i.e. Rs. 93.63 (including Bank Commission)- RBI Reference rate as on 27/09/2024- Rs. 93.4608.

**As per Regulation 230 (2) and (3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the amount for:

- (i) general corporate purposes; and
- (ii) such objects where the issuer company has not identified acquisition or investment target as mentioned under the heading Unidentified Acquisitions in India and abroad.

shall not exceed thirty five per cent of the amount being raised by the issuer.

In this regard we would like to state that the Company is proposing to utilize upto Rs. 625.00 lakh towards unidentified acquisition in India or abroad which taken together with amount to be incurred in General Corporate purpose shall not exceed 35% of total amount proposed to be raised through fresh issue of Initial Public Offer which is duly in compliance with the aforesaid provision.

SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

2. There have been certain instances of non-compliances in respect of ROC filing or payments. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of all applicable law and other law could impact on the financial position of the Company to that extent. Further, few form are not available in the company records.

The Company has generally complied with certain statutory provisions and there are the following discrepancies observed under provisions of Companies Act, 2013.

· In e-form2 filed for the allotment made on 10.09.2010 for 2,00,000 equity shares was filed as Rs. 10/- shares however, the issue price filed in FCGPR was mentioned as Rs. 91.06/- per equity share.

In furtherance to the aforesaid discrepancy, the Company has filed E-form GNL-2 with RoC along with clarification letter mentioning details of discrepancy made by the Company at the time of filing of E-form 2 with respect to allotment of 2,00,000 equity shares made on 10.09.2010.

In the past, there have been certain instances of incorrect and /or delays in filing statutory forms as per the reporting requirements Companies Act, 2013 with the RoC which have been filed by our Company with payment of an additional fees / interest / penalties as prescribed in the Companies Act, 2013 and other applicable Act, regulations in last 3 financial years. Therefore, we cannot confirm that no action from authorities would be taken against the Company pursuant to the above explained instances which may adversely affect our business and financial operations. Below are the forms which were filed with delay. Details are as follows:

Sr. No.	E-form Name	Date of Event	Due Date	Date of Filing	No. of Days delay
1.	INC-27	01-06-2024	30-06-2024	15-07-2024	14
2.	Form AOC-4 XBRL	30-09-2023	29-10-2023	08-12-2023	40
3.	Form MGT-7	30-09-2023	29-11-2023	04-12-2023	5
4.	Form ADT-1	30-09-2023	15-10-2023	17-07-2024	276
5.	Form AOC-4 XBRL	30-09-2022	29-10-2022	13-01-2023	76
6.	Form MGT-7	30-09-2022	29-11-2022	13-01-2023	45
7.	Form ADT-1	04-11-2022	19-11-2022	06-02-2024	444
8.	Form AOC-4 XBRL	30-11-2021	29-12-2021	11-02-2022	44
9.	Form MGT-7	30-11-2021	29-01-2022	31-03-2022	61
10.	Form AOC-4 XBRL	31-12-2020	29-01-2021	12-02-2021	14
11.	Form AOC-4 XBRL	30-09-2019	29-10-2019	07-12-2019	39
12.	Form MGT-7	30-09-2019	29-11-2019	17-12-2019	18
13.	Form ADT-1	30-09-2019	15-10-2019	26-10-2019	11
Records not Found					
1.	Form 2 - for the allotment of equity shared made on April 15, 2004				
2.	Certificate of Incorporation pursuant to change in name from “Ken Textiles Private limited” to “Shri Ken Enterprise Private Limited” dated March 06, 2004 issued by the Registrar of Companies, Pune.				

We are unable to trace some of our historical records as mentioned above filed with the Registrar of Companies, considering the long history of 26 years since incorporation, we have conducted searches of our records at our Company's offices and on the MCA portal maintained by the Ministry of Corporate Affairs. Accordingly, we had commissioned a search of the RoC records through a Practicing Company Secretary firm, M/s Aakruti Somani, to retrieve missing documents and identify any secondary documents that can be relied upon for aforesaid missing documents of the Company. In addition, the practicing company secretary firm also reached out to our Company to identify below records which were not found in RoC search and the company gave the following documents which the company secretary is relying upon as secondary documents and thereby has given their comments and observations as mentioned below. Pursuant to the foregoing, the practicing company secretary firm has issued its report dated September 26, 2024 (“Search

Report”). M/s Aakruti Somani, Practicing Company Secretary has provided their written consent to act as an “Expert”. The key observations in relation to the Search Report are as follows:

Details of the Forms/ Documents of the Company not found during the independent search at RoC Portal, secondary documents relied upon

Forms not found	Secondary records relied upon
Form 2 – for the allotment of equity shared made on April 15, 2004	Board resolution, List of Allottee and Financials records
Certificate of Incorporation dated June 05, 1998	Available with the records of the Company
Certificate of Incorporation pursuant to change in name from “Ken Textiles Private limited” to “Shri Ken Enterprise Private Limited” dated March 06, 2004 issued by the Registrar of Companies, Pune	Copy available in records of the Company

Thus, we cannot assure you that, in future, we will not be subjected to any liability on account of aforesaid. Although no legal proceedings or regulatory actions have been initiated or pending against us in relation to such untraceable secretarial records and documents. If we are subject to any liability arising out of the aforesaid, it may have an adverse effect on our reputation, financial condition, cash flows and results of operations. Further, there can be no assurance that there will be no such delays in the future and our Company will not be subject to adverse actions by the authorities for the same.

3. “Our logo and Trade Mark “” and “KEN” are not registered yet with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business.”

We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations”.

Note: the above mentioned risk factor shall be included at TOP Risk Factor as Risk factor no. 3 in the Prospectus, and suitably all others Risk factors numbers revised.

5. Our operations are geographically located in one area i.e. Ichalkaranji, Kolhapur, Maharashtra and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.

Our business operated in one area i.e. Ichalkaranji, Kolhapur, Maharashtra. As a result, any localized social unrest, natural calamities, distress or breakdown of services and utilities in and around this region, could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of similar industries/competitors in and around these areas, without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure and also increase competition in the area, which may affect our business and results of operation.

11. We have entered into related party transactions in the past and may continue to do so in the future. We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

As of March 31, 2024, we have entered into several related party transactions with our Promoters group entities forming a part of our Promoter Group. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms’ length price and are in compliance with the Companies Act and other applicable laws. Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions

during the period ended March 31, 2024, 2023 and 2022 as per applicable Indian GAAP is derived from our Restated Financial Statements. For further details, see ***“Restated Financial Information”*** on page no 170 of the Draft Prospectus. While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

During the FY 2024, we have entered into certain related party transactions which is 9.54% of the revenue of operations, however, such transactions were at arm’s length basis in the ordinary course of business with our Promoter, Promoter Group and group companies and may continue to do so in future. For absolute value of all transactions entered into with our related party entities please refer to Statement of Related Party Transactions under chapter “Restated Consolidated Financial Statements” beginning on page no 170. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. However, the Company cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results. Our Company shall follow the provisions as laid down under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

15. We export our products in various international markets which make our operations subject to risks and uncertainties of various international markets. Further, our revenue from operations is significantly dependent on export sales and there is no assurance that we may be able to continue our export sales going forward.

We export our products to various international markets. Our largest export country for Fiscal 2022, 2023 and 2024 was South Korea.

The table below sets forth our total Export Sales, and in our largest and top 5 jurisdictions/ countries as a percentage of our revenue from operations for the year/period indicated:

(₹ in Lakhs, except percentages)

Export to top 5 Countries	Fiscal 2024*	% of Export Revenue	Fiscal 2023	% of Export Revenue	Fiscal 2022	% of Export Revenue
South Korea	7,271.44	76.63%	5,709.75	66.63%	7,196.21	68.77%
Bangladesh	349.66	3.68%	1,141.07	13.32%	1,122.21	10.72%
Italy	481.75	5.08%	345.84	4.04%	980.51	9.37%
Thailand	705.91	7.44%	486.63	5.68%	325.41	3.11%
Mexico	139.35	1.47%	109.12	1.27%	51.00	0.49%
Other countries*	541.13	5.70%	777.13	9.07%	788.52	7.54%
Total	9,489.24	100%	8,569.54	100%	10,463.86	100%

Further, the international markets in which we sell our products are diverse, with varying levels of economic and infrastructure development, adoption of renewable energy sources, distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. We may therefore be subject to risks inherent in doing business in markets outside India, including risks related to:

- respective legal and regulatory environment;
- complex local tax regimes;
- payments by international customers;
- security issues;
- unexpected changes in regulatory environment and enforcement;
- challenges caused by distance, language and cultural differences;
- ensuring timely supply of products and provision of related support to customers in such markets;

- costs associated with doing business in multiple markets;
- fluctuations in currency exchange rates;
- difficulties in implementing hedging measures;
- political, social or economic instability;
- difficulties in managing exports to multiple international locations and their market conditions;
- changes in solar industry practices or trends; and
- exposure to local banking, currency control and other financial related risks.

We may have limited experience in marketing and managing exports of our products to new international markets, which may require considerable management attention and resources for managing our growing business in such markets. Any failure to maintain our existing sales or expansion in international markets may have an adverse impact on our results of operations and financial condition.

28. Reliance has been placed on information furnished by our certain Directors and Key Managerial Personnel for details of their profiles included in this Draft Prospectus.

Mrs. Bina Hariprasad Bagdiya Non-Executive Non-Independent Director is unable to trace her law degree and other educational certificates. Further, Mr. Sachin Janardan Mulay is unable to trace his previous employment experience certificate with respect to working as Internal Auditor at JP Logistics Private Limited. There can be no assurances that such Directors and Key Managerial Personnel will be able to trace their relevant documents in the future, or at all.

ADDITIONAL INTERNAL FACTORS

40. We may face some delays in implementation of our proposed objects.

Any delays in the scheduled of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations. We propose to utilize our Net Proceeds towards a) Unidentified Acquisition in India and abroad b) Purchase of new machinery c) Capital expenditure for re-innovation of both manufacturing facilities d) to meet working capital requirement etc.in due compliance of the applicable laws and approvals as may be applicable on the company. For Proposed schedule of Implementation and Deployment of Net Proceeds, see ***“Objects of the Offer”*** on page no 63. We are subject to risks associated with the delays in the Schedule of Implementation of our proposed objects. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors. In the event, we are unable to adhere to our proposed Schedule of Implementation of our proposed objects, we may subject to cost escalations which in-turn could have a material adverse impact on our business, financial condition and results of operations.

41. Our Company has not yet placed orders for new machineries required by us for expansion of our manufacturing facility. Any delay in placing the orders or supply of new machineries may result in time and cost overruns, and may affect our profitability.

The object of the Issue for which the funds are being raised in the issue includes acquisition of machineries for expansion of our manufacturing facility. Our Company has identified the machineries to be acquired and has received the quotations from the suppliers, but we have not placed final orders for the machineries aggregating to ₹453.30 lakhs which are proposed to be acquired for our expansion plan by utilization of Issue Proceeds. Our Company is further subject to risks on account of inflation in the price of machineries. Since the part funding for machineries is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of machineries would require us to consider factors including but not limited to pricing, delivery schedule and aftersales maintenance. There may be a possibility of delay at the supplier’s end in providing timely delivery of these machineries, which in turn may delay the implementation of our expansion plan. Further, the quotations relied upon by us in arriving at the total cost of machineries are valid for a specific period of time and may lapse after the expiry of the specific period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost, which may result in cost overruns, and may affect our profitability. For further details read section ***“Objects of the Offer”*** beginning on page no 61 of the Draft Prospectus.

42. Our insurance coverage may not be adequate to protect us against all losses, which could adversely affect business, results of operations and financial condition.

We have obtained an adequate number of insurance policies in connection with our operations as given in chapter titled ***“Our Business”*** on page no 125 and 126 of the Draft Prospectus. While we believe that these policies are reasonably sufficient to cover the typical risks associated with our business, we cannot guarantee that all claims under these policies will be fully or promptly honoured. It is possible that certain circumstances may not be adequately covered, as the policies have deductibles, exclusions, and coverage limits. Furthermore, our insurance coverage is subject to expiration, and we regularly apply for renewals as part of our standard business practice. However, we cannot assure you that these renewals will be granted in a timely manner, at acceptable costs, or even at all. In the unfortunate event of a loss or damage that is not covered by insurance, exceeds our insurance coverage, or if our insurance claims are rejected, we would be responsible for bearing the costs. Consequently, our Financial Results, Cash Flows, and overall financial condition may be adversely affected.

43. Our majority of directors does not possess experience of any listed company.

Our majority of directors are not holding any directorship of any listed company. Listed company require to comply with various provisions of Listing agreement, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other regulations prescribed by Securities and Exchange Board of India (SEBI) from time to time. Non-compliance with any provisions of regulations prescribed by SEBI may affect our business and results of operation.

Note: Kindly note that Risk Factor no. 11 and 18 are merged, New Risk factor added in top 5 risk factors, and new risk factor added in top 15 risk factors, thus risk factor numbers are suitably changed. Further, numbering of risk factor shall be revisited in prospectus as per this addendum to draft prospectus,

SECTION IV – INTRODUCTION

GENERAL INFORMATION

EXPERT OPINION

3. M/s Aakruti Somani, Practising Company Secretary has provided their written consent dated 26th September 2024 to act as Expert.

CAPITAL STRUCTURE

10. Our Shareholding Pattern of the Company.

The table below presents the current shareholding pattern of the Company in accordance with Regulation 31 of SEBI LODR Regulations as on the date of this Draft Prospectus:

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)	Number of Shares pledged or otherwise encumbered (XIII)			Number of equity shares held in dematerialized form (XIV)#	
								No of Voting Rights			Total as a % of (A+B+C)				No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (Sb)
								Class: X	Class: Y	Total									
A1	Promoter & Promoter Group*	3	1,49,14,580	-	-	1,49,14,580	81.21	1,49,14,580	-	1,49,14,580	81.21	-	-	-	-	-	-	1,49,14,580	
B	Public	1	1100	-	-	1,100	0.01	1,100	-	1,100	0.01	-	-	-	-	-	-	1,100	
C	Non-Promoter-Non-Public	3	34,50,600	-	-	34,50,600	- 18.79	34,50,600	-	34,50,600	18.79	-	-	-	-	-	-	-	
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	1,83,66,280	-	-	1,83,66,280	100	1,83,66,280	-	1,83,66,280	100	-	-	-	-	-	-	1,49,15,680	

Note:

- The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- As on date of this Draft Prospectus, 1 Equity share holds 1 vote.
- As on date, we have only one class of Equity Shares of face value of ₹10/- each.
- All Pre-IPO equity shares of our Company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on Emerge Platform of National Stock Exchange of India.
- In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters & promoters group are dematerialized.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of National Stock Exchange of India before commencement of trading of such Equity Share.

(a) The entire Promoter’s shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.

(b) All the shares held by our Promoters were fully paid-up.

- i) None of our Promoter, Promoter Group, our directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
- ii) Our Promoters have confirmed to the Company and the LM that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- iii) There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. As on the date of this Draft Prospectus, our Promoters hold 1,42,04,580 Equity Shares constituting 77.34% of the pre-issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Mr. Nikunj Hariprasad Bagdiya and Ms. Bina Hariprasad Bagdiya have given written consent to include [●] Equity Shares held by them and subscribed by them as part of Promoters contribution constituting [●]% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue as specified below:

Date of Allotment / Transfer	No. of Equity Shares Locked-In	Face Value per Equity Share (₹)	Issue/ Transfer Price per Equity Share (₹)	Cumulative no. of equity shares	% of Post-Issue Shareholding	Lock-In Period *
Nikunj Hariprasad Bagdiya						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Bina Hariprasad Bagdiya						
[●]	[●]	[●]	[●]	[●]	[●]	[●]

**Lock-in details will be finalise & subject to the basis of allotment*

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

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

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

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

Details of Promoters’ Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting [●] Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that:

a. if the specified securities are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the issuer company or its subsidiary(ies) for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;

b. if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the specified securities till the lock-in period stipulated in these regulations has expired.

2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
 3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
 - As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
 - As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the SEBI MB Regulations) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
 - The post-Issue paid up Equity Share Capital of our company shall not exceed authorized Equity Share Capital of our company.
 - As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
 - We have 7 (Seven) shareholders as on the date of filing of this Draft Prospectus.
 - Our company does not have any preference share capital as on the date of this Draft Prospectus.
 - As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.

- Our Company has not raised any bridge loan against the proceeds of the Issue.
- As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
- We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
- Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled **“Issue Procedure”** beginning on page [●] of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- An over-subscription to the extent of 10% of the Issue, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the LM and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spill over from any category or combination thereof.
- In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
- No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- Our Company shall comply with such disclosure and accounting norms as may be specified by the designated stock exchange, SEBI and other regulatory authorities from time to time.
- As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
- There are no Equity Shares against which depository receipts have been issued.

- Other than the Equity Shares, there is no other class of securities issued by our Company.
- There are no safety net arrangements for this public issue.
- As per RBI regulations, OCBs are not allowed to participate in this issue.
- Our Promoters and the members of Promoter Group will not participate in this Issue.
- This Issue is being made through Fixed Price Method.
- In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- Merchant banker is in no way directly or indirectly including any RPT transactions, shareholder, etc. is connected with Company in any manner directly or indirectly other than as a Lead manager.
- The public shareholders are not related to directors/promoters/promoter group/group companies/any other entities controlled or influenced by the promoters or directors of the issuer, in any capacity whatsoever.
- The independent directors of the Company does not have any relation, including but not limited to fiduciary relations with directors, promoters and promoters' group, group companies and any other entities controlled or influenced by the promoters or directors of the issuer.
- Our Company has complied with the applicable provisions of the Companies Act, 2013 and rules made thereunder with respect to all allotments made since its inception

OBJECTS OF THE ISSUE

Requirement of Funds and Utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount	% of Fresh Issue Size
1.	Unidentified Acquisitions in India and abroad	625.00**	42.90%
2.	Purchase of New Machinery	453.30*	7.78%
3.	Capital Expenditure for renovation of both manufacturing facilities	376.54	10.72%
4.	To meet working capital requirements	2500.00	42.90%
5.	General Corporate Expenses	Upto 1,348.64 **	23.14%
6.	Issue Expenses	Upto 524.52	9.00%
	Total IPO Proceeds	Up to 5,828.00	100.00%

*We have received the quotation in Euro thereafter we have converted the value of Euro into Indian Rupees prevailing on September 28, 2024 i.e. Rs. 93.63 (including Bank Commission)- RBI Reference rate as on 27/09/2024- Rs. 93.4608.

**As per Regulation 230 (2) and (3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the amount for:

- (i) general corporate purposes; and
- (ii) such objects where the issuer company has not identified acquisition or investment target as mentioned under the heading Unidentified Acquisitions in India and abroad.

shall not exceed thirty five per cent of the amount being raised by the issuer.

In this regard we would like to state that the Company is proposing to utilize upto Rs. 625.00 lakh towards unidentified acquisition in India or abroad which taken together with amount to be incurred in General Corporate purpose shall not exceed 35% of total amount proposed to be raised through fresh issue of Initial Public Offer which is duly in compliance with the aforesaid provision.

Proposed Schedule for Implementation

(₹ In Lakhs)

Particulars	Amount to funded from Net Proceeds	Amount deployed from the Net Proceeds in Financial Year 2025	Amount deployed from the Net Proceeds in Financial Year 2026
Unidentified Acquisitions in India and abroad**	625.00	625.00^	-
Purchase of New Machinery	453.30	453.30*	-
Capital Expenditure for renovation of both Manufacturing Facilities	376.54	126.54	250.00
To meet working capital requirements	2500.00	2500.00	-
General Corporate Purposes**	[●]	[●]	[●]
Issue Related Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

*We have received the quotation in Euro thereafter we have converted the value of Euro into Indian Rupees prevailing on September 28, 2024 i.e. Rs. 93.63 (including Bank Commission)- RBI Reference rate as on 27/09/2024- Rs. 93.4608.

^We intend to use the net proceeds towards unidentified acquisitions in India and abroad in the FY 2025, however, if we are unable to make the acquisition in FY 2025 then we shall hold this amount in a fixed deposit in a nationalized bank until we can identify the said acquisition.

The above table for implementation and utilisation of net proceeds is tentative. We will hold the unutilised net proceeds in fixed deposit in a nationalized bank which may occur due to any delay/ change in the implementation schedule.

****As per Regulation 230 (2) and (3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the amount for:**

- (i) general corporate purposes; and
- (ii) such objects where the issuer company has not identified acquisition or investment target as mentioned under the heading Unidentified Acquisitions in India and abroad.

shall not exceed thirty five per cent of the amount being raised by the issuer.

In this regard we would like to state that the Company is proposing to **utilize upto Rs. 625.00 lakh towards unidentified acquisition in India and abroad which taken together with amount to be incurred in General Corporate purpose shall not exceed 35%** of total amount proposed to be raised through fresh issue of Initial Public Offer which is duly in compliance with the aforesaid provision.

Details of utilization of the Net Proceeds

1. Unidentified Acquisitions in India and abroad

We are actively identifying existing small companies that can become part of our immediate supply chain by adding stable value-added capacity to our upstream or downstream processes like warping & sizing or fabric processing. We also propose to acquire strategic stake in start-ups with innovative technologies and efficient production cycles, particularly those involved in manufacturing of value added structured, high design fabrics. Our focus is to acquire such companies that may be struggling to maintain their customer base or attract new clients. Many start-ups in this sector are engaged in various innovations but may be self-funded with limited resources, making it challenging for them to secure investment for growth. Acquiring such companies could provide significant advantages to our company.

Factors that will be considered while identifying acquisition

Our strategy emphasizes acquiring firms within the same industry or segments that support our existing business model, particularly those facilitating forward or backward integration.

- Business Structure: Review the legal structure and ownership details.
- History and Background: Understand the company's history, mission, and growth trajectory.
- Revenue Streams: Identify primary revenue sources and seasonal trends.
- Production Processes: Examine manufacturing efficiency and capacity.
- Supply Chain: Assess supplier relationships and the reliability of raw material sourcing.
- Quality Control: Review quality assurance measures and relevant certifications (e.g., ISO, organic).
- Litigation History: Investigate any past or ongoing legal issues, including lawsuits or disputes.
- R&D Initiatives: Evaluate ongoing research and development efforts for innovation.
- Contracts: Review key contracts with customers and suppliers for terms and stability.
- Customer Satisfaction: Assess customer feedback, loyalty, and potential risks related to major clients.

Nature of benefit expected from such transaction:

The company anticipates the following benefits from these transactions:

1. Enhanced Forward/Backward Integration: On acquiring a company with new and efficient technologies in our industry will help us to expand our product line which will create comprehensive solution for our customers.

2. Entry into New Market Segments: We anticipate that on acquiring our target company will enable us to diversify our product portfolio which in turn will help us in entering in new market segments and enhance our customer portfolio.

Acquisition/ investment process

- Currently, the company has not finalized any specific acquisition plans but is in the process of evaluating and selecting a mergers and acquisitions (M&A) specialist to identify potential targets.
- We are considering either wholly acquiring companies or obtaining a minimum 26% equity stake through investment.

Identifying acquisition based on same industry

Acquisition will focus on companies within the same business line, supporting our existing business model and product offerings either helping us in forward or backward integration. This will help us to transition one step closer to be a one-stop solution provider in our business line.

Track Record of Past Acquisitions

To date, the company has not engaged in any acquisitions or strategic partnership.

As per Regulation 230 (2) and (3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the amount for:

- general corporate purposes; and
- such objects where the issuer company has not identified acquisition or investment target as mentioned under the heading Unidentified Acquisitions in India and abroad.

shall not exceed thirty five per cent of the amount being raised by the issuer.

In this regard we would like to state that the Company is proposing to utilize upto Rs. 625.00 lakh towards unidentified acquisition in India or abroad which taken together with amount to be incurred in General Corporate purpose shall not exceed 35% of total amount proposed to be raised through fresh issue of Initial Public Offer which is duly in compliance with the aforesaid provision.

2. Purchase of New Machinery

Specifications of the Machinery

Machinery with updated RPM of 1300 rpm for weaving of high-quality fabrics. It is best suited for high quality fabrics with optimization of cost.

An indicative list of such machinery and the amount we propose to utilize up to ₹ 453.30 Lakhs towards purchasing machinery for deployment at our production facility at Ichalkaranji based on our current estimates, details of the quotations are as follows:

Sr. No.	Machinery Name	Qty	Cost Including freight	Amount in INR	Supplier	Quotation date	Valid Up to
1	PICANOL ULTIMAX-4-R 220 (RBB0110-4-R 220)	8	484,138.03 Euro*	₹453.30 Lakhs	Picanol NV	September 23, 2024	180 days from the date of issue

**We have received the quotation in Euro thereafter we have converted the value of Euro into Indian Rupees prevailing on September 28, 2024 i.e. Rs. 93.63 (including Bank Commission)- RBI Reference rate as on 27/09/2024- Rs. 93.4608.*

The Company proposes to install the new machineries in Factory- I located at Plot No 46 to 49, 61 to 64, Sector F, Phase I, Gat No 49 and 65 Parwati Co-op Industrial Estate, Yadrav Village, Tal. Shirol, Dist: Kolhapur, India.

No vendor is related/ connected to Issuer, Promoter, Promoter Group entities, Group Companies, affiliates or any other related parties.

To meet out the working capital requirements of the Company

There is no major increase in working capital requirement year on year in the last 3 FYs. The net working capital days were approximately 56 days, 73 days, 69 days and 82 days in FY22, FY23, FY24 and FY25 (estimated period) respectively. There has been a major increase in working capital requirement in FY22 to FY23 but in comparison between FY23 and FY24 there is a decrease of 4 days in the working capital cycle in days. Further, there is an increase of 13 days in comparison between FY24 and FY25 (estimated period) due to the company being poised for major growth possibilities. We have explained the reasons for these variations in working capital requirement year on year as below;

In FY22, we were in the COVID period and things were uncertain through the year with sporadic regional lockdowns. Due to such situation the company had decided to focus on maintaining its revenues and bottom line rather than looking out for growth during this uncertain period and therefore no major inventory was built up.

In FY23, there was clarity that there was no more threat of COVID and the company started focusing on growth of its business. Due to this shift, the company started pushing its sales and to be able to service the demand it could receive, it started maintaining higher inventory so as to service the customers faster and also to be able to be ready for any opportunity coming our way. Maintaining higher raw material inventory helps the company in achieving faster turnaround time for deliveries and thereby the company can ask for repeat orders or new orders from its customers. Therefore, the inventory being for 78 days in FY22 increased to 95 days in FY23. This was the main reason of increase in working capital requirement of the company in FY23 compared to FY22.

In FY24, the company got break through with new international and domestic customers which eventually resulted in over 10.50% growth. Due to getting several new customers in domestic as well as international markets, the company had to ensure that the service to these customers and also the old ones cannot be compromised. To make sure of timely deliveries and quick turnaround of orders, the company decided to keep more inventory. Though the days in terms of inventory holding moved up from 95 days in FY23 to 113 days in FY24 but the trade payables also moved up from 112 days in FY23 to 142 days in FY24 so that the company could manage its over all working capital requirement as this in fact reduced the overall working day cycle from 73 days in FY23 to 69 days in FY24.

A lot of our business depends on third party manufacturing of greige fabric. This third party manufacturing is done on job work basis wherein the raw material inventory is procured by us and supplied to the third party manufacturer who in turn manufactures as per our purchase order and gives us the finished goods for us to be able to sell to our customers. The company will need to hold more than usual inventory to be able to service its customers by providing quick turnaround, on time deliveries and to smoothly get its product manufactured from third party manufacturers.

Therefore, in FY25 (estimated period) the company has decided to hold approximately 95 days of inventory, 90 days of trade receivables and 110 days of trade payable. This will result into net working capital cycle of 82 days. This we believe is reasonable requirement for a company focused on growth.

3. General Corporate Purpose

As per Regulation 230 (2) and (3) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the amount for:

- i general corporate purposes; and
- ii *such objects where the issuer company has not identified acquisition or investment target as mentioned under the heading Unidentified Acquisitions in India and abroad.*

shall not exceed thirty five per cent of the amount being raised by the issuer.

In this regard we would like to state that the Company is proposing to **utilize upto Rs. 625.00 lakh towards unidentified acquisition in India and abroad which taken together with amount to be incurred in General Corporate purpose shall not exceed 35%** of total amount proposed to be raised through fresh issue of Initial Public Offer which is duly in compliance with the aforesaid provision.

SECTION V – ABOUT THE COMPANY AND INDUSTRY OUR BUSINESS

Business Overview

“Our company is an ISO 9001:2015 certified and has won several awards from the cotton textiles exports promotion council (**Texprocil**) over the past several years. The Company has over twenty years of experience in the field of textile manufacturing.

We operate as a design-to-delivery solutions provider for both greige and finished fabrics catering to the domestic as well as export markets. We export regular and sustainable greige and finished fabrics in 10+ number of countries. We are approved vendors for international brands such as ZARA (Inditex Group), Target and Primark. We offer a diverse range of fabrics such as structures, seer suckers, double layer, three layer, four layer, chambrays, fashion fabrics with metallic yarns etc, catering to various applications such as women fashion wear, men and kids shirts, home textiles, embroidery, light canvas etc amongst others.

The company is into manufacturing of greige fabrics. Taking advantage of its location at Ichalkaranji, which is a known textile hub, it has been following a business model of getting most of the greige fabric manufactured from third party greige fabric manufacturers on job work basis, who are abundantly available in and around its location. The company has been following such business practice since past several years wherein most of its revenues are generated from selling greige fabric which is manufactured by third party manufacturers. The company has not got into any formal agreements with any third party manufacturers due to its long standing relationships with them.

This business model has also helped the company maintain an Asset Light model.

Bifurcation of our sales achieved from manufacturing greige fabric in our facilities and getting greige fabric manufactured from third party manufacturers on job work basis is as stated below:

<i>(₹ In Lakh unless stated otherwise)</i>				
Sr No.	Particulars	FY 23-24	FY22-23	FY21-22
1.	Total sales	40,220.78	36,396.26	35,479.84
2.	Own Manufacturing	14,187.86	14,060.43	14,247.83
3.	Job work	26,032.92	22,335.83	21,232.01
4.	Own Manufacturing to sales (%)	35.27%	38.63%	40.16%
5.	Job work to sales (%)	64.73%	61.37%	59.84%

Acquisition of domestic customers:

- Over the last 2 years, acquiring domestic customers has become relatively easier. Since the company has most of the sustainability compliances and certifications in place, like – GOTS, OCS, BCI, RCS etc & others, our company is part of the database published by these international certifying bodies. With sustainability compliances becoming mandatory for apparel exporters in India, they scout these databases to look for vendors with such compliances. This results in the customers directly approaching our company for initiating business.
- Further, our company is part of the supply chain of reputed international brands like ZARA (Inditex group), Primark & Target. These brands push their apparel vendors to source greige fabrics from Ken.
- Our company is getting customers by word-of-mouth references from its existing customers and international brands.
- Further, our company is very active in participating in domestic trade fairs like Bharat Tex—Delhi, Tecoya Fabtex—Mumbai, and TFI Yarnex—Mumbai & Delhi. These trade shows attract both domestic and international buyers looking for new vendors. At such trade shows, the company presents its range of latest developments and vast fabric collections.
- Our company directly presents its developments to end customers & International Brands, which then recommend our developments to their apparel vendors.

- Our company is also developing fabrics exclusively for a few customers under NDA whereby the customer buys it on repeat basis from Ken to prevent the copying of the styles by rest of the market immediately.
- The domestic marketing team consists of 7 members headed by Mr. Shivaji Sakpal – GM Marketing.
- The marketing team is backed by a product development team consisting of 9 members.

Acquisition of international customers:

- Our company has a successful track record of exports since FY15.
- This has led to it having solid relationships with international customers in its key markets of South Korea, Thailand, Bangladesh & other countries.
- The International business is conducted through partners in the respective countries.
- These partners scout for more customers in their geographical regions directly or through their counterparts in different countries and onboard more customers.
- Mr. Nikunj Hariprasad Bagdiya travels to various countries to meet with existing and prospective customers and personally leads the export business development activity.
- Visiting international trade shows like Preview in Seoul, Korea; Preview in Daegu, Korea; Texworld – Paris, Vision World – Paris, Dhaka International Yarn & fabric Show – Dhaka; Intex South Asia – Colombo
- These trade shows are fertile grounds to understand new trends and build new relationships.
- The export marketing team has three members supporting Mr. Nikunj Bagdiya.
- Additionally, the use of data mining software also helps in generating potential leads in the international markets.

Our Manufacturing capacity:

We manufacture regular and sustainable greige and finished fabrics. We have two manufacturing plants admeasuring about 50,000 sq. ft. As on March 31, 2024, our two manufacturing plants has a combined manufacturing installed capacity of producing fabric of 145 lakh square meter. The capacity and capacity utilisation of our manufacturing plants as mentioned below:

Capacity and capacity utilisation per unit for last 3 years

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
	In-house	In-house	In-house
Installed Capacity (sq. mtrs.)			
Unit-I	114.72	114.72	114.72
Unit-II	30.28	30.28	30.28
Total	145.00	145.00	145.00
Capacity Utilization			
Unit-I	112.25	110.98	112.66
Unit-II	29.63	29.63	29.82
Total	141.88	140.60	142.48
Capacity Utilization (%)			
Unit-I	98%	97%	98%
Unit-II	98%	98%	98%

Note: Figures as per certificate dated October 25, 2024 obtained from Dr. Amol S. Todker, Valuer and Project Consultant

List of Machinery Owned by Company

Sr No.	Particulars	Bought	Width	Make	No. of Machines
1.	Airjet machines with batching motions, Lycra attachments, pneumatic air tuckers and double pick insertions	New Machine	190 cm	Picanol Summum Airjet	20
		Second Hand	280 cm	Picanol Omniplus Airjet	24
2.	Projectiles with 18 shaft Staubil 2660 electronic dobby, 4 colour weft insertion and batching motions, with up-to 6 tuck-in's per machine for widths as low as 35 cm. with solid tuck-in selvages	Second Hand	360 cm	Sulzer Projectile P7100 Reinforced	12
3.	Sampling Division having Raiper with 20 shafts and 8 colour web insertion dedicated to product development	Second Hand	210 cm	Vamatex Leonardo Rapier	1
Total					57

Utilities and infrastructure facilities

Raw Material

Basic raw material comprises warp and weft yarn of different fibres and counts. We purchase from domestic markets comprising of spinning mills and yarn traders. Importing yarn does not offer significant cost saving benefits. Hence, in FY24 our 75.12% procurement of raw materials was from the state of Maharashtra and remaining 24.84% was from other states of India. Further, only 0.04% raw material was imported from Italy and China.

There is no conflict of interest between the suppliers of raw materials and third- party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same shall be disclosed at all the relevant sections of the offer document. However, in case any such conflict of interest arises, the same shall be disclosed at the relevant sections of the Offer Document.

Product Portfolio:

We manufacture greige fabric. Our customers use our greige fabric for further manufacturing of several products with varied end use of their products. Such products with varied end use which are further manufactured by our customers using our greige fabric are as below:

Products furthered manufactured by our customers from our greige fabric	End use of their product
High Value Apparel Fabrics	High Value apparels
Voiles	Ladies wear
Light Canvas fabrics	Shoe uppers, Bags, Cargo pants
Organic and sustainable fabrics	High-end apparel
Bed Linen	Home Textiles
Contamination-free white guaranteed apparel fabrics	High value apparels
Narrow width fabrics with tuck-in selvages	Medical bedsheets
Double faced fabrics	High-end Ladies apparel
Work wear	Uniforms for workers
Shoe Canvases	Shoes

Intellectual Property

Sr. No.	Particulars	Nature of Trademark	Application No.	Date	Status
1.	Application for registration of Trade Mark type 'Device' under class 25		5756549	January 09, 2023	Status Quo
2.	Application for registration of Trade Mark type 'Device' under class 40		5511818	June 30, 2022	Status Quo
3.	Application for registration of Trade Mark type 'Device' under class 24		3434269	December 16, 2016	Status Quo
4.	Application for registration of Trade Mark under class 24 for the word 'KEN'	KEN	3434234	December 16, 2016	Status Quo

For more details, please refer section titled ***“Government and other approvals”*** beginning on page no 218 of this Draft Prospectus.

OUR MANAGEMENT

Name, DIN, Designation, Age, Date of Birth, Father Name, PAN, Nationality, Address, Experience, Occupation, Qualification, Current Term and Date of Appointment	Other Directorships
Bina Hariprasad Bagdiya DIN: 00415083 Designation: Non-Executive, Non-Independent Director Age: 71 Years Date of Birth: January 15, 1953 Father Name: Late Bishwanath Ratanlal Bubna PAN: AAYPB1447Q Nationality: Indian Address: 15/311, Kadam Mala Ichalkaranji, New Chandur Ring Road, Hatkanangale, Kolhapur, Maharashtra - 416115 Experience: 20 Years Occupation: Business Qualification: * Current Term: Liable to retire by rotation Original Date of Appointment: March 16, 2004	Directorships in Other Companies: a) Kuber Cotspin Private Limited b) Zest Lifestyle Private Limited Designated Partner/ Partner in LLP Nil

**Qualification documents of Mrs. Bina Hariprasad Bagdiya are not traceable*

Bina Hariprasad Bagdiya, aged 71 years is the Promoter & Non-Independent Director of our Company. She has been a vital member of the Board of Directors at Ken Enterprises Limited since 2004. Ms. Bina has more than 20 years of experience in handling legal, human resource and administrative matters.

She is renowned for her exceptional interpersonal skills, Bina has chaired numerous forums addressing social issues and has made significant contributions in this realm. As the District Chairman of the Inner Wheel Club (District 317), she travels extensively, fostering an impressive network of contacts across social and business sectors. Currently serving as a Non-Executive Director at Ken Enterprises Limited, Bina continues to bring her vast experience and strategic insight to the company.

Note: Law degree pursued by Ms. Bina Hariprasad Bagdiya was not traceable therefore reliance has been placed on affidavit furnished by her.

Sachin Janardan Mulay, aged 49 years is a Whole-time Director and CFO of our Company. He has completed Bachelor of Commerce (Advance Accounting & Auditing). Mr. Sachin has extensive experience in finance and accounting. Since joining the company in 2003, he has held pivotal roles as Accounts Head and Chief Accountant, proving himself to be a crucial pillar in managing the accounts and finance team.

Mr. Sachin is the CFO of the Company with over 29 years of vast experience in Auditing, Financial Management, Fund Raising, Business Planning, Analytics and Strategic Consultancy. He assists the Board of Directors in Growth Strategy, Financial Planning and Goal Setting of the organization. Mr. Sachin is involved in the day-to-day financial planning, coordination, bank submissions, finalization, statutory compliances, financial planning and goal setting for the organization.

Additionally, he looks after aspects of Financial Management - Budgeting, Costing, Debt Syndication, Risk Management, Banking Relationships etc.

Note: Previous working experience certificates pursuant to working of Mr. Sachin Janardan Mulay as Internal Auditor at JP Logistics Private Limited was not traceable therefore reliance has been placed on affidavit furnished by him.

KEY MANAGERIAL PERSONNEL

Name, Designation & Educational Qualification & Term of office	Age (Years)	Year of Joining	Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)	Previous Employment
Sachin Janardan Mulay Designation: Whole-time Director & Chief Financial Officer Educational Qualification: Master in International Business from Institute of Management Studies Date of Appointment: September 13, 2024 and September 14, 2024 in the capacity of Chief Financial Officer and Whole-time Director respectively. Term of office: 5 years w.e.f. September 14, 2024	49	2024	-*	29	#

**Appointment was done on September 14, 2024 and September 13, 2024, therefore, the Company did not pay any compensation.*

#Documents pertaining to the previous employment of Mr. Sachin Janardan Mulay is not traceable.

Confirmations

- f) it is confirmed by the Company that no material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.
- g) that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the Offer document.
- h) there is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same should be disclosed at all the relevant sections of the Offer document. However, in case any such conflict of interest arises, the same shall be disclosed at the relevant sections of the Offer Document.
- i) There is no conflict of interest between the suppliers of raw materials and third- party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same shall be disclosed at all the relevant sections of the offer document. However, in case any such conflict of interest arises, the same shall be disclosed at the relevant sections of the Offer Document.
- j) there are no agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

Arrangement and understanding with Major Shareholders/Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

There are no agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

SECTION VI – FINANCIAL INFORMATION
FINANCIAL INDEBTEDNESS

Details regarding indebtedness of the Company is as follows:

Nature of Borrowing	Outstanding as on March 31, 2024
Secured Loan	4,379.00
Unsecured Loan	405.39
Total	4,874.39

A. SECURED LOANS

(₹ in Lakhs, unless otherwise stated)

Type of loan	Sanctioned amount (Rs. in lakhs)	Amount outstanding as of March 31, 2024	Rate of interest (% p.a.)	Tenor/period	Repayment schedule
Term loan limit					
Canara Bank	508.00	139.83	RLLR (9.40%) + 0.60 i.e. 10.00% p.a.	48 months	36 monthly instalments
Canara Bank	431.00	383.11	RLLR (9.40%) + 0.60 i.e. 10.00% p.a.	60 Months	36 monthly instalments
Loan repayable on demand					
Canara Bank	Total Limit: 4,000.00 (out of which	3,320.73	OCC/ODBD- RLLR + 0.85% i.e. 10.25% p.a.	NA	NA
Canara Bank (PCFC Facility)	PCFC Max limit 1,500)	535.32	EURIBOR/ARR +100 bps	NA	NA

Security Provided:

- i. Hypothecation of stocks and present and future book debts of the Company
- ii. Hypothecation of existing plant and machinery and other fixed assets
- iii. EMT of Office Property situated at CS No.13122, Plot No. 3, Ward 18/20, Ichalkaranji Coop Industrial Estate, Ichalkaranji 416115 admeasuring (land – 6000 sq. ft. / bldg. 6500 sq. fts.) standing in the name of Kuber Cotspin Pvt. Ltd.
- iv. EMT of Property situated at (Industrial N.A. Open land) Gat No. 130 & 131 Near Parvati CoopIndustrial Estate, Yadrav, Tal – Shirol (land– 103500 sq. ft.) standing in the name of Nikunj Hariprasad Bagdia.
- v. EMT of Property situated at (Residence Property) CS No. 7421-B, Chandur Road, Near Panchwati Talkies, Ichalkaranji – 416115 (land – 14800 sq. ft./ bldg. 6000 sq. fts.) Mrs. Bina Hariprasad Bagdia, Krishna Hariprasad Bagdia, Nikunj Hariprasad Bagdia.
- vi. EMT of Property situated at (Factory Unit II) Plot No. 91, 111, 112, Sector C Parvati Co-op Industrial Estate Yadrav 416145 (land – 6000 sq. ft./ bldg. 6500 sq. fts.) standing in the name of Company.

vii. EMT of Property situated at (Factory Unit I) Plot No. 46-48 & 62-64, Sector F Parvati Co-op Industrial Estate Yadrav 416145 (land – 30000 sq. ft./ bldg. 26350 sq. fts.) standing in the name of Mrs. Bina Hariprasad Bagdia

viii. EMT of Property situated at Plot no 49 to 61 and Gat no 49 to 65, sector F, Parvati Co-op. Industrial estate, Yadrav, Tal Shirol Dist Kolhapur and industrial building (only ground floor) in the name of Company.

ix. List of Guarantees:

Corporate Guarantor	Kuber Cotspin Pvt Ltd
Personal Guarantee	Nikunj Hariprasad Bagdiya
	Binadevi Hariprasad Bagdiya
	Krishnakumar Hariprasad Bagdiya

B) Unsecured Loan

(₹ in lakhs)

Sr. No.	Particulars	Loan Type	Loan Amount	Loan Commenced Date	Outstanding as on 31/03/2024
A)	From Bank:				
1	ICICI Bank	Business Loan	49.00	12-04-2022	20.38
2	Axis Bank Ltd	Business Loan	60.00	20-03-2023	40.98
3	IDFC First Bank Limited	Business Loan	28.56	04-04-2022	11.91
4	Kotak Mahindra Bank Ltd	Business Loan	50.00	06-03-2023	35.79
5	Kotak Mahindra Bank Ltd	Business Loan	40.00	02-04-2022	16.55
6	Yes Bank	Business Loan	50.00	28-02-2023	26.98
B)	From Financial Institutions:		-		
1	Fullerton India Credit Company Limited	Business Loan	50.40	08-04-2022	22.69
2	Poonawalla Fincorp Limited	Business Loan	40.50	28-02-2023	29.20
3	Tata Capital Financial Services Ltd	Business Loan	65.00	31-03-2023	48.31
4	Aditya Birla Finance Ltd	Business Loan	50.00	02-03-2023	35.98
5	Cholamandalam Investment & Finance Co Ltd	Business Loan	20.00	01-03-2023	14.45

6	Kisetsu Saison Finance India Pvt Ltd	Business Loan	50.00	01-03-2023	27.17
7	Hero Fincorp Limited	Business Loan	30.31	29-03-2023	22.71
C)	From Related Parties:				-
1	Nikunj Bagdiya				52.29
	Total		583.77		405.39

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS

Business Overview

“Our company is an ISO 9001:2015 certified and has won several awards from the cotton textiles exports promotion council (**Texprocil**) over the past several years. The Company has over twenty years of experience in the field of textile manufacturing.

We operate as a design-to-delivery solutions provider for both greige and finished fabrics catering to the domestic as well as export markets. We export regular and sustainable greige and finished fabrics in 10+ number of countries. We are approved vendors for international brands such as ZARA (Inditex Group), Target and Primark. We offer a diverse range of fabrics such as structures, seer suckers, double layer, three layer, four layer, chambrays, fashion fabrics with metallic yarns etc, catering to various applications such as women fashion wear, men and kids shirts, home textiles, embroidery, light canvas etc amongst others.

Rationale for increase in PAT margin in FY 2024

The company in FY22 had a profit after tax margin of 0.65% and in FY23 it increased to 1.05%. This marked a jump of more than 61% in margins of FY23 compared to FY22. The company has put all its efforts in continuing this trend of increasing its margins in the coming years. As a result, the company achieved profit after tax margins of 2.18% in FY24, this increase in margin was more than 107% in FY24 compared to FY23.

Our business is voluminous in revenues but the net margins comparatively are on the lower side. It is evident from above that even though there is a jump in margin of profit after tax of 107% in FY24 compared to FY23, yet it only translates to an increase of 1.13% of the total income. On micro handling of expenses and/or purchases and/or sales price, such results are possible. The company having spent several years in this industry and having reached a voluminous revenue base has matured enough to be able to control its margins to some extent by balancing between expenses, cost of purchases and sales price of its products.

Detailed rationale for increase in profit after tax margin in FY24 is as below:

In absolute numbers, profit after tax increased from Rs. 394.85 lakhs in FY23 to Rs. 892.73 Lakhs in FY24 increasing by 126.10% in FY24. The increase in profit by Rs. 497.88 lakhs in FY24 was mainly due to raw material procurement at lower prices through the year. This is evident as in FY23 the cost of material consumed compared with revenues from operations was 83.79% and in FY24 it reduced to 77.75%. This reduction was of approximately 6.04%.

Detailed rational for year-on-year increase in Revenue and PAT for last 3FY is as follows:

- 1) Revenue on year on year basis from FY 21-22 to FY 22-23 has been stagnant and only 2.58% increase has been witnessed from the year FY 21-22 vis a vis with 22-23. The main reason for increment in said Financial year has been due to Introduction of New clients during the FY 22-23 in which the Company has secured an order worth Rs. 3,113.93 lakhs in comparison of previous FY 21-22. Further, there has been reduction in order from one of our prominent domestic client during the FY 22-23, which was reduced from Rs. 4321.39 lakhs approx. in FY 21-22 to Rs. 2378.76 lakhs approx. in FY 22-23.
- 2) Revenue from FY 22-23 to 23 -24 has raised by 10.51 % from FY 22-23 due to following reasons.
 - a) In the FY 23-24, some disruptions in the business model have been there in the Asia pacific region (primarily from Bangladesh) due to which we were able to add new clients from the last financial year.
 - b) Further, we were able to increase our sales from one of our Prominent domestic client from Rs. 2,378.67 lakhs in FY 22-23 to Rs. 3,084.13 lakhs in the FY 23-24.
 - c) Further, during the FY 23-24, our international sales has increased from Rs. 7,764.85 lakhs in FY 22-23 to Rs. 9,020.81 lakhs in FY 23-24 giving an incremental revenue of 15% over the FY 22-23.

Explanation for increase in PAT (Profit After Tax)

For FY 21-22 to 22-23:

- 1) Profit increased by 66.99% from Rs. 236.46 Lakhs in FY 21-22 to Rs. 394.85 lakhs in FY 23-24 giving an increase of 66.99% for the FY 22-23. The increase in PAT during the year is attributed to reduction in job work charges which were Rs. 3,629.28 lakhs in FY 21-22 and reduced by Rs. 56.81 lakhs to Rs. 3,572.48 Lakhs in FY 22-23. Further, Transport Expenses and packing material were also reduced by Rs. 80.24 lakhs and Rs. 25.17 lakhs in the FY 22-23 respectively.
- 2) Secondly, during the FY 21-22 commission expenses incurred was Rs. 325.41 lakhs which was reduced by Rs. 102.27 lakhs to Rs. 223.14 lakhs in FY 23-24.
- 3) Further, as it can be seen that the Company was supplying to OEM,'s with a view to maximise the profits through securing more and more sales order. The Company sale during the year has increased by 2.58% it has also helped us to achieve more economies of scale through more effectively managing our fixed expenses so as to distribute more towards our production capacities.

Explanation for FY 22-23 to 23-24

- 1) Net Profit after Tax increased from Rs. 394.85 lakhs in FY 22-23 to Rs. 892.73 Lakhs in FY 23-24 giving a resultant increase of 126.10% in FY 23-24. The increase in profit by Rs. 497.88 lakhs in FY 23-24 have been achieved through maintaining cost of material consumed at a level which gave reduction from 83.79% in FY 22-23 to 77.75% of revenue in FY 23-24 from Rs. 31,585.95 lakhs in FY 22-23 and to Rs. 32,546.95 Lakhs in FY 23-24.
- 2) The prices of the raw material decreased during the FY23-24 which helped the Company to achieve increase in net margins from 1.08% in FY 22-23 to 2.22% in FY 23-24 of the Revenue from operations.

SECTION VII – LEGAL AND OTHER INFORMATION

OUSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Intellectual Property

Sr. No.	Particulars	Nature of Trademark	Application No.	Date	Status
1.	Application for registration of Trade Mark type 'Device' under class 25		5756549	January 09, 2023	Status Quo
2.	Application for registration of Trade Mark type 'Device' under class 40		5511818	June 30, 2022	Status Quo
3.	Application for registration of Trade Mark type 'Device' under class 24		3434269	December 16, 2016	Status Quo
4.	Application for registration of Trade Mark under class 24 for the word 'KEN'	KEN	3434234	December 16, 2016	Status Quo

Detailed Status

Point 1

Our Group Company Ken Global Designs Pvt. Ltd applied for the trademark "KEN" under application number 5756549 on January 09, 2024, under class 25, which was opposed and objected to by Kamal N. Rawtani vide opposition No. 1276812. The opponent claims to be the prior user and registered proprietor of the trademark "K KEN CARLO" since 2013. The Group Company's use of the trademark "KEN" is alleged to be dishonest, deceptive, and similar to the opponent's mark, likely to cause confusion among consumers. Further, it was alleged that our group company made false claims of use since 2020 without sufficient documentation, including a sales invoice that does not substantiate the claim. The impugned mark "KEN" was not inherently capable of distinguishing the applicant's goods as of the date of the application. The mark did not acquire distinctiveness and is instead synonymous with the opponent's products. The matter is currently pending with the Registrar of Trade Marks.

Point 2

Our Company Ken Enterprises Pvt. Ltd applied for the trademark type device "KEN" under application number 5511818 on June 30, 2022 under class 40 which was opposed and objected to by Mahesh Gupta vide opposition No. 1208283. It is alleged that our Company have been maliciously using the registered trademark "KENT" which is a well-known mark of the opponent. It was also alleged that the mark was initially adopted for Oil meters and subsequently adopted for water purifiers, kitchen appliances, home appliances and various other goods and services including for the goods under Class 40. That the trademark device "KEN" is deceptively similar to the trademark "KENT". Further, it is alleged that our company is using the trademark to confuse the general public.

Our Company filed a counter-statement denying the allegations, asserting that "KEN" and "KENT" are distinct marks in both phonetic and visual aspects, and that they are used in completely different industries, eliminating any possibility of confusion. Our Company further emphasized its prior and continuous use of the mark "KEN" since 1998, with no reported instances of confusion or complaints from the market, including from the opposing party.

Our Company sought dismissal of the opposition and requested that the trademark be registered. The matter is currently pending with the Registrar of Trade Marks.

Point 3

Our Company Ken Enterprises Pvt. Ltd applied for the trademark type device “KEN” under application number 3434269 on December 16, 2016 under class 24 which was opposed and objected to by Mahesh Gupta vide opposition No. 886660. The opposition is on the same grounds as given in point no. 1.

Our Company sought dismissal of the opposition and requested that the trademark be registered. The matter is currently pending with the Registrar of Trade Marks.

Point 4

Our Company Ken Enterprises Pvt. Ltd applied for the trademark “KEN” under application number 3434234 on December 16, 2016 under class 24 which was opposed and objected to by Mahesh Gupta vide opposition No. 921924. It is alleged that the opponent first adopted “KENT” as a trademark in 1988 and have been continuously and uninterruptedly using the trademark for the last more than 29 years. Consequently, the products bearing the trademark name ‘KENT’ have come to signify the products originating from the Opponent or his company M/s Kent Ro Systems Ltd. exclusively and any product bearing the mark/name KENT or KENT as a suffix/prefix or similarly sounding thereto is bound to confuse and deceive the trade and public. It is further alleged that the Opponent has applied its mark KENT in all the 45 classes under the Trade Marks Act, 1999 and is registered in almost all the classes for wider protection of its proprietary rights. They have further alleged that the mark "KEN" is deceptively similar to the mark "KENT," and that the use of "KEN" for textiles could cause confusion among consumers, especially given the similar pronunciation and appearance of the two marks.

Our Company has filed a counter statement above denying the allegations, asserting that "KEN" and "KENT" are distinct marks in both phonetic and visual aspects, and that they are used in completely different industries, eliminating any possibility of confusion. Our Company had further emphasized its prior and continuous use of the mark “KEN” since 1998, with no reported instances of confusion or complaints from the market, including from the opposing party. Our Company sought dismissal of the opposition and requested that the trademark be registered. The matter is currently pending with the Registrar of Trade Marks.

GOVERNMENT AND OTHER APPROVALS

B. BUSINESS OPERATIONS RELATED APPROVALS:

Sr. No	Description	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	NOC for permission to ABSTRACT Ground Water for Industrial Use for Plot No. No. 46, 47, 48, 49 and 61, 62, 63, 64 Sector- F, Phase-I, Gate No. 49-45, Parvati Co-op Industrial Estate Ltd, Yadrav, Tel. Shirol, Kolhapur, Maharashtra	CGWA/NOC/IND/ORIG/2024/20854	Maharashtra Groundwater (Development and Management) Act of 2009	Government of India, Ministry of Jal Shakti, Department of Water Resources, River Department and Ganga Rejuvenation, Central Ground Water Authority	October 17, 2024	September 25, 2027
2.	NOC for permission to ABSTRACT Ground Water for Industrial Use for Plot No. No. 91, 111 and 112, Sector- C, Phase-II, Gate No. 69, Parvati Co-op Industrial Estate, Yadrav, Shirol, Kolhapur, Maharashtra	CGWA/NOC/IND/ORIG/2024/20838	Maharashtra Groundwater (Development and Management) Act of 2009	Government of India, Ministry of Jal Shakti, Department of Water Resources, River Department and Ganga Rejuvenation, Central Ground Water Authority	October 14, 2024	September 25, 2027

C. LABOUR LAW RELATED APPROVALS:

Sr. No	Description	Registration Certificate / Intimation Receipt No.	Applicable laws	Authority	Date of Certificate	Date of Expiry
3.	Shops & Establishments Registration Certificates for the office located at "18/20 Industrial Estate Ichalkaranji, Hatkanangle, Kolhapur"	104146502003	Maharashtra Shops and Establishments Act, 1948	Office of the Assistant Commissioner of Labour, Kolhapur	June 11, 2020	Valid until Cancelled
4.	Shops & Establishments Registration Certificates for the Warehouse located at "Plot No. 20 to 22 and 39-41, together with the building situated at parwati Co-op Industrial Estate Yadrav, Tal. Shirol, Dist: Kolhapur (M.S.) India - 416146"	110801002403	Maharashtra Shops and Establishments Act, 1948	Office of the Assistant Commissioner of Labour, Kolhapur	29.10.2024	Valid until Cancelled

IV. APPROVALS OR LICENSES APPLIED BUT NOT RECEIVED:

Sr. No.	Particulars	Application No.	Date	Status
1	NOC of Fire for Factory at Plot No. 91, 111 and 112, Sector- C, Phase-II, Parvati Co-op Industrial Estate, Yadrav, Shirol, Kolhapur, Maharashtra	NA	September 23, 2024	-
2	Application for registration of Legal Metrology (Packaged Commodities) for Plot No. No. 46, 47, 48, 49 and 61, 62, 63, 64 Sector- F, Phase-I, Gate No. 49-45, Parvati Co-op Industrial Estate Ltd, Yadrav, Tel. Shirol, Kolhapur, Maharashtra and Plot No. No. 91, 111 and 112, Sector- C, Phase-II, Gate No. 69, Parvati Co-op Industrial Estate, Yadrav, Shirol, Kolhapur, Maharashtra.	11733268	NA	-

SECTION VIII- ISSUE INFORMATION

ISSUE PROCEDURE

UNDERTAKINGS BY OUR COMPANY

We undertake as follows:

- 12) it is confirmed by the Company that no material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the ROC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 9/621 Industrial Estate Near Kalyan Kendra, Ichalkaranji, Maharashtra - 416115, India, from 10.00 am to 5.00 pm on all Working Days from the date of until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated [●], entered into among our Company and the Lead Manager.
2. Agreement dated [●], entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated August 23, 2024 entered into among our Company, NSDL and the Registrar to the Company.
4. Tripartite Agreement dated [●], entered into among our Company, CDSL and the Registrar to the Company.
5. Banker to the Issue Agreement [●] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager, and the Market Maker.
7. Underwriting Agreement dated [●] between our Company and the Lead Manager.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated June 05, 1998.
3. Certificate of Incorporation pursuant to change in name from “Shri Ken Enterprise Private Limited” to “Ken Enterprise Private Limited” dated June 28, 2013 issued by the Registrar of Companies, Pune.
4. Certificate of Incorporation pursuant to conversion of our Company as Private Limited into Public Limited issued by the Registrar of Companies, Central Processing Centre dated August 05, 2024.
5. Resolution of the Board of Directors and Equity Shareholders of our Company dated September 16, 2024 and September 18, 2024, authorizing the Issue and other related matters.
6. Copy of Audited Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
7. Copy of Restated Consolidated Audited Financial Statement of our Company along with Peer Review Auditors Report dated September 13, 2024 for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
8. Copy of Statement of tax possible benefits dated September 26, 2024, from the Peer Review Auditor included in this Draft Prospectus.
9. Consents of Directors (including Managing Directors & Independent Directors), Company Secretary & Compliance Officer, Chief Financial Officer, Promoter & Selling Shareholders, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue, Experts, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Prospectus to act in their respective capacities.

10. No-Objection Certificate issued by Canara Bank Limited dated September 24, 2024;
11. Industry Report dated September 28, 2024 obtained from Dun & Bradstreet;
12. Board Resolution dated September 28, 2024 for approval of Draft Prospectus and dated [●] for approval of Prospectus;
13. Certificate on KPI's issued by the Statutory Auditor dated September 26, 2024;
14. Resolution of the Audit Committee of our Company dated September 26, 2024 approving KPI's;
15. Certificate of Capacity Utilisation dated October 25, 2024 obtained from Dr. Amit Todkar, Valuer and Project Consultant.
16. In-principal listing approval dated [●] from the NSE for listing the Equity Shares on the NSE Emerge Platform.
17. Due Diligence issued by Lead Manager dated September 28, 2024.
18. Approval from NSE vide letter dated [●] to use the name of NSE in the Offer/ Issue documents for listing of equity shares on the Emerge Platform of National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act, SEBI (ICDR) Regulations and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the 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 Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Addendum to Draft Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF OUR COMPANY:

Name and Designation	Signature
Nikunj Hariprasad Bagdiya Managing Director & Chairman DIN: 00415118	Sd/-
Bina Hariprasad Bagdiya Director DIN: 00415083	Sd/-
Sachin Janardhan Mulay Whole-time Director & Chief Financial Officer DIN: 03532349	Sd/-
Arshita Singh Independent Director DIN: 10440686	Sd/-
Rashmi Sagar Mitkary Independent Director DIN: 08960192	Sd/-
Vinay Kumar Ramgopal Jhavar Independent Director DIN: 10743608	Sd/-

Signed by:

Shailja Dubey Company Secretary & Compliance Officer	Sd/-
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Date: January 21, 2025

Place: Ichalkaranji, Maharashtra