



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

Draft Red Herring Prospectus

Dated: January 28, 2025

100% Book Built Issue

Please read Section 26 and 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with ROC)



SPUNWEB NONWOVEN LIMITED
(FORMERLY KNOWN AS SPUNWEB NONWOVEN PRIVATE LIMITED)
CORPORATE IDENTIFICATION NUMBER: U17291GJ2015PLC084107

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Rajkot, Wankaner – 363 621, Gujarat, India.	Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot – 360 005, Gujarat, India.	Romit Ajaykumar Shah <i>Company Secretary and Compliance Officer</i>	Tel No: +91-87 5894 4844 Email Id: cs@spunweb.in	www.spunweb.com

PROMOTERS OF OUR COMPANY: JAY DILIPBHAI KAGATHARA AND KISHAN DILIPBHAI KAGATHARA

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE (₹ IN LAKHS)	OFFER FOR SALE SIZE (₹ IN LAKHS)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Up to 63,51,600 Equity Shares of face value of ₹10/- each aggregating to ₹[●] lakhs.	NIL	Up to 63,51,600 Equity Shares of face value of ₹10/- each aggregating to ₹ [●] lakhs.	The Issue is being made pursuant to Regulation 229(2) of Chapter IX of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“SEBI ICDR Regulations”). As the Company’s post issue paid up capital is more than ₹1,000.00 Lakhs and up to ₹2,500.00 Lakhs.

DETAILS OF ISSUE FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each. The Floor Price, the Cap Price and the Issue Price (determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process as stated under chapter titled “Basis for Issue Price” on page 126 of this Draft Red Herring Prospectus), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of investors is invited to the section titled ‘Risk factors’ on page 30 of this Draft Red Herring Prospectus

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) in terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time. For this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).

BOOK RUNNING LEAD MANAGER TO THE ISSUE

NAME AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
 Vivro Financial Services Private Limited	Hardik Vanpariya/Jay Dodiya	E-mail: investors@vivro.net Telephone: +91-79 4040 4242

REGISTRAR TO THE ISSUE

NAME AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
 MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)	Shanti Gopalkrishnan	Email Id: spunweb.ipo@linkintime.co.in Telephone: +91-81 0811 4949

BID/ISSUE PERIOD

ANCHOR BID/ISSUE PERIOD: [●]*	BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSES ON#: [●]**
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*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will open one Working Day prior to the Bid/ Issue Opening Date.

**Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

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



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100% Book Built Issue

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SPUNWEB NONWOVEN LIMITED
(FORMERLY KNOWN AS SPUNWEB NONWOVEN PRIVATE LIMITED)
CORPORATE IDENTIFICATION NUMBER: U17291GJ2015PLC084107

Our Company was incorporated as "Spunweb Nonwoven Private Limited" as a private limited company in Rajkot, Gujarat under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated August 06, 2015, issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on July 06, 2024, and the name of our Company was changed to "Spunweb Nonwoven Limited". A fresh certificate of Incorporation consequent upon conversion from a Private Limited company to Public Limited company dated September 06, 2024, was issued by the Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U17291GJ2015PLC084107. For change in registered office and other details please see "History and Certain Corporate Matters" on page 204 of this Draft Red Herring Prospectus.

Registered Office: Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Rajkot, Wankaner - 363621, Gujarat, India.

Corporate Office: Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot - 360 005, Gujarat, India.

Website: www.spunweb.com; **E-Mail:** cs@spunweb.in; **Telephone No:** +91-87 5894 4844; **Company Secretary and Compliance Officer:** Romit Ajaykumar Shah

PROMOTERS OF OUR COMPANY: JAY DILIPBHAI KAGATHARA AND KISHAN DILIPBHAI KAGATHARA

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 63,51,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF SPUNWEB NONWOVEN LIMITED (FORMERLY KNOWN AS SPUNWEB NONWOVEN PRIVATE LIMITED), ("SPUNWEB" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹10 LAKHS ("THE ISSUE"), OF WHICH 10% EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE AGGREGATING TO ₹10 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 10% EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹10/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹10/- PER EQUITY SHARE AGGREGATING TO ₹10 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 10% AND 10%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ADVERTISED IN ALL EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND GUJARATI EDITION OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 304 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least 3 (three) additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 (ten) Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of 1 (one) Working Day, subject to the Bid/Issue Period not exceeding 10 (ten) Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹2 lakhs and up to ₹10 lakhs and two-thirds shall be reserved for Bidders with Bids exceeding ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 320 of this Draft Red Herring Prospectus.

ELIGIBLE INVESTORS

All potential investors shall participate in the Issue through ASBA process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to chapter titled "Issue Procedure" on page 320 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each. The Floor Price, the Cap Price and the Issue Price (determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process as stated under chapter titled "Basis for Issue Price" on page 126 of this Draft Red Herring Prospectus), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of investors is invited to the section titled "Risk factors" on page 30 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") in terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time. Our Company has received 'in-principle' approval from NSE for the listing of Equity Shares pursuant to the letter dated [●]. For this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE"). A copy of the Red Herring Prospectus and Prospectus shall be filed with the Registrar of Companies, Gujarat in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 405.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



Vivro Financial Services Private Limited
Vivro House, 11, Shashi Colony, opp. Suvidha Shopping Center, Paldi, Ahmedabad, Gujarat 380007, India.
Telephone: +91- 79 4040 4242
E-mail Id: investors@vivro.net
Investor Grievance Id: investors@vivro.net
Website: www.vivro.net
Contact Person: Hardik Vanpariya/Jay Dodiya
SEBI Registration No.: INM000010122
CIN: U67120GJ1996PTC029182



MUFUG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083, (Maharashtra), India.
Telephone: +91-81 0811 4949
Website: www.linkintime.co.in
Email ID: spunweb.ipo@linkintime.co.in
Investor Grievance ID: spunweb.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

BID/ISSUE PERIOD

ANCHOR BID/ISSUE PERIOD: [●]*

BID/ISSUE OPENS ON: [●]

BID/ISSUE CLOSES ON: [●]**

*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will open one Working Day prior to the Bid/ Issue Opening Date.

**Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

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

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates, all references to “the Company” or “our Company” or “Issuer”, are references to Spunweb Nonwoven Limited (Formerly known as Spunweb Nonwoven Private Limited), a company incorporated under the Companies Act, 2013 and having its Registered Office at Survey No. 109(2), N.H. 27, Near Wankaner Boundary Post at Jalida, Village Rangpar, Rajkot, Wankaner, Gujarat – 363621, India. Furthermore, unless the context otherwise indicates, all references to the terms, “we”, “us” and “our” are to our Company.

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

Notwithstanding the foregoing, terms in “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Restated Financial Information”, “Other Financial Information”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association”, on pages 135, 138, 194, 228, 257, 278 and 361 respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
“Spunweb Nonwoven Limited” or “SNL” or “The Company” or “Our Company” or “The Issuer”	Unless the context otherwise indicates or implies, Spunweb Nonwoven Limited, (Formerly known as Spunweb Nonwoven Private Limited) refers to, a public company incorporated as a private limited company under the Companies Act, 2013, having registered office at Survey No. 109(2), N.H. 27, Near Wankaner Boundary Post at Jalida, Village Rangpar, Rajkot, Wankaner, Gujarat – 363621, India and Corporate Office at Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot – 360 005, Gujarat, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiary on a consolidated basis.
“you”, “your”, or “yours”	Prospective investors in this Issue.

Company and Promoters related terms

Term	Description
“AoA” or “Articles of Association” or “Articles”	The Articles of Association of our Company, as amended from time to time
“Audit Committee”	The audit committee of our Board, constituted in accordance with the Section 177 of the Companies Act, 2013 and the SEBI LODR Regulations, and as described in “Our Management – Board Committees” on page 213.

Term	Description
“Auditors” or “Statutory Auditors” or “Peer Review Auditor”	The statutory auditors of our Company, currently being, Kaushal Dave & Associates, Chartered Accountants having firm registration number 143936W.
“Board” or “Board of Directors”	Board of directors of our Company, as appointed from time to time as described in “ <i>Our Management</i> ”, on page 208.
“Central Registration Centre (CRC)”	It’s an initiative of the Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details, please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html
“Chairman”	Chairman of our Board, being Jay Dilipbhai Kagathara as described in “ <i>Our Management</i> ” on page 208.
“Chief Financial Officer” or “CFO”	Chief Financial Officer of our Company, namely, Abhaykumar Narshibhai Fadadu. For further details see, “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 218.
“Company Secretary and Compliance Officer”	Company Secretary and Compliance Officer of our Company being Romit Ajaykumar Shah. For further details see, “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 218.
Corporate Office	Corporate address of our Company located at Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot – 360 005, Gujarat, India.
“CSR Committee” or “Corporate Social Responsibility Committee”	Corporate social responsibility committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, and as described in “ <i>Our Management – Board Committees</i> ” on page 213.
“Director(s)”	The Directors on the Board of our Company as described in “ <i>Our Management- Board of Directors</i> ”, on page 208.
“Equity Shares”	The equity shares of our Company of face value of ₹ 10/- each.
“Executive Director(s)”	Executive directors shall include Whole-time Directors(s) and Executive Director on our Board, as described in “ <i>Our Management – Board of Directors</i> ”, on page 208
“Independent Directors”	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see “ <i>Our Management</i> ” on page 208.
IPO Committee	The IPO Committee of our Board
“KMP” or “Key Managerial Personnel”	Key managerial personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management – Key Managerial Personnel</i> ” on page 218.
“Legal Advisors to the Issue”	The Legal Advisors being, Rajani Associates, Advocates & Solicitors.
“Managing Director”	The Managing Director of our Company, namely, Jay Dilipbhai Kagathara, as described in “ <i>Our Management</i> ” on page 208.
“Materiality Policy”	The policy adopted by our Board in its meeting held on January 11, 2025, for identification of material: (a) outstanding civil litigation proceedings; (b) creditors; and (c) group companies, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
“Material Subsidiary”	Spunweb India Private Limited (<i>Formerly known as Spunweb Nonwoven Private Limited</i>)(“ SIPL ”) has been identified as material subsidiary for the purposes of due diligence and disclosure of material approvals of our material subsidiary. For further details, see “ <i>Government and Other Approvals</i> ” on page 282.
“MoA” or “Memorandum of Association”	The Memorandum of Association of our Company, as amended from time to time

Term	Description
“Nomination and Remuneration Committee” or “NRC”	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations, and as described in “ <i>Our Management – Board Committees</i> ” on page 213.
“Non-Executive Director”	A Director not being an Executive Director, as described in “ <i>Our Management – Board of Directors</i> ” on page 208.
“Promoter Group”	Such individuals and entities which constituting the promoter group of our Company, pursuant to Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 221.
“Promoters”	The Promoters of our Company being Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara. For further details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 221.
“Registered Office”	The registered office of our Company, located at Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Rajkot, Wankaner – 363 621, Gujarat, India.
“Restated Financial Statements” or “Restated Financial Information” or “Restated Consolidated Financial Statements” or “Restated Consolidated Financial Information”	The restated consolidated financial statement of our Company, which comprise of the restated consolidated statement of assets and liabilities, the restated consolidated statements of profit and loss, the restated consolidated statement of cash flows as at and for the period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, read together with statement of significant accounting policies, annexures and notes thereto prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) and restated by Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, each as amended.
“RoC” or “Registrar of Companies”	The Registrar of Companies, Gujarat located at Ahmedabad
“Senior Management”	Senior Management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as described in “ <i>Our Management – Senior Management Personnel</i> ”.
Share Sale and Transfer Agreement	Share sale and transfer agreement dated December 27, 2024 by and amongst our Company, Jay Dilipbhai Kagathara, Kishan Dilipbhai Kagathara and Spunweb India Private Limited.
“Shareholder(s)”	Shareholders of our Company, from time to time
“Stakeholders Relationship Committee”	Stakeholders’ relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations, and as described in “ <i>Our Management – Board Committees</i> ” on page 213.
“Subsidiary(ies)”	Subsidiary of our Company, namely, Spunweb India Private Limited
Whole-time Director(s)	The whole-time director(s) of our Company, being Kishan Dilipbhai Kagathara. For further details refer “ <i>Our Management – Board of Directors</i> ” on page 208.

Issue Related Definitions

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

Term	Description
“Allotment Advice”	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
“Allottee(s)”	A successful Bidder to whom the Equity Shares are Allotted.
“Anchor Investor(s)”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 200 lakhs.
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLM.
“Anchor Investor Application Form”	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus and under the SEBI ICDR Regulations.
“Anchor Investor Bidding Date” or “Anchor Investor Bid/ Issue Period”	The date, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
“Anchor Investor Issue Price”	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLM.
“Anchor Investor Pay-in Date”	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
“Anchor Investor Portion”	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the BRLM, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
“ASBA” or “Application Supported by Blocked Amount”	An application, whether physical or electronic, used by ASBA Bidders, other than Anchor Investors, to make a Bid and authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
“ASBA Account”	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
“ASBA Bid”	A Bid made by an ASBA Bidder.
“ASBA Bidders”	All Bidders except Anchor Investors.
“ASBA Form”	An application form, whether physical or electronic, is used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
“Banker(s) to the Issue”	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account Bank(s) and the Sponsor Bank(s), as the case may be.
“Basis of Allotment”	Basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, is described in “ <i>Issue Procedure</i> ” on page 320.
“Bid(s)”	An indication by an ASBA Bidder to make an Issue during the Bid/Issue Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band,

Term	Description
	including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Issue, as applicable. In the case of Retail Individual Investors Bidding at the Cut off Price, the Cap Price is multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
"Bid cum Application Form"	The Anchor Investor Application Form or the ASBA Form, as the context requires.
"Bid Lot"	[●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter.
"Bid"/ "Issue Closing Date"	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●] which shall be notified in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), and in case of any revision, the extended Bid/Issue Closing Date shall also be widely disseminated by notification to the Stock Exchange by issuing a public notice and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.</p> <p>Our Company, in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.</p>
"Bid/Issue Date" Opening	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), and in case of any revision, the extended Bid/Issue Opening Date also be widely disseminated by notification to the Stock Exchange by issuing a public notice and also by indicating the change on the respective websites of the BRLM and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
"Bid/Issue Period"	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
"Bidding Centers"	Centers at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members

Term	Description
	of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
“Book Building Process”	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
“Book Running Lead Manager” or “BRLM”	The book running lead manager to the Issue, being Vivro Financial Services Private Limited
“Broker Centers”	Broker centers are notified by the Stock Exchange where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange at www.nseindia.com .
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
“Cap Price”	The higher end of the Price Band, being ₹ [●] per Equity Share, above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted. The Cap Price shall be at least [●] % of the Floor Price
“Cash Escrow and Sponsor Bank Agreement”	The agreement to be entered into amongst our Company, the Syndicate Members, the Registrar to the Issue, the BRLM, and the Banker(s) to the Issue for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Issue Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
“CDP(s)” or “Collecting Depository Participant(s)”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchange at www.nseindia.com , as updated from time to time.
“Client ID”	Client identification number maintained with one of the Depositories in relation to the demat account.
“Collecting Registrar and Share Transfer Agents”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the website of the Stock Exchange at www.nseindia.com , as updated from time to time.
“Cut-Off Price”	Issue Price, which shall be any price within the Price Band, finalized by our Company, in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
“Cut-Off Time”	For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Issue Closing Date.
“Demographic Details”	The details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
“Designated Locations”	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.nseindia.com as updated from time to time.
“Designated Date”	The date on which the funds from the Escrow Account are transferred to the Public Issue Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the

Term	Description
	Designated Stock Exchange, following which the Equity Shares will be Allotted in the Issue.
“Designated Intermediary(ies)”	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue. In relation to ASBA Forms submitted by RIBs, Non-Institutional Bidders Bidding with an application size of ₹ 500,000 (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.
“Designated Locations”	RTA Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective website of the Stock Exchange (www.nseindia.com) as updated from time to time.
“Designated Branches”	SCSB Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
“Designated Exchange”	Stock National Stock Exchange of India Limited
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated January 28, 2025 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
“Eligible NRI”	NRI(s) from jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
“Escrow Account(s)”	Account(s) opened with the Escrow Collection Bank and in whose favor Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
“Escrow Bank”	Collection Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Issue for Bids by Anchor Investors will be opened, in this case being [●].
“First or sole Bidder”	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
“Floor Price”	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalized and below which no Bids will be accepted,
“Fraudulent Borrower”	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
“Fresh Issue”	The issue of 63,51,600 Equity Shares of face value of ₹ 10/- each at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs by our Company.
“Fugitive Offender”	Economic An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
“General Information Document” or “GID”	Information The General Information Document for investing in public Issues, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the BRLM.
“Issue Agreement”	The agreement dated January 28, 2025, among our Company, and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue.

Term	Description
“Issue Price”	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company, in consultation with the BRLM, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
“Mutual Funds”	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
“Mutual Fund Portion”	The portion of the Issue being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹ 10/- each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
“Net Issue”	The Issue less the Market Maker Reservation Portion
“Net Proceeds”	Proceeds of the Issue less Issue expenses.
“Net QIB Portion”	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
“Non-Institutional Category” or “Non-Institutional Portion”	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares of face value of ₹ 10/- each, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹2 lakhs and up to ₹10 lakhs and two-thirds shall be available for allocation to Bidders with an application size of more than ₹10 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Issue Price.
“Non-Institutional Investors” or “NIIs” or “Non-Institutional Bidders” or “NIBs”	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹2,00,000/- (but not including NRIs other than Eligible NRIs).
NPCI	National Payments Corporation of India
“NR” or “Non-Resident”	Person resident outside India, as defined under FEMA and includes non-resident Indians, FVCIs and FPIs.
“Price Band”	The price band ranging from the Floor Price of ₹ [●] per Equity Share of face value of ₹ 10/- each to the Cap Price of ₹ [●] per Equity Share of face value of ₹ 10/- each, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLM, will be advertised in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), at least two Working Days prior to the Bid/Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchange for the purpose of uploading on their respective websites.
“Pricing Date”	The date on which our Company, in consultation with the BRLM, will finalize the Issue Price.
“Prospectus”	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
“Public Issue Account(s)”	The bank account(s) opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
“QIB Bidders”	QIBs who Bid in the Issue.

Term	Description
“QIB Bid/ Issue Closing Date”	In the event our Company in consultation with BRLM, decide to close Bidding by QIBs one day prior to the Bid/ Issue Closing Date, the date one day prior to the Bid/ Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
“Public Issue Account Bank(s)”	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened.
“QIB Portion”	The portion of the Issue being not more than 50% of the Issue or [●] Equity Shares of face value of ₹ 10/- each, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price.
“QIBs” or “Qualified Institutional Buyers”	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
“Red Herring Prospectus” or “RHP”	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the ROC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the ROC after the Pricing Date.
“Refund Account(s)”	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
“Refund Bank(s)”	The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
“Registered Brokers”	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI.
“Registrar Agreement”	The agreement dated January 24, 2025 entered into between our Company, the Promoters and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue .
“Registrar to the Issue” or “Registrar”	MUFG Intime India Private Limited (<i>Formerly known as Link Intime India Private Limited</i>)
“Resident Indian”	A person resident in India, as defined under FEMA.
“Retail Individual Investor(s)” or “RII(s)” or “Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
“Retail Portion” or “Retail Category”	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares of face value of ₹ 10/- each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.
“RTAs” or “Registrar and Share Transfer Agents”	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the website of NSE, and the UPI Circulars
“Self-Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

Term	Description
	<p>or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in Public Issues” displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website from time to time.</p>
“Specified Locations”	Bidding centers where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
“Sponsor Bank(s)”	[●], being Banker(s) to the Issue, appointed by our Company to act as a conduit between the Stock Exchange and the NPCI in order to push the mandate collect requests and/or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
“Stock Exchange”	National Stock Exchange of India Limited
“Sub-Syndicate Members”	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
“Syndicate Agreement”	The agreement to be entered into between our Company, the Registrar to the Issue, the BRLM and the Syndicate Members in relation to the procurement of Bids by the Syndicate
“Syndicate Member(s)”	[●].
“Syndicate” or “Members of the Syndicate”	Together, the BRLM and the Syndicate Members.
“Underwriter”	[●]
“Underwriting Agreement”	The agreement dated [●] entered into between the Underwriter, and, our Company.
“UPI”	Unified Payments Interface, which is an instant payment mechanism, developed by the NPCI.
“UPI Bidders”	<p>Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 5,00,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism.</p> <p>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).</p>
“UPI Circulars”	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated

Term	Description
	March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI master circular with circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI) and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchange in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchange in this regard.
“UPI ID”	ID created on UPI for single-window mobile payment system developed by the NPCI.
“UPI Mandate Request”	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
“UPI Mechanism”	The bidding mechanism that shall be used by a UPI Bidder to make an ASBA Bid in the Issue in accordance with the UPI Circulars.
“UPI PIN”	Password to authenticate UPI transaction.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
“Working Day(s)”	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Industry and Business Related Terms

Term	Description
B2B	Business to Business
CAGR	Compound Annual Growth Rate
CareEdge Report	Report dated January 24, 2025, titled “Industry Research Report on Nonwoven Fabric Industry” prepared and issued by CARE Advisory Research and Training Limited
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CY	Calendar Year
DG	Diesel Generator
DRDO	Defense Research and Development Organization
EURO	Euro, the official currency of the Eurozone
FAE	First Advance Estimate
FDI	Foreign Direct Investment
FR	Fire Retardant
FRE	First Revised Estimates

Term	Description
GDP	Gross Domestic Product
GSM	Gram per Square Metre
GVA	Gross Value Added
HVAC	Heat Ventilation and Air Conditioning
IIP	Index of Industrial Production
IMF	International Monetary Fund
ISO	International Standard Organization
ISRO	Indian Space Research Organization
IWDP	Integrated Wool Development Programme
MFI	Material Flow Index
MPC	Monetary Policy Committee of the RBI
MT	Metric Tonnes
MTPA	Metric Ton Per Annum
MW	Megawatt
NTTM	National Technical Textiles Mission
PE	Provisional Estimate
PGVCL	Paschim Gujarat Vij Company Limited
PLI	Production-linked Incentive
PP	PolyPropylene
PPE	Personal Protective Equipment
PPP	Purchasing Power Parity
RBI	The Reserve Bank of India
ROCE	Return on Capital Employed
ROE/RoNW	Return on Equity / Return on Net Worth
SITRA	South India Textile Research Association
USD	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
WRA	Wool Research Association

Conventional and General Terms and Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees.
“AGM”	Annual general meeting of Shareholders under the Companies Act
“AIF(s)”	Alternative investment funds as defined in and registered with SEBI under the SEBI AIF Regulations.
“AIF Regulations”	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“AS”	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
Banking Regulation Act	Banking Regulation Act, 1949.
“BTI Regulations”	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“CAGR”	Compounded annual growth rate.
“Calendar Year”	The 12-month period ending December 31.
“Category I AIF”	AIFs registered as “Category I alternative investment funds” under the SEBI AIF Regulations.
“Category I FPIs”	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations.
“Category II AIF”	AIFs registered as “Category II alternative investment funds” under the SEBI AIF Regulations.
“Category II FPI”	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations.

Term	Description
“Category III AIF”	AIFs registered as “Category III alternative investment funds” under the SEBI AIF Regulations.
“CDSL”	Central Depository Services (India) Limited.
“CIN”	Corporate Identification Number.
“CLRA”	Contract Labour (Regulation and Abolition) Act, 1970.
“Companies Act, 1956”	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder.
“Companies Act” or “Companies Act, 2013”	Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder.
“Competition Act”	The Competition Act, 2002.
“Competition Amendment Act”	The Competition (Amendment) Act, 2023
“Consolidated FDI Policy”	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
“Consumer Protection Act”	The Consumer Protection Act, 2019.
“CSR”	Corporate social responsibility.
“CST”	Central sales tax.
“Depositories Act”	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder.
“Depository”	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
“DGFT”	Director General of Foreign Trade, Ministry of Commerce.
“DIN”	Director Identification Number.
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act.
“DP ID”	Depository Participant’s Identity Number.
“DPIIT”	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India.
“EPS”	Earnings per share.
“EGM”	Extraordinary general meeting of Shareholders under the Companies Act
“EU”	European Union.
“FCNR”	Foreign Currency Non-Resident.
“FDI”	Foreign direct investment.
FDI Policy / FDI Circular	Consolidated Foreign Direct Investment Policy notified by the Department for Promotion of Industry and Internal Trade (DPIIT) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
“FEMA”	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
“Financial Year” or “Fiscal” or “Fiscal Year”	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
“FPIs”	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations.
“FTA”	Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder.
“FVCI”	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations.
“GoI” or “Government” or “Central Government”	The Government of India.
“GST”	The Goods and Services Tax.
“HUF(s)”	Hindu undivided family(ies).
“ICAI”	Institute of Chartered Accountants of India.

Term	Description
“ICAI Guidance Note”	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as updated from time to time.
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standard Board.
“Income Tax Act”	Income-tax Act, 1961, read with the rules framed thereunder.
“Income Tax Rules”	The Income-tax Rules, 1962
“Ind AS”	The Indian Accounting Standards notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act.
Ind AS 24	Indian Accounting Standard 24, “Related Party Disclosures”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS 37	Indian Accounting Standard 37, “Provisions, Contingent Liabilities and Contingent Assets”, notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015.
“Ind AS Rules”	Companies (Indian Accounting Standards) Rules, 2015.
“Indian GAAP”	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
“IPO”	Initial public offering
“IST”	Indian Standard Time.
“IT Act”	Information Technology Act, 2000.
“KPI”	Key Performance Indicator.
“KYC”	Know Your Customer.
“Listing Agreement”	The equity listing agreement to be entered into by our Company with the Stock Exchange
“MCA” or “Ministry of Corporate”	The Ministry of Corporate Affairs, Government of India.
“MEIS”	Merchant Export from India Scheme.
“MHI”	The Ministry of Heavy Industries, Government of India.
“Mn” or “mn”	Million
“MSME”	Micro, Small or a Medium Enterprise.
“N.A.” or “NA”	Not Applicable
“NACH”	National Automated Clearing House.
“NBFC-SI” or “Systemically Important NBFCs”	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
“NCLT”	National Company Law Tribunal.
“NEFT”	National Electronic Fund Transfer
“NPCI”	National Payment Corporation of India
“NRE”	Non-Resident External.
“NRI”	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
“NRO”	Non-Resident Ordinary.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
“P/E Ratio”	Price/Earnings Ratio.
“PAN”	Permanent account number.

Term	Description
“PAT”	Profit after tax.
“Patents Act”	Patents Act, 1970.
“PLI”	Production Linked Incentive.
“RBI”	Reserve Bank of India.
“Regulation S”	Regulation S under the U.S. Securities Act.
“RoDTEP”	Remission of Duties and Taxes on Exported Products.
“RTGS”	Real Time Gross Settlement.
“Rule 144A”	Rule 144A under the U.S. Securities Act.
“SCRA”	Securities Contracts (Regulation) Act, 1956.
“SCRR”	Securities Contracts (Regulation) Rules, 1957.
“SCORES”	SEBI complaints redress system.
“SEBI”	Securities and Exchange Board of India, constituted under section 3 of the SEBI Act.
“SEBI Act”	Securities and Exchange Board of India Act, 1992.
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI ICDR Master Circular”	SEBI master circular bearing reference number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023.
“SEBI Listing Regulations” or “SEBI LODR Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
“SEBI RTA Master Circular”	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
“SEBI Takeover Regulations” or “Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
“SEBI PIT Regulations” or “SEBI Insider Trading Regulations”	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time
“SEBI VCF Regulations”	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
“STT”	Securities Transaction Tax.
“TAN”	Tax deduction account number.
“Trademarks Act”	Trademarks Act, 1999.
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States of America.
“U.S. QIBs”	Persons that are “qualified institutional buyers”, as defined in Rule 144A.
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended.
“US\$” or “USD” or “US Dollar”	United States Dollar.
“USA” or “U.S.” or “US”	United States of America.
“VAT”	Value added tax.
“VCF”	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 (now repealed) or the SEBI AIF Regulations, as the case may be.
“Water Act”	Water (Prevention and Control of Pollution) Act, 1974.

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

Certain Conventions

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, the terms "we", "us", "our", "the Company", "our Company", "Issuer", "Issuer Company", unless the context otherwise indicates or implies, refers to "**Spunweb Nonwoven Limited**".

Financial Data

Unless the context otherwise requires or indicates, the financial information in this Draft Red Herring Prospectus have been derived from our Restated Financial Information of our Company for the financial years ended March 31, 2024, 2023 and 2022 and for the nine months period ended December 31, 2024, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI ICDR Regulations, set out in the section titled "*Financial Information*" on page 228 of this Draft Red Herring Prospectus. Our Restated Financial Information are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI ICDR Regulations. For further information, please see the section titled "*Financial Information*" on page 228 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. In addition, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Draft Red Herring Prospectus are to a calendar year.

The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the Financial Years ended on March 31, 2024, 2023, 2022 and for the nine months period ended December 31, 2024 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Indian GAAP, Ind AS, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned

policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 30, 171 and 259 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with Indian GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations

Non-GAAP measures

Certain non-GAAP measures presented in this Draft Red Herring Prospectus such as *Net Asset Value per Equity Share*, *EBITDA*, *EBITDA Margin*, *Capital Employed*, *Return on Capital Employed*, *Debt to Equity Ratio* and *adjusted Net Worth* (collectively “**Non-GAAP Measures**”) are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP Measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company’s management believes that they are useful information in relation to our business and financial performance.

For the risks relating to Non-GAAP Measures, see “*Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Indian GAAP*” on page 57 of this Draft Red Herring Prospectus.

Currency and Units of Presentation

All references to:

- “₹” or “Rupees” or “INR” or “Rs” are to Indian Rupees, the official currency of the Republic of India.
- “US\$”, “U.S. Dollar”, “USD” or “U.S. Dollars” or “\$” are to United States Dollars, the official currency of the United States of America.
- “Euro” or “€”, are to Euro, the official currency of the Eurozone.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in lakhs, except where specifically indicated. One lakh represents 1,00,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than lakhs in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers

to another gender and the word "Lac / Lakh" means "one hundred thousand".

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Red Herring Prospectus has been obtained from CARE Analytics and Advisory Private Limited, report titled “*Industry Research Report on Nonwoven Fabric Industry*” dated January 24, 2025 (“**CareEdge Report**”). For risks in relation to commissioned reports, see “*Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk*” on page 47 of this Draft Red Herring Prospectus. Further, CARE Analytics and Advisory Private Limited, vide their consent letter dated January 24, 2025 (“**Letter**”) has accorded their no objection and consent to use the Care Report. CARE Analytics and Advisory Private Limited, vide their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoter, our Key Managerial Personnel, our Senior Management or the BRLM. The Report is also available on the website of our Company at www.spunweb.com.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk*” on page 47. Accordingly, investment decisions should not be based solely on such information.

Exchange Rates

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

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

Currency ⁽¹⁾	Exchange rate as on December 31, 2024*	Exchange rate as on March 31, 2024*	Exchange rate as on March 31, 2023*	Exchange rate as on March 31, 2022*
1 USD	85.62	83.37	82.22	75.81
1 EURO	89.09	90.22	89.61	84.66

* If the RBI reference rate is not available on a particular date due to a public holiday, the previous working day not being a public holiday has been considered.

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

Note: The reference rates are rounded off to two decimal places.

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FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "project", "propose", "will", "seek to", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Red Herring Prospectus that are not statements of historical fact constitute 'forward-looking statements'. All statements regarding our expected financial conditions and results of operations, business plans and objectives, strategies and goals and prospects are forward looking statements.

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

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

1. Our Company and SIPL are dependent on limited number of suppliers for supply of raw materials and we have not made any long-term supply arrangement or agreement with our suppliers. In an eventuality where our suppliers are unable to deliver us the required materials, at a competitive price, in a time-bound manner it may have a material adverse effect on our business operations and profitability. The Majority of our raw materials are sourced from few key suppliers. Discontinuation of the operations of such suppliers may adversely affect our ability to source raw materials at a competitive price.
2. Our Company derive revenue from diversified customers whereas SIPL derives a significant portion of our revenue from a limited number of customers. Our inability to acquire new customers or loss of all or a substantial portion to any of our major customers, for any reason and/or continued reduction of the business from them, could have a material adverse impact on our business, results of operations, cash flows and financial condition.
3. Underutilization of the installed capacities at our Company and SIPL may impact adversely on our growth and future profitability.
4. We have significant working capital requirements and the objects of the Issue include funding working capital requirements of our Company and our wholly owned subsidiary SIPL, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.
5. We derive a significant portion of our revenue from operations from domestic sales which exposes us to risks specific to Indian geographies and market.
6. Our Company has negative cash flows from its investing activity and financing activity, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.
7. We are exposed to competition from both domestic and international manufacturers and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

8. Inventories and trade receivables form a major part of our current assets. Our inability to maintain a balance between optimum inventory levels and our product offering at our factory and failure to manage trade receivables may adversely affect our business, results of operations and financial condition.
9. Our historical performance is not indicative of our future growth or financial results, and we may not be able to sustain our historical growth rates or effectively execute our strategies, which may adversely affect our business and financial results.
10. Public health crises, such as pandemics, may disrupt operations and create fluctuating demand for hygiene and healthcare products, adversely impacting our business operations and financial performance.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 30, 171 and 259, respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot ensure that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the BRLM will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Equity shares pursuant to the Issue.

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SECTION II - SUMMARY OF THE DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*”, “*Issue Procedure*”, and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 30, 72, 92, 112, 138, 171, 228, 278, 320 and 361, respectively of this Draft Red Herring Prospectus.

a) Summary of Business

We, along with our wholly owned subsidiary, Spunweb India Private Limited, are engaged in the business of manufacturing of polypropylene spunbond nonwoven fabrics primarily used in industries such as hygiene, healthcare, packaging, agriculture and others (including roofing & construction, industrial and home furnishing). We are one of the largest manufacturers in spunbond nonwoven fabric industry in India, with an installed production capacity of 32,640 MT as of FY24 (*Source: CareEdge Report*). Our product portfolio consists of hydrophobic nonwoven fabric, hydrophilic nonwoven fabric, super soft nonwoven fabric, UV treated fabric, antistatic nonwoven fabric and FR treated fabric

For further details, please refer chapter titled “*Our Business*” on page 171 of this Draft Red Herring Prospectus.

b) Summary of Industry

The global consumption of non-woven fabric increased from 10,811 Thousand Tons in CY19 to 15,285 Thousand Tons in CY23 at a CAGR of 9.0%, driven by rising demand across industries such as healthcare, hygiene, and packaging. Hydrophobic and hydrophilic non-woven fabrics are the most widely used globally, making up over 67% of the market in CY23. Their consumption grew from 6,341 Thousand Tons in CY19 to 10,252 Thousand Tons in CY23, with a CAGR of 12.8%. In CY23, global sales of hydrophobic and hydrophilic non-woven fabrics amounted to USD 29,259 million, and this figure is expected to rise to USD 40,773 million by CY29, reflecting a CAGR of approximately 5.7% (*Source: CareEdge Report*).

For further details, please refer chapter titled “*Industry Overview*” on page 138 of this Draft Red Herring Prospectus.

c) Name of Promoter

Promoter of our Company are Jay Dilipbhai Kagathara, Kishan Dilipbhai Kagathara, for detailed information on our Promoter and Promoter’s Group, please refer to Chapter titled “*Our Promoter and Promoter’s Group*” on page 221 of this Draft Red Herring Prospectus.

d) Issue Size

Issue⁽¹⁾	Issue of 63,51,600 Equity Shares of ₹10 each for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹ [●] lakhs)
Out of which	
Market Reservation Portion	Maker [●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹[●] lakhs.
Net Issue to the Public	[●] Equity Shares of ₹10 each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share (including premium of ₹[●] per Equity Share) aggregating to ₹ [●] lakhs.

(1) The Issue has been authorized by our Board pursuant to resolution passed at its meeting held on January 11, 2025, and the Issue has been authorized by our Shareholders pursuant to a special resolution passed on January 13, 2025.

The price band will be decided by our Company in consultation with the BRLM and will be advertised in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), each with wide circulation, at least 2 (two) Working Days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the EMERGE Platform of NSE (“NSE EMERGE”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “Terms of the Issue” on page 304 of this Draft Red Herring Prospectus.

For further details, see “The Issue”, “Issue Structure”, and “Issue Procedure” on page 72, 314 and 320 of this Draft Red Herring Prospectus.

e) Objects of the Issue

The fund requirements for each of the Object of the Issue are stated as below:

The details of the proceeds of the Issue are summarised in the table below:

Objects	Amount (₹ in lakhs)
Gross proceeds of the Issue	[●]
Less: Estimated Issue related expenses	[●]
Net Proceeds of the Issue (Net Proceeds)*	[●]

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

Utilisation of the Net Proceeds

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

Sr. No.	Objects	Amount (₹ in lakhs)
1.	Funding the working capital requirements of our Company;	2,900.00
2.	Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements;	1,000.00
3.	Repayment, in full or in part, of certain borrowings availed by our Company;	800.00
4.	General Corporate Purposes#	[●]
Total		[●]

To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for General Corporate Purposes will not exceed will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower.

For further details, see “Objects of the Issue” on page 112 of this Draft Red Herring Prospectus

f) Aggregate Pre-Issue shareholding of our Promoters and Promoter Group

As on date of this Draft Red Herring Prospectus, the aggregate Pre-Issue shareholding of our Promoters and Promoter Group, as a percentage of the Pre-Issue paid-up Equity Share capital of our Company is set out below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Share (%)*	Percentage of the Equity capital	Percentage of the Post-Issue Equity Share capital (%)
Promoters					
1.	Jay Dilipbhai Kagathara	70,29,716		39.60	[●]
2.	Kishan Dilipbhai Kagathara	74,03,935		41.71	[●]
Promoters Group					
3.	Dilipbhai Hansrajbhai Kagathara	4,34,548		2.45	[●]
4.	Prabhaben Dilipbhai Kagathara	4,33,310		2.44	[●]
5.	Charulata Jay Kagathara	374,220		2.11	[●]
6.	Bediya Jinal Mansukhbhai	16,880		0.10	[●]
7.	Kriva Jay Kagathara	16,880		0.10	[●]
Total		1,57,09,489		88.50	[●]

g) Summary of Financial Statements

A summary of the financial information of our Company as per the Restated Financial Information is as follows:

Particulars	<i>(₹ in lakhs, except per share data)</i>			
	Nine months period ended December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Equity share capital	1,075.87	999.91	999.91	999.91
Adjusted Net worth	4,019.29	2,509.11	2,015.17	1,875.00
Total revenue (including other Income)	15,755.56	15,424.12	11,768.01	11,803.17
Profit/(loss) after tax	729.35	544.18	112.68	333.07
Earning per Shares*	4.42	3.30	0.68	2.02
Net Asset value per Equity Shares (in ₹)*	22.64	15.62	12.32	11.64
Total borrowings (including current maturities of long-term borrowings)	10,043.81	4,832.97	4,950.40	5,582.73

* Adjusted for bonus shares issued in ratio of 13:20 on January 13, 2025

The Company financials statements are available on website of Company at www.spunweb.com

h) Qualifications of the Auditors which have not been given effect to in the Restated Consolidated Financial Statements

Our Statutory Auditor has not made any qualifications in the examination report that have not been given effect to in the Restated Consolidated Financial Statements.

i) Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Directors, our Promoters and our Subsidiaries as on the date of this Draft Red Herring Prospectus is provided below:

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigation	<i>(₹ in lakhs)</i>
						Aggregate amount involved
Company						
By our Company	29.80	N.A.	N.A.	N.A.	Nil	29.80
Against our Company	Nil	29.56	Nil	Nil	Nil	29.56

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigation	Aggregate amount involved
Company						
Directors (Other than Promoters)						
By our Director	Nil	Nil	Nil	Nil	Nil	Nil
Against our Director	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By our Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

For further details on the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 278 of this Draft Red Herring Prospectus.

j) Risk Factors

For further details, see “*Risk Factors*” on page 30 of the Draft Red Herring Prospectus

k) Summary of Contingent Liabilities

Summary of the related party transactions as per AS 18 - Related Party Disclosures derived from the Restated Consolidated Financial Statements are as follows:

(₹ in lakhs)

Particulars	As at			
	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
I) Claims against the company not acknowledged as debt;	-	-	-	-
II) Commitments	-	-	-	-
III) Others money for which the company is contingently liable				
(a) Performance bank guarantees	-	-	-	-
(b) Letter of credits	-	-	-	-
(c) Corporate guarantees	-	-	-	-
Total	-	-	-	-

l) Summary of Related Party Transactions

A summary of the related party transactions as at and for the nine period ended December 31, 2024,

Fiscal 2024, Fiscal 2023 and Fiscal 2022 as per AS 18 – Related Party Disclosures read with the SEBI ICDR Regulations and derived from our Restated Financial Information is set out below:

I. Transaction during the year/period

(₹ in lakhs)

Nature of Transaction	Name of the Related Party	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Salary/ Remuneration paid	Keyurbhai Dineshbhai Kagathara	-	1.77	17.59	14.08
	Dilipbhai Hansrajbhai Kagathara	14.01	18.61	17.79	12.50
	Charulata Jagdishbhai Bhut	6.40	9.09	8.85	8.62
	Rimpalben Arvindkumar Kadchhni	-	-	-	1.50
	Kishan Dilipbhai Kagathara	27.18	13.50	5.16	1.70
	Dineshbhai Kagathara	-	2.50	24.81	20.20
	Jay Dilipbhai Kagathara	27.18	17.59	24.81	20.20
	Abhaybhai Fadadu	5.59	5.63	6.14	6.14
Purchase of Goods	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	451.68	190.87	2,252.42	72.09
Sales of goods	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	2,247.19	2,124.02	1,301.41	725.54
Job work	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	20.63	8.53	3.84	9.20
Acceptance of Unsecured Loans	Keyurbhai Dineshbhai Kagathara	-	3.06	11.30	10.70
	Dilipbhai Hansrajbhai Kagathara	92.83	436.00	174.93	95.72
	Charulata Jagdishbhai Bhut	55.80	-	75.00	30.00
	Rimpalben	-	-	-	1.50

Nature of Transaction	Name of the Related Party	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Arvindkumar Kadchhni				
	Kishan Dilipbhai Kagathara	570.49	1,028.55	157.79	28.98
	Dineshbhai Kagathara	-	14.84	68.08	20.00
	Abhaybhai Fadadu	53.81	82.07	6.20	28.00
	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	7.27	125.72	73.67	-
	Dilipbhai Hansrajbhai Kagathara (HUF)	-	6.00	9.50	-
	Dineshbhai Hansrajbhai Kagathara (HUF)	-	-	15.00	-
	Jay Dilipbhai Kagathara	845.54	829.10	-	-
	Dilipbhai Hansrajbhai Kagathara	93.08	439.60	171.79	95.28
	Charulata Jagdishbhai Bhut	55.30	-	75.00	30.00
	Kishan Dilipbhai Kagathara	227.28	993.76	145.80	28.77
	Dineshbhai Kagathara	-	14.84	78.08	10.00
	Abhaybhai Fadadu	93.60	53.28	1.20	22.00
Repayment of Unsecured Loans	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	18.46	125.72	73.67	-
	Keyurbhai Dineshbhai Kagathara	-	17.95	7.10	-
	Dineshbhai Hansrajbhai Kagathara (HUF)	-	-	15.00	-
	Rimpalben Arvindkumar Kadchhni	-	1.50	-	-
	Jay Dilipbhai Kagathara	372.02	559.56	-	-
Issue of equity share	Jay Dilipbhai Kagathara*	552.39	-	-	-

Nature of Transaction	Name of the Related Party	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Kishan Dilipbhai Kagathara**	296.66	-	-	-
Payment of cash for acquisition of equity shares of subsidiary	Jay Dilipbhai Kagathara	296.50	-	-	-
	Kishan Dilipbhai Kagathara	551.99	-	-	-

* 494178 Equity share of SNL has been issued for consideration other than cash to acquire 9101214 equity shares of SIPL.

** 265394 Equity share of SNL has been issued for consideration other than cash to acquire 4888786 equity shares of SIPL.

II. Balance at the end of the year/period

Nature of Balance	Name of the Related Party	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Unsecured Loans from Related party	Keyurbhai Dineshbhai Kagathara	-	-	14.89	10.70
	Dilipbhai Hansrajbhai Kagathara	51.29	0.25	3.85	0.70
	Rimpalben Arvindkumar Kadchhni	-	-	1.50	1.50
	Kishan Dilipbhai Kagathara	487.10	47.38	12.60	0.60
	Dineshbhai Kagathara	-	-	-	10.00
	Dilipbhai Hansrajbhai Kagathara (HUF)	16.50	15.50	9.50	-
	Jay Dilipbhai Kagathara	1031.72	306.09	36.55	2.29
	Charulataben Jay Kagahara	54.59	-	-	-
	Dimpalben Fadadu	10.07	-	-	-
	Jinalben Mansukhbhai Bediya	4.98	0.97	6.47	-
	Prabhaben Dilipbhai Kagathara	170.43	45.98	-	2.50
	Kajalben Dineshbhai Kagathara	-	-	2.50	-
	Salary/ Remundaration	Dilipbhai			

Nature of Balance	Name of the Related Party	Nine months ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	Hansrajbhai Kagathara	14.01	-	-	1.76
	Abhaybhai Fadadu	0.98	-	0.51	0.51
Trade Payables	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	-	-	462.87	-
Trade Receivable	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	344.84	189.91	-	-

For further details of the related party transactions, see “Restated Financial Information –Note 36 Restated Related Party Disclosure” on page 224.

m) Financing arrangements

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

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

Sr. No.	Name of Promoter	No. of Equity Shares Acquired during the last one year	Weighted Average Price# (₹ per equity share)
1.	Jay Dilipbhai Kagathara	47,44,900*	16.08
2.	Kishan Dilipbhai Kagathara	46,43,259**	9.23

*As certified by Kaushal Dave & Associates, Chartered Accountants, pursuant to their certificate dated January 28, 2025

o) Average Cost of Acquisition of Equity Shares by our Promoters

Sr. No.	Name of Promoter	No. of Equity Shares held	Weighted Average Price (₹ per equity share)#
1.	Jay Dilipbhai Kagathara	70,29,716*	16.18
2.	Kishan Dilipbhai Kagathara	74,03,935**	13.49

*Out of 47,44,900 equity shares, 27,69,281 equity shares were acquired by way of bonus allotment

**Out of 46,43,259 equity shares, 29,16,700 equity shares were acquired by way of bonus allotment

#As certified by Kaushal Dave & Associates, Chartered Accountants, pursuant to their certificate dated January 28, 2025

p) Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

q) Issuances of equity shares made in the last one year for consideration other than cash

Other than as disclosed in the section “*Capital Structure-Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves*” on page 97, our Company has not issued any equity shares for consideration other than cash or bonus issue in the one year preceding the date of this Draft Red Herring Prospectus.

r) Our Company has not undertaken any split/consolidation of Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

s) As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

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SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have an adverse effect on our business. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occurs, our business, financial condition, results of operations and cash flows could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Furthermore, some events may be material collectively rather than individually.

Unless the context otherwise requires, in this section, references to “we”, “us” or “our” refers to our Company and our wholly-owned subsidiary Spunweb India Private Limited on a consolidated basis.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties are not the only risks relevant to us, or the Equity Shares or the industry in which we currently operate or propose to operate. In addition, the risks set out in this section are not exhaustive, and if any or a combination of any of the following risks actually occur, or if any of the risks that are not currently known or are currently deemed to be not relevant or material now, actually occur or become material in the future, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all, or part of your investment. Furthermore, some events may be material collectively rather than individually and some risks may have an impact which is qualitative in nature but cannot be quantified. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.

Prospective investors should read this section together with “Our Business”, “Industry Overview”, “Key Regulations and Policies in India”, “Management’s Discussions and Analysis of Financial Condition and Results of Operations” and “Restated Consolidated Financial Information” on pages 171, 138, 194, and 259 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties where actual results could materially differ from those anticipated in these forward-looking statements. For further details, see “Forward-Looking Statements” on page 19.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the twelve-months period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the nine months period ended December 31, 2024, and for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, included in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 228. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus has been extracted or derived from report titled “Industry Research Report on Nonwoven Fabric Industry” dated January 24, 2025, prepared by CARE Analytics and Advisory Private Limited (the “CareEdge Report”). We commissioned and paid for the CareEdge Report pursuant to an engagement letter dated September 13, 2024, for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The CareEdge Report is made available on the website of our Company www.spunweb.com. The data included in this section includes excerpts from the CareEdge Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See “Certain Conventions, Presentation of Financial, Industry and Market Data –Industry and Market Data” on page 16. This Draft Red Herring Prospectus contains information from an industry report, prepared by

an independent third-party research agency, CARE Analytics and Advisory Private Limited, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Issue and reliance on such information for making an investment decision in the Issue is subject to certain inherent risks” and “Industry Overview” on pages 47 and 138 respectively.

MATERIALITY

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

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

INTERNAL RISK FACTORS

1. ***Our Company and SIPL are dependent on limited number of suppliers for supply of raw materials and we have not made any long-term supply arrangement or agreement with our suppliers. In an eventuality where our suppliers are unable to deliver us the required materials, at a competitive price, in a time-bound manner it may have a material adverse effect on our business operations and profitability. The Majority of our raw materials are sourced from few key suppliers. Discontinuation of the operations of such suppliers may adversely affect our ability to source raw materials at a competitive price.***

We are dependent on third party suppliers for the procurement of polypropylene granules, masterbatch and other additives in granules form, which are integral to our operations in the hygiene, health care, packaging, agriculture and others, however, we have not entered into any long-term supply arrangement or agreement for the same.

For Our Company

Based on standalone audited financial statements for the nine-month period ended December 31, 2024 and financial years ended March 31,2024, March 31,2023 and March 31,2022, our purchases from top one (1), five (5) and top ten (10) suppliers are as follows:

Sr. No.	Particulars	Nine months ended December 31, 2024		FY 2023-24	
		Amount (₹ in lakhs)	% of our purchases	Amount (₹ in lakhs)	% of our purchases
1.	Purchase from top one (1) supplier	3,645.51	28.39%	4,757.51	38.34%
2.	Purchase from top five (5) suppliers	8,515.85	66.33%	9,914.15	79.90%
3.	Purchase from top ten (10) suppliers	10,457.90	81.45%	11,125.64	89.67%

Sr. No.	Particulars	FY 2022-23		FY 2021-22	
		Amount (₹ in lakhs)	% of our purchases	Amount (₹ in lakhs)	% of our purchases
1.	Purchase from top one (1) supplier	1,960.43	22.45%	6,095.66	63.67%
2.	Purchase from top five (5) suppliers	7,697.47	88.14%	8,372.44	87.45%
3.	Purchase from top ten (10) suppliers	8,328.57	95.36%	9,111.39	95.17%

Note: we are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business

For SIPL

Based on standalone audited financial statements for the nine-month period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, our purchases from top one (1), top five (5) and top ten (10) suppliers are as follows:

Sr. No.	Particulars	Nine months ended December 31, 2024		FY 2023-24	
		Amount (₹ in lakhs)	% of our purchases	Amount (₹ in lakhs)	% of our purchases
1.	Purchase from top one (1) supplier	2,124.73	42.66%	1,926.10	56.76%
2.	Purchase from top five (5) suppliers	4,223.97	84.81%	3,069.71	90.46%
3.	Purchase from top ten (10) suppliers	4,779.64	95.97%	3,361.67	99.06%

Sr. No.	Particulars	FY 2022-23		FY 2021-22	
		Amount (₹ in lakhs)	% of our purchases	Amount (₹ in lakhs)	% of our purchases
1.	Purchase from top one (1) supplier	3,175.05	54.56%	2,435.09	53.74%
2.	Purchase from top five (5) suppliers	5,595.71	96.16%	3,835.25	84.65%
3.	Purchase from top ten (10) suppliers	5,721.70	98.33%	3,922.10	86.56%

Note: we are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business

There can be no assurance that strong demand, lack of required resources or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Although we have not experienced any significant disruption or delay in the sourcing of raw materials, which resulted in delays in our business activities, we cannot assure that such disruptions or delay will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner. If we experience a significant or prolonged shortage of resources from any of our suppliers and we cannot procure the raw materials from other sources, we would be unable to carry out our production schedules in a timely manner, which would adversely affect our revenue, margins and customer relations. In the absence of a long-term supply arrangement or agreement with the suppliers, we cannot assure that a particular supplier will continue to supply raw materials to us in the future.

While we may find additional suppliers to supply these raw materials, any failure of our suppliers to deliver these raw materials in the necessary quantities or to adhere to delivery schedules, credit terms or specified quality standards may adversely affect our production processes and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers which could have a material adverse effect on our business, financial condition and results of operations. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. The quantum and the price at which we procure our raw materials may fluctuate from time to time. The availability and price of such raw materials may be subject to a number of factors which are beyond our control, including but not limited to economic factors, environmental factors and changes in government policies and regulations, including those relating to the technical textile industry.

2. ***Our Company derive revenue from diversified customers whereas SIPL derives a significant portion of our revenue from a limited number of customers. Our inability to acquire new customers or loss of all or a substantial portion to any of our major customers, for any reason and/or continued reduction of the business from them, could have a material adverse impact on our business, results of operations, cash flows and financial condition.***

Our Company derive revenues from diversified customers. Based on standalone financial statements for the nine months period ended December 31, 2024, financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, our revenue from top one (1), top five (5) and top ten (10) customers are as follows:

Sr No.	Particulars	Nine months ended December 31, 2024		FY 2023-24	
		Amount (₹ in lakhs)	% of our revenue from operations	Amount (₹ in lakhs)	% of our revenue from operations
1.	Revenue from top one (1) customer	1,391.54	8.93%	628.28	4.25%
2.	Revenue from top five (5) customers	3,844.94	24.66%	2,604.24	17.59%
3.	Revenue from top ten (10) customers	5,255.22	33.71%	4,379.54	29.59%

Sr No.	Particulars	FY 2022-23		FY 2021-22	
		Amount (₹ in lakhs)	% of our revenue from operations	Amount (₹ in lakhs)	% of our revenue from operations
1.	Revenue from top one (1) customer	778.43	6.78%	1,934.59	17.30%
2.	Revenue from top five (5) customers	2,070.38	18.04%	4,607.00	41.20%
3.	Revenue from top ten (10) customers	3,122.58	27.21%	6,539.31	58.48%

Note: We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.

Our Company has an advantage due to its diversified customer base, however, this diversification may not fully mitigate certain business risks. Our large customers may exert pressure on pricing or may seek alternative suppliers, which could affect our revenue from operation and profitability. As a result, even with diversification, we are exposed to risks such as the loss of major customers, reduction in order quantity or longer payment cycles.

Further, SIPL also derives a significant portion of our revenue from a limited number of customers. For the nine months period ended December 31, 2024, financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, our revenue from top five (5) and top ten (10) customers are as follows:

Sr. No.	Particulars	Nine months ended December 31, 2024		FY 2023-24	
		Amount (₹ in lakhs)	% of our revenue from operations	Amount (₹ in lakhs)	% of our revenue from operations
1.	Revenue from top one (1) customer	1,701.17	25.32%	1,697.99	33.25%
2.	Revenue from top five (5) customers	4,317.41	64.25%	3,493.75	69.22%
3.	Revenue from top ten (10) customers	5,059.89	75.30%	4,046.16	80.17%

Sr No.	Particulars	FY 2022-23		FY 2021-22	
		Amount (₹ in lakhs)	% of our revenue from operations	Amount (₹ in lakhs)	% of our revenue from operations
1.	Revenue from top one (1) customer	1,092.32	17.66%	4,515.81	81.60%
2.	Revenue from top five (5) customers	2,567.75	41.52%	4,856.14	87.75%
3.	Revenue from top ten (10) customers	2,981.24	48.21%	4,960.25	89.63%

Note: We are unable to disclose the names of individual customers since this information is commercially sensitive to our business.

SIPL may continue to derive a significant portion of our revenues from key customers. Although the composition and mix up of our top customers varies from year to year, if any decision by one or all our customers to cease or significantly reduce their business with us, our revenue could decline, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Although, we have not entered into legally binding agreements or any formal arrangements with them, we have conducted substantial business with these customers in the past and have maintained strong and long-term relationships

Our business is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders and quotes, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. While we have developed valued relationships with certain of our customers in the normal course of business, there can be no assurance that our customers in the past or our newly acquired customers will continue to place similar orders with us in the future.

3. Underutilization of the installed capacities at our Company and SIPL may impact adversely on our growth and future profitability.

As on December 31, 2024, our Company and SIPL have installed capacity of 20,400 MT and 12,240 MT for manufacturing PP Spunbond nonwoven fabrics, which are currently utilised to the extent of 52.28% and 41.27%, respectively. The details of the installed and capacity utilization of our Company are given in the table below:

Fiscal Year/Period	Installed Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Nine months period ended December 31, 2024	20,400	10,665	52.28%*
Fiscal 2024	20,400	10,777	52.83%
Fiscal 2023	20,400	7,012	34.37%
Fiscal 2022	8,400	7,351	87.51%

*Not annualized hence not comparable

As certified by Babulal A. Ughreja, Chartered Engineer, vide his consent letter dated January 09, 2025.

The details of the installed and capacity utilization of SIPL are given in the table below:

Fiscal Year/Period	Installed Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Nine months period ended December 31, 2024	12,240	5,051*	41.27%*
Fiscal 2024	12,240	3,329	27.20%
Fiscal 2023	12,240	4,546	37.14%

Fiscal Year/Period	Installed Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Fiscal 2022	4,200	3,692	87.90%

**Not annualized hence not comparable*

As certified by Babulal A. Ughreja, Chartered Engineer, vide his consent letter dated January 09, 2025.

Historically, our Company and SIPL are not able to optimally utilize its production capacity due to the constraints in working capital. As a result, we may not be able to meet market demand fully or capitalize on growth opportunities, which could lead to a reduction in our revenue from operations. As a part of the objects of the issue, our Company plans to raise funds to meet working capital requirements of our Company and SIPL, which will enable to expand and optimize our operational capacity.

We cannot assure that we will be able to utilise our commercial manufacturing facilities to their full capacity or up to an optimum capacity and non-utilization of the same may lead to loss of profits or can result in losses, and may adversely affect our business operations, financial condition and results of operations. Even the use of the existing installed production capacity is also subject to several variables such as availability of raw materials, power, water, proper working of machinery, order on hand, supply/demand, manpower, etc.

- 4. We have significant working capital requirements and the objects of the Issue include funding working capital requirements of our Company and our wholly owned subsidiary SIPL, which is based on certain assumptions and estimates. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial conditions.**

Our business requires a significant amount of working capital primarily due to the time gap between purchase of raw materials and collection of receivables from customers. We are also required to maintain adequate inventory levels to meet production requirements as well as extend the credit period to customers in accordance with industry practice. As on December 31, 2024, we have a sanctioned limit for working capital of ₹ 5,035.00 lakhs from existing lenders, including fund-based sanction limit of ₹ 4,800.00 lakhs and non-fund based sanction limit of ₹ 235.00 lakhs. For further details, please refer “*Financial Indebtedness*” on page 271 of this Draft Red Herring Prospectus. The actual amount of our future working capital requirements may differ from estimates as a result of, among other factors, unanticipated expenses, fluctuations in raw material prices, economic conditions, growth in revenue, changes in the terms of our financing arrangements, changes in the credit terms of customers and suppliers, inventory fluctuations, additional market developments. Our sources of additional financing, required to meet our working capital needs, may include the incurrence of debt in the form of additional working capital limits, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. There may be instances where available funds are insufficient to meet our commitments and hence, we may need to incur additional indebtedness in the future or utilize internal accruals to fulfill our working capital requirements. Our working capital requirements may increase if the payment terms include reduced advance payments or longer payment schedules. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations. Our inability to meet our present working capital requirements or our enhanced working capital requirements may have an adverse impact on our results of operation, business and financial condition.

- 5. We derive a significant portion of our revenue from operations from domestic sales which exposes us to risks specific to Indian geographies and market.**

Our Company derived a significant portion of our revenue from operations from domestic and export sales from our customers for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 as set out below:

Particulars	nine months period ended December 31, 2024		Fiscal 2024	
	Revenue (₹ in Lakhs)	% of revenue from operation	Revenue (₹ in Lakhs)	% of revenue from operations
Domestic	13,490.52	86.53 %	13,827.73	93.41%
Export	2,099.70	13.47 %	974.77	6.59%
Total	15,590.22	100.00 %	14,802.50	100.00%

Particulars	Fiscal 2023		Fiscal 2022	
	Revenue (₹ in Lakhs)	% of revenue from operations	Revenue (₹ in Lakhs)	% of revenue from operations
Domestic	11,065.48	96.44%	10,599.00	94.78%
Export	408.70	3.56%	583.62	5.22%
Total	11,474.18	100.00 %	11,182.62	100.00 %

SIPL derived a significant portion of our revenue from operations from domestic and export sales from our customers for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 as set out below:

Particulars	nine months period ended December 31, 2024		Fiscal 2024	
	Revenue (₹ in Lakhs)	% of revenue from operation	Revenue (₹ in Lakhs)	% of revenue from operations
Domestic	6,067.02	90.29%	4,643.87	91.88%
Export	652.46	9.71%	410.46	8.12%
Total	6,719.48	100.00%	5,054.34	100.00%

Particulars	Fiscal 2023		Fiscal 2022	
	Revenue (₹ in Lakhs)	% of revenue from operations	Revenue (₹ in Lakhs)	% of revenue from operation
Domestic	5,383.25	87.06%	774.72	14.00%
Export	800.44	12.94%	4,759.45	86.00%
Total	6,183.70	100.00%	5,534.17	100.00%

Historically, we derived significant proportion of our revenue from operations from domestic sales, with a limited proportion of revenue derived from exports. This dependence on domestic sales exposes us to risks associated with regional economic fluctuations, changes in domestic regulations and market conditions specific to our country. A downturn in the domestic economy, increased competition or shifts in local demand could adversely impact on our financial performance. Further, a limited international exposure may prevent us from capitalising on growth opportunities in global markets and diversifying risks associated with reliance on a single market. As a result, our revenue growth could be constrained by domestic market conditions, which may also limit our ability to expand and diversify our customer base.

6. *Our Company has negative cash flows from its investing activity and financing activity, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.*

Our Company has reported certain negative cash flows in investing and financing activities in previous years as per the Restated Consolidated Financial Statements, as set out below:

Particulars	For the nine months period ended on December 31, 2024	Fiscal 2024	Fiscal 2022	
			Fiscal 2023	Fiscal 2022
Cash flow from operating activities	(1,080.83)	994.26	1,710.91	1,478.44
Cash flow from investing Activities	(1,062.53)	(439.07)	(645.80)	(3,900.64)
Cash flow from financing Activities	2,149.71	(547.78)	(1,067.52)	2,402.20

Cash flows of our Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. There can be no assurances that cash flows will be positive in the future thereby creating an adverse impact on our ability to meet working capital expenditure, repay loans without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For further details, please see “*Management's Discussion and Analysis of Financial condition and Results of Operations*” and “*Restated Financial Information*” on page 259 and 228.

7. *We are exposed to competition from both domestic and international manufacturers and new entrants and consequent pricing pressures could have a material adverse effect on our business growth and prospects, financial condition and results of operations.*

The nonwoven fabric industry is highly competitive and we face intense competition from the existing domestic and international manufacturers with a significant market presence and new entrants. These competitors offer variety of products, utilize advanced technologies and have larger production capacities, which may impact our business growth and results of operations. If the products are available at cheaper prices from existing manufacturers, it may pressurize us on pricing without compromising product quality which may put strain on our profit margin.

Some of our competitors may increase their production capacities and target the same products as us. If we do not maintain or gain sufficient market presence or are unable to differentiate ourselves from our competitors, we may not be able to compete effectively with our competitors. Our ability to compete effectively may be constrained by the following factors:

- Loss of key members of our management team and experienced employees (in particular, those that have relationships with our customers) to our competitors;
- Our competitors may be able to procure funding for their operations at more favorable terms than us;
- Our competitors may deploy more advanced technology; and
- Certain domestic or regional as well as international competitors may have a lower cost base than ours.

While we have historically been able to conduct our business at competitive margins and on a cost-effective basis, there can be no assurance that we will be able to do so in the future. Some of our competitors may have larger technical and financial resources, provide better pricing, or provide shorter delivery times, larger customer base and may have greater market reach as compared to us. Also, our ability to compete depends on a number of factors beyond our control, including the ability of our competitors to attract, train, motivate and retain highly skilled technical employees which may adversely affect our business, financial condition and results of operations.

8. *Inventories and trade receivables form a major part of our current assets. Our inability to maintain a balance between optimum inventory levels and our product offering at our factory and failure to manage trade receivables may adversely affect our business, results of operations and financial condition.*

Our business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory (raw materials and finished goods) and trade receivables.

To effectively manage our inventory, we shall be able to accurately estimate customer demand and supply requirements and purchase inventories accordingly. Any error in our estimation of customer demand could either result in an accumulation of excess inventory which we may be unable to sell in a

timely manner or a shortage of inventories which will affect our ability to meet customer demand. Further, we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers which could also have an adverse impact on our income and cash flows.

For the nine months period ended December 31, 2024 and FY 2023-24, 2022-23 and 2021-22, our inventory as a percentage of our current assets were 35.43%, 41.08%, 24.46% and 28.91%, respectively. Our inventory holding days for raw materials were 62 days, 39 days, 23 days and 26 days for the nine months period ended December 31, 2024, and FY 2023-24, 2022-23 and 2021-22, respectively and inventory holding days for finished goods were 54 days, 26 days, 14 days and 7 days for the nine months period ended December 31, 2024, and FY 2023-24, 2022-23 and 2021-22.

Disruptions to the delivery of raw materials may occur for reasons such as poor handling, transportation bottlenecks or labour strikes which could lead to delays, lost deliveries or damaged products and disrupt the supply of raw materials. Further, natural disasters such as earthquakes, extreme weather conditions such as floods or droughts or natural conditions may adversely impact the supply of raw materials and local transportation. If our supply of raw materials is disrupted, we may not be able to procure an alternate source of supply of raw materials in time to meet the demands of our customers or we may not be able to procure products of similar quality or on favourable competitive terms. Such a disruption of supply would materially and adversely affect our business, profitability and reputation.

To effectively manage our trade receivables, we shall be able to accurately evaluate credit worthiness of our customers and ensure that favourable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and/or write-offs which could lead to a liquidity crunch, thereby adversely affect our business and results of operations. A liquidity crunch may also result in increased working capital borrowings or enhancement of working capital requirements and consequently, higher finance cost which adversely impact our profitability.

9. *Our historical performance is not indicative of our future growth or financial results, and we may not be able to sustain our historical growth rates or effectively execute our strategies, which may adversely affect our business and financial results.*

We have expanded our operations and experienced considerable growth in the past. Our restated consolidated total income for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 were ₹15,755.56 lakhs, ₹15,424.12 lakhs, ₹11,768.01 lakhs and ₹11,803.17 lakhs, respectively. Our restated consolidated EBITDA for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 were ₹2,057.07 lakhs, ₹1,500.52 lakhs, ₹1,080.16 lakhs and ₹638.89 lakhs, respectively. Our restated consolidated profit after tax for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 were ₹1,002.61 lakhs, ₹544.18 lakhs, ₹112.68 lakhs and ₹333.07 lakhs, respectively.

Our historical performance may not necessarily predict our future growth or financial results. While we have experienced growth in the previous years, we may face challenges to sustain past growth rates due to changing market dynamics, fluctuations in demand, increasing competition, or unforeseen operational difficulties. Our management will also be required to devote additional time and resources to support our business and expansion plans.

Our ability to effectively execute business strategies is subject to several risks which, inter alia, include operational challenges, supply chain disruptions and unforeseen economic events. The implementation of growth initiatives or strategies to expand into new markets may face obstacles such as regulatory hurdles, unexpected costs or delays. We cannot assure that our growth strategies will be successful or that we will be able to integrate them with our existing systems. Any failure to successfully execute these strategies or adapt to changes in market conditions could result in a slowdown of our growth, reduced profitability or loss of competitive advantage.

We may also experience a decline in the growth rate of our revenues due to factors such as insufficient growth in the number of customers, an increase in competition, a decrease in the growth of our overall market, a failure to capitalize on growth opportunities, an increase in operational costs, a slowdown in the Indian or global economy and an increase in government and regulatory restrictions. These factors may also have an adverse effect on our business, financial results and prospects.

10. *Public health crises, such as pandemics, may disrupt operations and create fluctuating demand for hygiene and healthcare products, adversely impacting our business operations and financial performance.*

Public health crises, such as the COVID-19 pandemic, have a significant, often unpredictable, impact on nonwoven fabric industries, primarily in the hygiene and healthcare industries. These crises can lead to both positive and negative consequences for our business. On one hand, pandemics tend to increase demand for products such as surgical gowns, face masks, PPE kits and other medical disposable products, which are driven by heightened public awareness of hygiene and safety. The urgent need for these products during a health crisis can lead to a surge in orders, positively impact on our revenue from operations.

However, such crises expose our business to substantial risks and challenges, particularly due to disruptions in both supply and demand dynamics. Global supply chains are often severely impacted during pandemics, with delays in the procurement of key raw materials. Shipping constraints, port closures and transportation bottlenecks also contribute to these supply chain disruptions, potentially causing significant delays or temporary halts the production of nonwoven fabrics which will unable to meet customer demand and could adversely affect our revenue from operations and damage our reputations. Further, the public health crisis pose challenges such as quarantine requirements and government-imposed lockdowns, could reduce workforce availability which will lead to a decrease in operational efficiency. These may also increase expenditures related to implement safety protocols, provide employee health measures such as protective equipment or medical checks

The post-crisis period may see a sharp decline in demand as the heightened sense of urgency for hygiene and medical products fades, leaving companies with excess inventory. This saturation of demand can result in unsold inventory, leading to potential financial losses and increased storage or disposal costs. Furthermore, the additional operational costs incurred during a public health crisis can have a long-term impact on our financial performance. These may also increase expenditures related to implement safety protocols and providing employee health measures (such as personal protective equipment or medical checks). These increased costs, fluctuating demand and potential inefficiencies could strain our financial position.

11. *Stringent hygiene and health standards in the manufacturing of products such as diapers, sanitary pads, under pads, surgical gowns, face masks, PPE kits, and other disposable medical products could adversely affect our operations if the required quality standards are not consistently met.*

The production of hygiene and health related products are subject to a wide range of regulatory and industry standards. These regulations are designed to ensure the safety and quality of products as well as to protect the health and well-being of end users. Compliance with these standards is essential and any deviation could result in serious consequences which, inter alia, includes product recalls, regulatory penalties and damage to our reputation.

While we have not experienced any major instances of material product recalls or penalties in the past, we cannot assure that similar incidents will not occur in the future. Any compromise in the quality of our products or potential product recalls by our customers could adversely impact our business operations, reputation and profitability.

However, to manage a broad and diverse product portfolio, which includes hydrophobic and hydrophilic nonwoven fabrics, UV-treated and flame-retardant fabrics, involves operational complexities. With such a wide range of products, ensure consistent quality across each product types becomes more difficult.


Operational inefficiencies, lapses in production quality control or errors during manufacturing could lead to defects that result in customer dissatisfaction, product returns or financial losses. Further, fluctuating market demands for different product types further complicates our ability to maintain uniformity in production, as varying production volumes and operational priorities may cause quality control to be strained. In order to minimize these risks and ensure we consistently meet the hygiene and safety standards, we have implemented a comprehensive quality management system. Our quality control processes are integrated throughout every stage of production, from raw material procurement to final product inspection. These processes are designed to identify and address potential issues before products are shipped to customers.

We also emphasize on continuous improvement through staff training programs and to be updated with evolving industry regulations. Our employees are regularly trained in quality assurance practices, hygiene standards and the latest manufacturing technologies to ensure that they are equipped to uphold the standards of the Company.

Any negative publicity regarding our Company or products, including those arising from not maintaining quality standards of our products by our customers or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Further, Our failure to anticipate or to respond adequately to changing technical, market demands and/or customer requirements could adversely affect our business and financial results.

12. *Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.*

Our Company has forty-four (44) registered trademarks and has made applications for registration of one (1) trademark. We also have been granted one (1) design registered with the Patent Office, Government of India under the Designs Act, 2000. For further details, see “*Government and Other Approvals - Intellectual Property – Trademark*” on page 286.

Our Company currently uses the logo  as its trademark which is registered under the name of Spunweb Nonwoven Private Limited under the Trademarks Act, 1999. There can be no assurance that we will be able to successfully obtain or renew our registration in a timely manner or at all, which may affect our ability to use the brand in the future. The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. If our trademarks or other intellectual property are improperly used, the value and reputation of our brands could be harmed. The measures we take to protect our intellectual property may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe upon our rights, which may have an adverse effect on our business, results of operations and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Further, our current and future trademarks and design may not provide sufficient protection or a competitive edge. Failure to obtain meaningful protection or enforce our IP rights effectively could adversely impact our business operations, results of operations and financial condition.

13. ***Our success in large part depends upon our KMPs, SMP and other employees with technical expertise and if we are unable to recruit and retain such qualified and skilled employees, our business and our ability to operate or grow our business may be adversely affected.***

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team, which include our Promoters, supported by the skills, efforts, expertise, continued performance and motivation of our Key Managerial Personnel and Senior Managerial Personnel.

Our success depends on the continued efforts of our Promoters, KMPs, SMP and other employees with technical expertise, and the loss of any such senior employee(s) and the inability to find an adequate replacement may impair our relationship with key supplier(s) and customer(s) and our level of technical expertise, which may adversely affect our business, cash flows, financial condition, results of operations and prospects. While there has been no instance in the last three Fiscals where the resignation of any KMP or SMP had an adverse impact on our business, results of operations, cash flows or financial conditions, we cannot assure that such instance will not arise in the future.

The following table sets forth the attrition rate for permanent employees, KMPs and SMPs of our Company for the period indicated:

Particulars	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total number of KMPs	4	N.A.	N.A.	N.A.
Attrition rate of KMPs (%)*	Nil	N.A.	N.A.	N.A.
Total number of SMPs	1	N.A.	N.A.	N.A.
Attrition rate of SMPs (%)*	Nil	N.A.	N.A.	N.A.
Total number of employees exited	110	49	47	35
Attrition rate of employees (%)*	8.11%	4.59%	4.61%	4.27%

*Attrition rate represents the number of employees exited as a percentage of average number of employees in the for the relevant period / Fiscal.

The following table sets forth the attrition rate for permanent employees, KMPs and SMPs of SIPL for the period indicated:

Particulars	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total number of KMPs	3	N.A.	N.A.	N.A.
Attrition rate of KMPs (%)*	Nil	N.A.	N.A.	N.A.
Total number of SMPs	N.A.	N.A.	N.A.	N.A.
Attrition rate of SMPs (%)*	N.A.	N.A.	N.A.	N.A.
Total number of employees exited	45	33	27	10
Attrition rate of permanent employees (%)*	12.33%	10.01%	6.37%	3.80%

*Attrition rate represents the number of employees exited as a percentage of average number of employees in the for the relevant period / Fiscal.

Our future success, among other factors, will depend upon our ability to continue to attract, train and retain qualified personnel with suitable expertise, know-how and skills that are capable of helping us develop our technology and support key customers and suppliers. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, financial conditions, cash flows and results of operations. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified personnel. Our Company had 174 employees and SIPL had 42 employees as on December 31,

2024. The table below sets forth employee benefits expense of our Company on consolidated basis for the periods indicated:

Particulars	nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
(₹ in lakhs except for percentages)				
Employee benefit expenses	484.36	422.22	371.15	307.07
Employee benefit expenses as a percentage of revenue from operations	3.08%	2.84%	3.20%	2.70%

Our inability to hire, train and retain a sufficient number of qualified employees could impair the success of our operations. Our success also depends, in part, on key customers relationships established by our senior management. If we were to lose these members of the senior management, we cannot assure that we will be able to continue to maintain key relationships, which could adversely affect our business, financial condition, results of operations and cash flows.

- 14. *We are dependent on credit facilities from banks to fund our business operations. Any event where we are unable to obtain, renew or enhance credit limits from the banks, or repay such facilities obtained, would affect our financial position and credit standing.***

We rely on various credit facilities, which include cash credit, term loans and bank guarantee from HDFC Bank Limited and Standard Chartered Bank to finance our operations. SIPL has banking arrangement with Bank of India for financing its working capital requirements. Our inability to renew existing credit facilities, obtain additional financing or enhance current credit facilities due to changes in banking regulations, adverse economic conditions or financial performance, could adversely affect our cash flow, operations, and overall financial condition. A failure to secure necessary financing could constrain our ability to meet our financial obligations, fund future growth initiatives and manage day-to-day operations effectively.

As on December 31, 2024, our total indebtedness (short-term as well as long-term) stood at ₹ 10,228.81 lakhs. We may need to avail further loans in the future and if we are unable to do so, or unable to repay the loans, it could potentially impact on our financial stability, operational capabilities and credit standing. For further information, please refer section titled “*Financial Indebtedness*” on page 271 of this Draft Red Herring Prospectus.

- 15. *Our business is dependent on the adequate and uninterrupted supply of electrical power at a reasonable cost. Unavailability of such adequate and uninterrupted supply of electrical power may significantly impact on our business and results of operation***

Failure to secure an adequate and cost-effective supply of electrical power may limit our ability to utilize our full production capacity, thereby impacting on our business operations and financial performance. Our operations require substantial electrical power, which we currently source from the Paschim Gujarat Vij Company Limited (PGVCL) and our own captive solar plant. However, we cannot assure an uninterrupted or sufficient electricity supply in the future or that it will remain available at reasonable costs.

For the nine months period ended December 31, 2024 and Fiscals 2024, 2023, and 2022, our total power and fuel expenses amounted to ₹ 729.64 lakhs, ₹ 1,012.39 lakhs, ₹ 684.87 lakhs, and ₹ 444.9 lakhs, respectively, representing 4.64%, 6.81%, 5.91%, and 3.91% of our total revenue from operations based on Restated Consolidated Financial Statements.

We are an environmentally conscious Company committed to sustainability and the use of renewable resources. As on the date of Draft Red Herring Prospectus, we have installed rooftop solar power plant at the facilities of our Company and SIPL with a total capacity of 1.1 Megawatt (“MW”) and 0.43 MW,

respectively. These projects contribute to reducing our reliance on non-renewable energy and support our sustainability initiatives.

As on December 31, 2024, ~ 11.77% and ~6.45% of the energy consumed at our manufacturing facilities was sourced from renewable resources, i.e. the rooftop solar power plant at our Company and SIPL, respectively. The first and second rooftop solar power plant of our Company became operational in Fiscal 2022 and Fiscal 2024, respectively. The rooftop solar power plant of SIPL became operational in Fiscal 2025. While these solar initiatives have helped us to reduce the load on our operating expenses, the reduction is not yet substantial. Nevertheless, they represent an initiative towards cost efficiency and environmental sustainability.

Although, there have been no significant instances of abrupt power failure at our manufacturing facilities of our Company and SIPL in the last three Fiscals and the current Fiscal, future occurrences of such power failure may disrupt our business operations. Further, any increase in electricity tariffs by the PGCCL could raise our power costs and it may not always be feasible to transfer these cost increases to our customers, which could adversely affect our profit margins.

- 16. *We appoint contract labour for carrying out our operations and we may be held responsible for payment of wages of such workers, if the independent contractors through whom such workers are hired default on their payment obligations. Such obligations could have an adverse impact on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage contract labourers to perform certain ancillary operations at our manufacturing facilities which, inter alia, includes assistance in loading and unloading, material handling and housekeeping.

As on December 31, 2024, we had more than 35 contract labourers at our Company who are not on our payrolls. The number of contract labourers changes periodically based on the nature and extent of work contracted to independent contractors. Although, we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors, including any incorrect disclosure by such independent contractors with respect to the applicability of the provision of the CLRA, as amended.

All contract labourers engaged at manufacturing facility of our Company and SIPL are assured minimum wages that are fixed by the state governments from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business operations and financial results. In addition, we may also be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damage caused by our workers or contractors.

- 17. *We are dependent on third party transportation providers for the supply and distribution of our products. Any failure or delay in such transportation and logistics arrangements could materially affect our business, our operations and financial condition.***

Our business requires smooth supply and transportation of our raw materials as well as our finished goods. We are dependent on third-party transportation and logistics providers for various forms of transportation. Though our business has not experienced any major disruptions due to transportation strikes in the past, any future disruption in transportation services may have an adverse effect on our business.

We do not have formal contractual relationships with such transportation or logistic companies and freight forwarders. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, products may be lost or damaged in transit for various reasons including theft, occurrence of accidents or natural disasters. This may lead to a delay in delivery of our products which may also affect our business and the results of our operations negatively. Though such material events have not taken place in the past, any recompense received from insurers or third-

party transportation providers may be time consuming and insufficient to cover the cost of any delays and further may not be able to repair our relationships with our affected customers. We may also be affected by an increase in fuel costs and increase in freight charges that may be levied by our third - party transportation providers. Any such adverse event, or increase in costs could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

18. *Fluctuations in the price of our primary raw material i.e., polypropylene granules, may adversely impact our financial performance and profitability.*

Polypropylene granules are primary raw material for our manufacturing processes and constitute a significant portion of our total raw material costs. The price of polypropylene is tied to the price of crude oil, as polypropylene is derived from petrochemical products. Consequently, any volatility in global crude oil price caused by factors such as international conflicts, changes in production levels by major oil-producing countries or disruptions or changes in global supply, demand or pricing of energy resources can directly impact the cost of polypropylene. A sharp increase in crude oil prices may result in a corresponding rise in polypropylene costs, thereby placing additional pressure on our cost structure.

In a highly competitive market where price sensitivity is significant, we may not always be able to pass on these cost increases to our customers. This constraint can force us to absorb additional costs, thereby reducing our profit margins and negatively affecting our financial performance. If the market dynamics demand price reductions to retain competitiveness, our profitability could be further impacted. Global demand-supply imbalances also contribute to the volatility of polypropylene prices. Factors such as production disruptions due to natural disasters, industrial accidents or labour strikes in key manufacturing regions can create supply shortages. At the same time, higher demand from industries such as automotive, packaging and construction could increase the shortage of polypropylene which results in price increase of our primary raw material.

In addition, logistical challenges significantly impact the overall cost of procuring polypropylene granules. Shipping delays resulting from container shortages, port congestion or disruptions in global trade routes due to geopolitical conflicts or natural disasters can lead to higher transportation costs. Further, fluctuations in currency exchange rates, particularly for imports, may also influence the cost of polypropylene. These factors collectively contribute to the increased expense of raw material procurement.

While we make concerted efforts to mitigate these risks through strategic procurement, supplier diversification and inventory management, we cannot fully protect ourselves from the effects of significant fluctuations in polypropylene prices. Such volatility could adversely affect our financial performance, profit margins and overall profitability.

19. *Geopolitical conflicts and global disruptions in oceanic trades could adversely impact our supply chain, operational costs, and delivery timelines.*

Geopolitical conflicts and other global disruptions, including trade disputes, sanctions, and territorial conflicts in key regions like Eastern Europe, the South China Sea and the Middle East, causes significant pressure on international trade routes. Recent crisis in the Red Sea, in particular, has resulted in severe disruptions to critical shipping lanes, leading to increased transportation costs, longer transit times and delays in the procurement of essential raw materials.

These disruptions can adversely affect our ability to source materials such as polypropylene granules and other materials, thereby impacting production schedules and delivery commitments. Prolonged geopolitical instability may also result in fluctuating currency exchange rates and inflationary pressures, further increasing operational costs. In addition, any imposition of trade barriers, tariffs, or restrictions on cross-border movements could limit our access to key markets, suppliers, or customers, thereby negatively impacting our business operations and financial performance.

20. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our results of operations, cash flows and financial condition.*

Our Company's operations are subject to various risks and hazards inherent in the manufacturing business, which includes breakdown, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We have obtained insurance policies in relation to fire, special contingency and workmen compensation. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate, including workmen compensation policies. We have previously suffered losses due to which we have claimed insurance compensation for our Insurers: The following tables shows claims made by our Company in the past:

Sr. No.	Policy No.	Claim Date	Claim Amount (₹ in lakhs)
1.	160422227110000723	June 15,2022	1.54
2.	160422227110000723	October 17,2022	2.77

The following tables shows claims made by SIPL in the past:

Sr. No.	Policy No.	Claim Date	Claim Amount (₹ in lakhs)
1.	OG-23-2204-2802-00000788	July 09,2022	0.55
2.	OG-23-2204-2802-00000788	September 09,2022	0.36

At present, the insurance policies of our Company and SIPL provide for coverage against risks such as fire, theft, burglary, workmen compensation and accidents. However, there can be no assurance that any claim under the insurance policies maintained by our Company and SIPL will be honoured fully, in part or in time. While our Company and SIPL maintain insurance coverage in amounts consistent with industry norms, the said insurance policies do not cover all risks, specifically risks such as loss of profits.

There can be no assurance that our Company and SIPL's insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If our Company and SIPL suffers a significant uninsured loss or if the insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by our Company and SIPL significantly exceeds its insurance coverage, our Company and SIPL's business, financial condition and results of operations may be materially and adversely affected. Further, there is no assurance that the insurance premium payable by our Company and SIPL will be commercially viable or justifiable. For further details on the insurance policies availed by us, kindly refer "*Our Business - Insurance*" on page 189 of this Draft Red Herring Prospectus.

Further, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure that such renewals will be granted in a timely manner, on commercially acceptable terms or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

21. *Our factories are subject to operating risks. Any shutdown of our existing factories or other production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.*

Manufacturing facilities of our Company and SIPL are located in Gujarat, which are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

- forced or voluntary closure of manufacturing facilities, including as a result of regulatory

- actions;
- problems with supply chain continuity, including as a result of natural or man-made disasters at any of our manufacturing facilities;
 - manufacturing shutdowns, breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;
 - labour disputes, strikes, lockouts that may result in temporary shutdowns or manufacturing disruptions;
 - any changes in the availability of power or water availability which impacts the entire region;
 - failure of a supplier to provide us with the required raw materials or components for an extended period of time, which could impact continuous supply; and
 - changes in political relationships between India and the countries in which we export and local political tensions

We have not experienced any instances which had disrupted our operations at our factories in the last three Fiscals and current Fiscal, but we cannot assure that such instance will not arise in the future.

22. *There have been some instances of delay and discrepancies with respect to filing of certain forms with the Registrar of Companies and instances of non-compliance of Section 173 (1) of the Companies Act in the past, which may be subject to regulatory actions and penalties.*

There have been a two instances of violation of Section 173(1) of the Companies Act, pursuant to which our Company was required to hold a minimum of four board meetings every year, with not more than 120 days between two consecutive meetings.

During the financial year 2020-21, our Company held a Board meeting on June 08, 2020, followed by a second meeting on November 05, 2020. Similarly, during the financial year 2021-22, our Company held a Board meeting on September 14, 2021, followed by a second meeting on February 03, 2022. As such, the gap between these two meetings exceeded 120 days.

Our Company has voluntarily filed an application dated January 27, 2025 for adjudication of this non-compliance under Section 454 of the Companies Act and our Company is waiting to hear from the adjudication officer.

Our Company has since then ensured that all Board meetings are held in compliance with the Companies Act. However, we cannot assure you that such non-compliance will not occur in the future.

If the adjudication officer imposes monetary penalties on our Company or its officers for this non-compliance, it may temporarily affect our cash flow.

There have been certain instances of secretarial irregularities and discrepancies in our Company, such as delay in filing of (i) Form ADT-1 for approval of appointment of the auditor, Busa & Associates by the shareholders on August 20, 2016 under section 139 of the Companies Act, 2013; (ii) Form DPT-3 in respect of deposits accepted by the company pursuant to Rule 16 and 16A of the Companies (Acceptance of Deposits) Rules, 2014 for the Financial Year ended on March 31, 2019; (iii) Form ADT-1 for approval of appointment of the auditor, Busa & Associates by the shareholders on December 30, 2020 under section 139 of the Companies Act, 2013; (iv) Form AOC-4 for filing of financial statements under section 137 of the Companies Act, 2013 for the Annual General Meeting held on August 23, 2021; (v) Form CHG-1 for modification of charge dated October 12, 2021 with HDFC Bank Limited pursuant to Section 77 and 79 of the Companies Act, 2013; (vi) Form DPT-3 in respect of deposits accepted by the company pursuant to Rule 16 and 16A of the Companies (Acceptance of Deposits) Rules, 2014 for the Financial Year ended on March 31, 2022; (vii) Form AOC-4 for filing of financial statements under section 137 of the Companies Act, 2013 for the Annual General Meeting held on September 30, 2022 (viii) Form INC-27 for conversion of private limited company into public limited company under section 14 of the Companies Act, 2013 approved by the shareholders on July 06, 2024; (ix) Form ADT-1 for approval of

appointment of the auditor, Kaushal Dave & Associates by the shareholders on August 21, 2024 under section 139 of the Companies Act, 2013.

Further, (i) our Company had approved a Rights Issue of ₹ 10 each to the existing shareholders in the ratio of 399:1, i.e., 399 Equity Shares were to be allotted for every 1 Equity Share of ₹ 10 each held, as per the Board Resolution dated March 12, 2016. However, while filing Form MGT-14 for the said Rights Issue, an inadvertent error occurred, and the ratio was mistakenly stated as 1:1 in the Board Resolution, with the Equity Shares incorrectly listed as having a face value of ₹ 10 each. (ii) our Company had approved a Rights Issue of ₹ 10 each to the existing shareholders in the ratio of 49:450, i.e., 49 Equity Shares were to be allotted for every 450 Equity Shares of ₹ 10 each held, as per the Board Resolution dated July 13, 2018. However, while filing Form MGT-14 for the said Rights Issue, two inadvertent errors occurred: (a) the ratio was mistakenly stated as 4500:49 in the Board Resolution, and (b) 4,90,000 (Four Lakh Ninety Thousand) Equity Shares were mistakenly stated as 49,00,000 (Forty Nine Lakh), with the Equity Shares incorrectly listed as having a face value of ₹ 10 each.

We have also obtained a search report dated January 28, 2025 from practicing Company Secretaries, KP Ghelani & Associates, in relation to the said discrepancies and errors. Although, no regulatory action has been taken on our Company for the abovementioned purported delayed, however, it cannot be assured that no such regulatory action, will be taken in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

23. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.*

We believe that our industry faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry, being labour intensive, is highly dependent on labour force for carrying out its manufacturing operations. A shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though, we have not experienced disruptions in our business operations due to disputes or other problems such as strikes, lockouts, etc. with our work force in the past, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

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

This Draft Red Herring Prospectus contains information from an industry report titled “*Industry Research Report on Nonwoven Fabric Industry*” (“CareEdge Report”) dated January 24, 2025 prepared by CARE Analytics and Advisory Private Limited, an independent third-party research agency, commissioned and paid for by us, exclusively for the purpose of inclusion in this Draft Red Herring Prospectus. The Industry Report is available on the website of our Company at www.spunweb.com. Our Company, our Promoters and our Directors are not related to CARE. Industry sources and publications are also prepared based on

information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. While we have assumed responsibility for the contents of the report and have taken reasonable care in reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the Industry Report is not a recommendation to invest/disinvest in any company covered in the Industry Report. Accordingly, prospective investors should not place undue reliance on or base their investment decision solely on this information.

In view of the foregoing, prospective investors may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report. Prospective investors should consult their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Industry Report before making any investment decision regarding the Issue. For further details, kindly refer “*Industry Overview*” on page 138 of this Draft Red Herring Prospectus.

25. *The security of our IT systems may fail and adversely affect our business, operations, financial condition and reputation.*

We use information technology systems to enhance our performance and efficiency. We use third party software (NAS software), license free tools for our designing, Microsoft office suite, Tally Accounting Software for maintaining accounting records and other reporting purposes. We believe that this system allows us to streamline our processes while enhancing our monitoring and control functions.

Any delay in implementation or disruption of the functioning of our information technology systems could disrupt our ability to track, record and analyse work-in-progress or cause loss of data and disruption to our operations. Our computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security. Although we maintain procedures and policies to protect our IT systems, any failure of our IT systems may result in business interruption, material financial loss, initiation of regulatory actions and legal proceedings and harm to our reputation.

26. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a financial institution or a bank or any other independent agency and deployment of funds raised through this Issue shall not be subject to monitoring by any monitoring agency.*

We intend to use the Net Proceeds for the purposes described in “*Objects of the Issue*” on page 112 of this Draft Red Herring Prospectus. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution or any other independent agency. The deployment of the Net Proceeds will be at the discretion of our Board. Our funding requirements are based on our current business plan and may vary based on various factors some of which are beyond our control, such as interest rate fluctuations, changes in input cost, changes in terms of purchase orders and other financial and operational factors and consequently, the funding requirement and the utilisation of proceeds from the Issue may also change. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business, results of operations and financial condition.

In the event of any variation in actual utilisation of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure, which may have a bearing on our profitability.

Since the size of the Issue is less than ₹10,000 lakhs, we need not to appoint a monitoring agency to

oversee the deployment of funds raised through this Issue. The deployment of funds raised through this Issue is hence, at the discretion of the management and will not be subject to monitoring by any independent agency. The Board of Directors of our Company through the Audit Committee will monitor the utilization of the Issue proceeds. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

27. *Any variation in the utilisation of our Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.*

We propose to utilise the Net Proceeds from the Issue towards (i) Funding the working capital requirements of our Company; (ii) Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements; (iii) Repayment, in full or in part, of certain borrowings availed by our Company; and (iv) General Corporate Purposes. For further details of the proposed objects of the Issue, please see "*Objects of the Issue*" on page 112 of this Draft Red Herring Prospectus. We cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. We have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. In accordance with Section 13(8) and 27 of the Companies Act, 2013, any variation in the planned use of the Net Proceeds would require shareholders' approval by passing a special resolution and our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, at a price and manner in accordance with SEBI ICDR Regulations and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

28. *Certain of our Promoters and Directors may have interests in entity, which is in businesses similar to ours and this may result in conflict of interest with us.*

Our wholly owned subsidiary, SIPL is authorized by its memorandum to undertake similar activities as those conducted by our Company. As a result, conflict of interests may arise in allocating business opportunities amongst our Company and SIPL in circumstances where our respective interests diverge.

While SIPL is not currently carrying on any business in conflict with our Company, there is no assurance that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. There can be no assurance that our Promoters or their other related entities will not engage in comparable business, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segments in which we operate.

In the event that any conflicts of interest arise, our Promoters may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. It may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business financial condition, results of operations and prospects. Should we face any such conflicts in the future, there is no guarantee that they will be resolved in our favour.

29. *There are certain instances of delays in payment of statutory dues. Any delay in payment of statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities, which may have an adverse impact on our financial condition and cash flows.*

Our Company is required to pay certain statutory dues including in relation to our Company's employees including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and professional taxes. The table below sets out details of the delays in statutory dues payable by our Company for the years indicated:

The table below sets out details of statutory dues paid by the Company and its Subsidiaries during the Financial Years 2024, 2023 and 2022:

<i>Nature of payment</i>	<i>Entity</i>	<i>Financial Year 2024</i>	<i>Financial Year 2023</i>	<i>Financial Year 2022</i>
		<i>(₹ in lakhs)</i>	<i>(₹ in lakhs)</i>	<i>(₹ in lakhs)</i>
<i>Provident Fund</i>	<i>Company</i>	20.71	19.90	18.72
	<i>Subsidiary</i>	6.46	7.97	5.01
	Total	27.17	27.87	23.73
<i>Employee state insurance</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-
<i>Professional taxes</i>	<i>Company</i>	1.09	1.40	4.71
	<i>Subsidiary</i>	0.55	0.46	0.37
	Total	1.64	1.86	5.08
<i>Labour welfare fund charges</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-
<i>Goods and services tax</i>	<i>Company</i>	18.74	4.57	3.92
	<i>Subsidiary</i>	65.36	3.02	116.48
	Total	84.10	7.59	120.40
<i>Taxes deducted or collected at source</i>	<i>Company</i>	88.03	74.20	56.24
	<i>Subsidiary</i>	20.75	37.66	11.56
	Total	108.78	111.86	67.80

Further, the table below sets out the number of permanent employees for which employment-related statutory dues were applicable during the Financial Years 2024, 2023 and 2022:

<i>Nature of Payment</i>	<i>Entity</i>	<i>Financial Year 2024</i>	<i>Financial Year 2023</i>	<i>Financial Year 2022</i>
<i>Provident Fund</i>	<i>Company</i>	90	86	73
	<i>Subsidiary</i>	23	31	31
	Total	113	117	104
<i>Employee state insurance</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-
<i>Professional taxes</i>	<i>Company</i>	90	86	73
	<i>Subsidiary</i>	23	31	31
	Total	113	117	104
<i>Labour welfare fund charges</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-
<i>Goods and services tax</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-

<i>Nature of Payment</i>	<i>Entity</i>	<i>Financial Year 2024</i>	<i>Financial Year 2023</i>	<i>Financial Year 2022</i>
	Total	-	-	-
<i>Taxes deducted or collected at source</i>	<i>Company</i>	90	86	73
	<i>Subsidiary</i>	23	31	31
	Total	113	117	104

The table below sets out details of instances of delays in payment of statutory dues during the Financial Years 2024, 2023, and 2022:

<i>Nature of payment</i>	<i>Entity</i>	<i>Financial Year 2024 (₹ in lakhs)</i>	<i>Financial Year 2023 (₹ in lakhs)</i>	<i>Financial Year 2022 (₹ in lakhs)</i>
<i>Provident Fund</i>	<i>Company</i>	5.23	1.52	4.80
	<i>Subsidiary</i>	0.99	-	1.16
	Total	6.22	1.52	5.96
<i>Employee State insurance</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>			
	Total			
<i>Professional taxes</i>	<i>Company</i>	1.09	1.40	4.71
	<i>Subsidiary</i>	0.55	0.46	0.37
	Total	1.64	1.86	5.08
<i>Labour welfare fund charges</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>	-	-	-
	Total	-	-	-
<i>Goods and services tax</i>	<i>Company</i>	-	-	-
	<i>Subsidiary</i>			
	Total			
<i>Taxes deducted or collected at source</i>	<i>Company</i>	-	-	6.12
	<i>Subsidiary</i>			2.31
	Total	-	-	8.43

There has been some delay in filing provident fund returns, professional tax, labour welfare fund charges, goods and service tax and taxes deducted or collected at source, and it has been rectified by filing the respective returns with late fees and applicable interest as mandated by respective law / act.

The delay in payment of aforesaid statutory dues were on account of oversight by the accounts team and administrative overview, however the same has been subsequently paid. The Company is taking steps to adhere to the timelines and to ensure that such delays do not take place in the future. The Company has also implemented internal controls to track the compliances required, due dates and the actual date of compliances on regular basis to ensure such delays are prevented in future. There can be no assurance that such delays may not arise in future. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

30. ***We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest. Further, our Promoters, Promoter Group, Directors, Key Managerial Personnel and Relatives of Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

As of December 31, 2024, we have entered into related party transactions, which are in compliance with the Companies Act, 2013 and other applicable laws, such as transactions involving director's remuneration, reimbursement of expenses, borrowing and repayment of unsecured loans, among others. We confirm that the transactions with related parties entered into by our Company in the preceding three

years and current fiscal, have been carried out at arms' length price and are not prejudicial to the interest of our Company.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure 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. Our business and growth prospects may also decline if we cannot benefit from our relationships with them in the future. For further details, see "*Summary of the Issue Document - Summary of Related Party Transactions*" and "*Restated Consolidated Financial Information*" on page 24 and 228 of this Draft Red Herring Prospectus.

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

We are exposed to the risk of payment delays and/or defaults by our customers, which can significantly impact our financial position and performance. Our financial health is closely tied to the creditworthiness of our customers, and any delays in payments may require additional working capital investments. We cannot assure that all or any payments due from our customers will be received immediately or in full.

If a customer defaults on payments for an order where we have invested substantial resources, or if an order is delayed, cancelled, or does not proceed to completion, it could materially and adversely affect our financial condition and operational results. For our Company, outstanding trade receivables were ₹ 4,596.17 Lakhs, ₹ 3,033.93 Lakhs, ₹ 2,192.98 Lakhs and ₹ 1,197.02 Lakhs for the nine months period ended December 31, 2024 and FY 2023-24, 2022-23 and 2021-22, respectively and the trade receivable days were 81 days, 75 days, 70 days and 39 days for the nine months period ended December 31, 2024, Fiscals 2024, Fiscal 2023 and Fiscal 2022, respectively. For SIPL, outstanding trade receivables were ₹ 2,171.20 Lakhs, ₹ 881.87 Lakhs, ₹ 1,083.75 Lakhs and ₹ 1,094.44 Lakhs for the nine months period ended December 31, 2024, and Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively and the trade receivable days were 88 days, 54 days, 64 days and 67 days for the nine months period ended December 31, 2024, and Fiscals 2024, Fiscal 2023 and Fiscal 2022, respectively. For further information, please see "*Objects of the Issue*" on page 112 of this Draft Red herring Prospectus.

There is no assurance that customers will consistently meet their payment obligations in a timely manner, or at all, particularly if they face financial difficulties, a decline in their business performance, or adverse changes in the global economic environment. Such circumstances could adversely affect our liquidity, results of operations, and overall financial condition.

32. *Corporate office of our Company is not owned by us and is occupied by us on leave and license basis. Our inability to renew leave and license agreement or any adverse impact on the title or ownership rights of our owners in relation to these premises may impede our operations.*

Our Company's corporate office is not owned by us and taken on leave and license agreement. Upon expiration of the leave and license agreement for our premises, we will be required to negotiate the terms and conditions. Our leave and license agreements are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in the agreements. Any delay or non-payment of rent may result in vacation of the property.

We cannot assure that we will be able to renew our leave and license agreement on commercially acceptable terms or at all. If we do not comply with the terms of the leave and license agreement, it may lead to termination which would have an adverse effect on our business, and results of operations. Further, any adverse impact on the title or ownership rights of the landlords, may force us to vacate such premises and we would be required to make alternative arrangements. In the event that we are required to vacate our current premises, we could be required to make alternate arrangements for our infrastructure and there can be no assurance that the new arrangements will be on commercially acceptable terms.

Further, relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

For further details related to our properties, please see “*Our Business - Properties*” on page 192 of this Draft Red Herring Prospectus.

33. *We are subject to risks arising from exchange rate fluctuations which may adversely impact our results of operations and cashflows*

While our reporting currency is Indian Rupee, we also transact some of our business in other currencies, primarily in U.S. Dollars. We rely on foreign currency rate for the import of one of the raw materials i.e., polypropylene granules. We predominantly import polypropylene granules from the international markets, as a result, we need to incur such costs in currencies other than the Indian Rupee. Our cost of raw materials may increase due to depreciation of rupee against the foreign currencies. Further, we may not be able to pass all the losses occurred due to foreign currency fluctuations to our customers for sale of products in order to deal with existing competitors. We are, therefore, exposed to exchange rate fluctuations due to the revenue that we receive, the raw materials that we purchase that are denominated in currencies other than the Indian Rupee.

Further, we do not hedge our exposure to foreign currency fluctuations and as a result, our operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may periodically be required to make provisions for foreign exchange differences in accordance with accounting standards. For further details see “*Restated Financial Information*” on page 228 of this Draft Red Herring Prospectus. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even nonrealization of revenue.

34. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be obtained by our Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.*

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business. A majority of these approvals are granted for a limited duration. While we are required to obtain a number of approvals for legally conducting our business operations and we shall submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see “*Government and Other Statutory Approvals*” on page 282.

The approvals required by us are subject to numerous conditions and we cannot assure that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a

disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions.

These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations. We have submitted certain applications to various regulatory authorities seeking approvals and licenses. There can be no assurance that the relevant authorities will issue such permits or approvals to us or that they will be issued on time. Further, these permits, licenses and approvals are subject to several conditions and we cannot assure you we will be able to continuously fulfill the conditions, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Failure by us to maintain or obtain the required permits or approvals, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material and adverse effect on our business, financial condition and results of operations

35. *If we are unable to raise additional capital, our business, operations, prospects or financial results may be materially and adversely affected.*

We will continue to incur significant expenditure in maintaining and growing our existing business. We cannot assure that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors which, inter alia, includes general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavorable change to terms of borrowing may materially and adversely affect our cash flows, operations, prospects or financial results. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, operations, prospects or financial results could be materially and adversely affected.

36. *Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures which may adversely affect our cash flows, business results of operations and financial condition.*

Our operations may be subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. For further details please see “*Key Regulations and Policies*” on page 194.

Any non-compliance with these laws and regulations or accidents, may adversely affect our reputation and may result in fines, civil penalties, criminal sanctions, third-party property damage, personal injury claims, clean-up costs, revocation of key business licenses and/or investigations by public authorities as well as litigation from injured workers or their dependents. We cannot assure that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, and we could face other sanctions if we were to violate or become liable under health, environmental, safety laws and regulations of our respective countries

37. *Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.*

After completion of the Issue, our Promoters and Promoter Group will collectively own a majority of the Equity Shares of our Company. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AoA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

38. *As we continue to grow, we may not be able to effectively manage our growth and the increased complexity of our business, which could negatively impact our brand and financial performance.*

Our growth strategies are ambitious and have the potential to place significant demands on our management, administrative, technological, operational, and financial requirements. The success of our growth strategies is subject to various factors, which include business developments, securing new orders, investment opportunities and unforeseen contingencies. We acknowledge that there may be difficulties and delays in executing our growth plans due to factors beyond our control, such as the availability of human and capital resources, delayed or non-payment by customers, failure to accurately identify market trends and increase in cost of raw materials.

As we continue to implement our growth strategy, which include optimum utilization of production capacity, entering new markets and diversifying our product offerings within the PP Spunbond nonwoven fabric industry, we may encounter difficulties in managing the increased scale and complexity of our operations. These growth strategies, while essential to our long-term success, may introduce operational challenges such as supply chain disruptions, rising production costs, or difficulties in maintaining consistent product quality. Failure to effectively manage these complexities could negatively affect our ability to meet customer demands and expectations, thereby impacting on our brand reputation. Further, the increased scale of our business may require more advanced management systems, enhanced infrastructure and improved operational controls. If we are unable to implement the necessary processes to scale effectively, we may experience inefficiencies in production, inventory management, or customer service. These operational inefficiencies could harm our brand reputation and diminish customer loyalty, thereby undermining the potential benefits of our growth strategy.

As we grow, we may also face greater financial risks, including higher working capital requirements, increased debt obligations, or the need for additional capital to fund expansion efforts. If we fail to manage these financial pressures effectively, it could lead to reduced profitability and adversely affect our overall financial performance. The success of our growth strategy is contingent upon our ability to balance expansion with operational efficiency, and failure to do so may have an adverse impact on our business.

It is essential to acknowledge that our management may reassess existing strategies, and any changes to our approach could impose significant strain on our resources and operational capabilities. The successful execution of our growth strategies is not guaranteed, and there are inherent uncertainties associated with such endeavours. If we encounter challenges or fail to execute our growth plans effectively, it could materially and adversely impact our business, prospects, and results of operations.

39. *Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the respective fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax*

Our Company has not declared dividends in the past three Fiscals and from April 1, 2024, until the date of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on a number of internal factors identified in the dividend policy of our Company, including but not limited to, cash flow position of our Company, profits earned and available for distribution during the financial year, accumulated reserves including retained earnings, net profit earned during the financial year based on the consolidated financial statements, debt repayment schedules, if any, fund requirement for contingencies and unforeseen events with financial implications, expansion/diversification of business by the Company, restrictive covenants under the financing documents and any other relevant factors and material events. The external factors on the basis of which our Company may declare the dividend include are but not limited to business cycles, economic environment, both domestic and global, government and regulatory provisions, including taxation, inflation rates and the cost of raising funds from alternate sources. Any future determination as to the declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013.

We cannot assure that we will be able to pay dividends in the future. Furthermore, our Subsidiary may not pay dividends on equity shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiary. For further details, see “*Dividend Policy*” on page 227 of this Draft Red Herring Prospectus.

40. *We could be harmed by employee misconduct that are difficult to detect and any such incidences could adversely affect our financial conditions, results of operations and reputation.*

There has been no instance of employee misconduct in our Company. However, future instances of the same could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may undertake actions that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

41. *Some of our loan agreements contain restrictive covenants which may adversely affect our business results of operations and financial condition.*

As on December 31, 2024, our indebtedness (long term and short term) on consolidated basis was ₹10,228.81 lakhs. The terms of sanction of such borrowings and certain terms of the financing agreements include covenants, such as requirement to maintain certain security, margins, financial ratios and other restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of, assets and paying dividends. There can be no assurance that maintaining or adhering to such covenants will not hinder business development and growth.

There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. We cannot assure that we have complied with all such restrictive covenants in a timely manner, or at all, or that we will be able to comply with all such restrictive covenants in the future. Further, during any period in which we are in default, we may not be able to raise, or may face difficulties raising, further financing. For details, see “*Financial Indebtedness*” on page 271 of this Draft Red Herring Prospectus.

42. *The average cost of acquisition of Equity shares by our Promoters may be lower than the Issue price.*

The average cost of acquisition of Equity Shares for our Promoters may be lower than the Issue Price. The details of the average cost of acquisition of Equity Shares held by our Promoters as on the date of the Draft Red Herring Prospectus is set out below:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) ^{^#}
1.	Jay Dilipbhai Kagathara	70,29,716*	16.18
2.	Kishan Dilipbhai Kagathara	74,03,935**	13.49

[^] As certified by Kaushal Dave and Associates, Chartered Accountants, pursuant to their certificate dated January 28, 2025.
[#] Adjusted for bonus shares issued in ratio of 13:20 on January 13, 2025.

For more details regarding weighted average cost of acquisition of Equity Shares by our Promoters, see “*Summary of the Issue Document*” on page 21.

43. *We are subject to the risk of fraud, theft, embezzlement by our employees and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

Our business operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking in warehouse. our manufacturing facilities are equipped with comprehensive CCTV surveillance, covering all areas to ensure thorough monitoring and enhanced security. While we have not experienced any instance of theft, fraud, employee negligence and resultant loss in the past, the business may encounter some inventory loss on account of employee theft, vendor fraud and general administrative error, in the future. While we have obtained the anti – burglary insurance policy, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. In addition, losses due to theft, fire, breakage or damage caused by other casualties, theft of confidential information such as manufacturing processes, customers and product formulations, could adversely affect our results of operations and financial condition.

44. *We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Indian GAAP*

We have included certain financial and operational measures in this Draft Red Herring Prospectus, which we believe to be non-GAAP financial measures (“**Non-GAAP Measures**”) and KPIs, in accordance with the SEBI ICDR Regulations. We compute and disclose such KPIs relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies such as us. These KPIs may not be computed on the basis of any standard methodology that is applicable across industry and therefore may not be comparable to financial and operational measures, and industry-related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business.

Further, while after listing of the Equity Shares, we will continue to disclose the KPIs in accordance with the applicable laws, however, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change. Our internal systems and tools have a number of limitations, and our methodologies or assumptions that we rely on for tracking these metrics may also change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose, or our estimates of our category position. In addition, if the internal tools we use to track these measures under-count or overcount performance or contain algorithmic or other technical errors, the data and/or reports we generate may not be accurate. We calculate measures using internal tools, which are not independently verified by a third party. Any real or perceived inaccuracies in such metrics may harm our reputation and adversely affect our stock price, business, results of operations, and financial condition. Further, Non-GAAP measures presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian

GAAP, IFRS, U.S. GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity and should not be considered in isolation or construed as an alternative to cash flows, profit for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

External Risk Factors

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

The Restated Financial Information of our Company, which comprises the Restated Consolidated Statement of Assets and Liabilities, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash Flows as at and for the nine months period ended December 31, 2024, Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

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

46. *Political, economic or other factors that are beyond our control may adversely affect our business and results of operations.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products or services may be adversely affected by an economic downturn in

domestic, regional, and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

47. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

48. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. For instance, the Government of India has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the provisions of these codes have not yet been fully promulgated and notified, we are yet to determine the impact of all or some of such laws on our business and operations which may increase

our expenses and affect our results of operations and financial condition. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

49. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.*

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

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

50. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscals 2008 and 2009 adversely affected market prices in the global securities markets, including India. Following the United Kingdom's exit from the European Union (Brexit), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Further, the collapse of the Silicon Valley Bank during Fiscal 2023 also caused economic downturn. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increase volatility in Indian securities markets and indirectly affect the Indian economy in general. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether full or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such cases, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GOI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

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

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

Any downgrading of India's debt rating by a domestic or international rating agency could impact India's ability to borrow funds from international bodies thereby impacting governments spending in our industry. This could have an adverse effect on our business and financial performance and the ability to obtain financing for expenditures.

53. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemic disease and man-made disasters, and acts of terrorism and military actions could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, an deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

In addition, certain regions in India have witnessed terrorist attacks and civil disturbances and it is possible that future terrorist attacks or civil unrest, as well as other adverse social, economic and political events in India could have a negative effect on us. Transportation facilities, including vehicles, may be targets of terrorist attacks, which could lead to, among other things, increased insurance and security costs. Regional and global political or military tensions, or conflicts, strained or altered foreign relations, protectionism and acts of war or the potential for war could also cause damage and disruption to our business, which could materially and adversely affect our business, financial condition, cash flows and results of operations. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares. We may also face difficulty in accessing certain parts of India at certain times of the year or under adverse or inclement weather conditions.

54. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

We are incorporated in India, and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and other economies and our results of operations and cash flows are significantly affected by factors influencing the Indian and global economies.

Other factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenue, and as such decrease our operating margins;
- any slowdown in economic growth or financial instability in India and in countries where we operate our business;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in existing laws and regulations in India and in countries where we operate our business;
- political instability, terrorism or military conflict in the region or globally, including in various neighboring countries;
- occurrence of natural or man-made disasters;
- any downgrading of debt rating of India or where we operate our business, by a domestic or international rating agency;
- instability in financial markets;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and, or, a timely basis; and
- any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

55. *Adverse geopolitical conditions such as an increased tension between India and its neighboring countries, and Russia-Ukraine conflict, could adversely affect our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and its neighboring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or input materials, among others, and affect our ability to procure input materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the government of India imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our input material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition. Such measures may also have an adverse impact on the products we export, including increasing the cost of such products, which may adversely affect our results of operations and financial condition. Further,

prolonged Russia-Ukraine conflict that is currently impacting, *inter alia*, global trade, prices of oil and gas and could have an inflationary impact on the Indian economy.

56. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments and failure to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis may affect our results of operations.*

Modernization and technology up gradation is essential to reduce costs and increase the output. Our production technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions. Although we believe that we have installed plant and machineries with the latest upgraded technology suitable for yarn production, we shall further continue to keep our technology updated. In case of availability of an updated technology in the industry, we may be required to implement new technology as failure to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis may affect our results of operation. Further, the cost in upgrading our technology may be significant which could substantially affect our finances and operations.

57. *Governmental actions and changes in policy could adversely affect our Company's business.*

The Government of India and the State Governments in India have broad powers to affect the Indian economy and our business in numerous ways. Additionally, change in policies in the countries to which we export, may affect our business. Any change in the existing policies of Government of India and/or State Government, or foreign government policies, or new policies affecting the economy of India or any foreign country, where we operate our business, could adversely affect our business operations. Moreover, we also cannot assure you that the Central Government or State Governments in India, or foreign government in countries where we operate will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. We cannot predict the terms of any new policy, and we cannot assure you that such a policy will not be onerous. Such a new policy may also adversely affect our business, cash flows, financial condition and prospects.

58. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.*

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

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

Our Company is not a publicly listed company and has not, historically, been subjected to the increased scrutiny of our Company's affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, our Company will incur significant legal, accounting, corporate governance and other expenses that our Company did not incur as an unlisted company. Our Company will be subject to the SEBI LODR Regulations, which will require our Company to file audited annual and unaudited quarterly reports with respect to our Company's business and financial condition.

If our Company experience any delays, our Company may fail to satisfy our Company's reporting obligations and / or our Company may not be able to readily determine and accordingly report any changes in our Company's results of operations as promptly as other listed companies. Further, as a publicly listed company, our Company will need to maintain and improve the effectiveness of our Company's disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our Company's disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our Company's management's attention may be diverted from our Company's business concerns, which may adversely affect the business, prospects, results of operations and financial condition of our Company.

60. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the equity shares.

The outbreak of Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Issue Specific Risk Factors

61. *Our Company has issued Equity Shares during the last 12 months at a price which may be lower than the Issue Price.*

Our Company has, in the 12 months preceding the date of this Draft Red Herring Prospectus, issued Equity Shares at a price that may be lower than the Issue Price. For details, see "*Capital Structure – Notes to the Capital Structure – Share capital history of our Company – Issue of specified securities at a price lower than the Issue Price in the last year*" on page 93. The prices at which our Company has issued these Equity Shares in the past is not indicative of the price at which our Equity Shares will be issued or traded.

62. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.*

The Issue Price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There can be no assurances that investors who are allotted Equity Shares through the Issue will be able to resell their Equity Shares at or above the Issue Price.

63. *The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price.*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchange may not develop or be sustained after the Issue. Listing and quotation do not

guarantee that a market for the Equity Shares will develop, or if developed, there will be liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue.

The market price of the Equity Shares after the Issue can be volatile as a result of several factors beyond our Company's control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global industry in which we operate, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, announcements by third parties or governmental entities of significant claims or proceedings against us, announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations. In addition, the Stock Exchange may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

64. *Investors may not be able to immediately sell any of the Equity Shares subscribe to in this Issue on an Indian Stock Exchange.*

The Equity Shares are proposed to be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of the investor's demat accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. The Allotment of Equity Shares in the Issue and the credit of Equity Shares to the investor's demat account with the relevant depository participant and listing is expected to be completed within the period as may be prescribed under applicable law. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. Our Company cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict your ability to dispose of the Equity Shares.

65. *Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees upon exercise of vested options held by them under the ESOP Schemes, may dilute your shareholding. Any such future issuance of Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities or by incurring debt. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholders will not dispose of further Equity Shares after the completion of the Issue (subject to compliance with the lock-in provisions under applicable law) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Issue Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India, if securities transaction tax has been paid on the transaction. Any gain realized on the sale of shares held for more than 24 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 36 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, may be subject to short term capital gains tax at relatively higher rate as compared to the transaction where STT has been paid in India.

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

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

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

Under the Companies Act, a company having share capital and incorporated in India is required to offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolutions. However, if the laws of the jurisdiction that you are in, does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

69. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

- 70. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Our Equity Shares are expected to trade on NSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Share after the Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

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

- 72. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchange have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalisation etc. Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may

trigger any of the parameters prescribed by SEBI and the Stock Exchange for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

- 73. *Our Equity Shares have never been publicly traded, and after the Issue, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.***

Prior to the Issue, there has been no public market for the Equity Shares, and while our Equity Shares are expected to trade on NSE after the Issue, an active trading market on the Stock Exchanges may not develop, be sustained or be liquid after the Issue, or if such trading or liquidity develops, there can be no assurance that it will continue. If an active trading market does not develop, you may have difficulty selling any of our Equity Shares that you buy. The determination of the Issue Price will be based on various factors and assumptions and will be determined by our Company, in consultation with the BRLMs through the Book Building Process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Issue Price will be based on numerous factors, as described in the section “*Basis for Issue Price*” on page 126. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments, announcements by third parties or governmental entities of significant claims or proceedings against us, new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry, including market conditions specific to the industry we operate in, additions or departures of key management and changes in economic and legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all, and may as a result lose all or a part of your investment.

- 74. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue, and there could be a failure or delay in listing of Equity Shares on the Indian stock exchanges, all of which could adversely impact investors ability to participate in the Issue.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Indian Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods as specified by SEBI. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

76. *The determination of the Price Band is based on various factors and assumptions and the Issue Price, price to earnings ratio and market capitalization to revenue multiple based on the Issue Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.*

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. The relevant financial parameters based on which the Price Band will be determined shall be disclosed in the advertisement that will be issued for the publication of the Price Band. Further, the Issue Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section “Basis for the Issue Price” on page 126 and the Issue Price, multiples and ratios may not be indicative of the market price of our Company on listing or thereafter.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, we cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing. Further, the market price of the Equity Shares may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

77. *Our Company’s revenues and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.*

Our Company’s quarterly operating results may fluctuate from quarter to quarter depending upon various internal and external factors. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our

Company's future performance. It is possible that in the future some of our Company's quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a significant decline of the share price of the Equity Shares.

- 78. *Qualified Institutional Buyers (“QIBs”) and Non-Institutional Investors were not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/ Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within three Working Days from the Bid/ Issue Closing Date or such other timeline as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, any changes in our business, our results of operation or the financial condition of our Company, which may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

- 79. *There is no guarantee that our Equity Shares will be listed on the NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

- 81. *Sale of Equity Shares by our Promoters and Promoter Group in future may adversely affect the market price of the Equity Shares.***

After the completion of the Issue, our Promoters and Promoter Group will own a significant percentage of our Company's issued Equity Shares. The sale of a large number of the Equity Shares by the Promoters could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur, could adversely affect the market price of the Equity Shares. No assurance may be given that the Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

82. ***Our assets and operations are located in India, and we are subject to regulatory, economic and political uncertainties in India and a significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business.***

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

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SECTION IV - INTRODUCTION

THE ISSUE

The following is the summary of the Issue

Particulars	Details
Equity Shares Issued through Public Issue: * ⁽¹⁾⁽²⁾ Present Issue of Equity Shares by our Company	Issue of 63,51,600 Equity Shares of face value of ₹10/- each at a price of ₹[●] per Equity Share
Of which:	
Issue Reserved for the Market Maker	[●] Equity Shares of face value of ₹10/- each at a price of ₹[●]/- per Equity Share reserved as Market Maker Portion
Net Issue to Public	Net Issue to Public of [●] Equity Shares of face value of ₹10/- each at a price of ₹[●]/- per Equity Share to the Public
Of which:	
Allocation to Qualified Institutional Buyers ⁽³⁾⁽⁴⁾	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Of which:	
(i) Anchor Investor Portion	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
(ii) Net QIB portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non -Retail Individual Investors	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating up to [●] Lakhs
Allocation to Retail Individual Investors ⁽⁵⁾	[●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating up to [●] Lakhs
Pre-Issue and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,77,51,809 Equity Shares of face value of ₹ 10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of ₹ 10/- each
Use of Proceeds	For further details, see 'Objects of the Issue' on page 112 of this Draft Red Herring Prospectus.

*Subject to finalization of the Basis of Allotment number of shares may need to be adjusted for lot size upon determination of issue price.

- (1) The Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) and Regulation 253 (1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of the SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being issued to the public for subscription.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated January 11, 2025 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on January 13, 2025.
- (3) Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for Mutual Funds, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see "Issue Procedure" on page 320.
- (4) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the

- discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
- (5) *Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹2 lakhs and up to ₹10 lakhs and two-thirds shall be reserved for Bidders with Bids exceeding ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, other than the Anchor Investors, are mandatorily required to participate in this Issue only through an Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) in which the Bid amount will be blocked by the Self Certified Syndicate Banks or the Sponsor Bank. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, please see "Issue Procedure" on page 320.*
- (6) *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*
- (7) *In the event of an under-subscription in the issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLM shall first ensure Allotment of Equity Shares issued pursuant to the Fresh Issue by the Issuer.*

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SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the nine months period ended December 31, 2024 and Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022. The Restated Financial Information referred to above are presented under “*Financial Information*” on page 228. The summary of financial information presented below should be read in conjunction with the “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Result of Operations*” on pages 228 and 259, respectively.

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Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 1

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	Note No.	₹ in Lakhs			
		As at 31.12.2024 ₹	As at 31-03-2024 ₹	As at 31-03-2023 ₹	As at 31-03-2022 ₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	3	1,075.87	999.91	999.91	999.91
(b) Reserves and surplus	4	3,079.20	1,576.76	1,032.58	919.89
		4,155.07	2,576.67	2,032.49	1,919.80
2 Minority Interest					
		-	-	-	-
3 Non-current liabilities					
(a) Long-term borrowings	5	4,596.62	2,856.11	3,369.63	4,517.38
(b) Long-term provisions	6	48.67	39.03	23.37	15.77
		4,645.29	2,895.14	3,392.99	4,533.15
4 Current liabilities					
(a) Short-term borrowings	7	5,447.19	1,976.86	1,580.77	1,065.35
(b) Trade payables	8				
i) Dues of micro & small enterprises		903.32	187.84	211.03	218.59
ii) Dues of creditors other than micro & small enterprises		3,209.18	2,670.92	1,956.50	418.82
(c) Other current liabilities	9	669.73	101.37	106.94	289.56
(d) Short-term provisions	10	258.16	249.25	34.00	131.61
		10,487.59	5,186.24	3,889.23	2,123.94
TOTAL EQUITY AND LIABILITIES		19,287.95	10,658.04	9,314.71	8,576.89
II. ASSETS					
1 Non-current assets					
(a) Property, plant and equipments and intangible assets					
(i) Property, plant and equipments	11(a)	5,982.19	4,584.62	5,029.95	1,236.28
(ii) Capital work-in-progress	11(b)	-	0.00	0.00	3,784.87
(iii) Intangible assets	11(c)	94.00	5.87	-	-
(b) Deferred tax asset (net)	12	41.78	59.84	13.61	39.25
(c) Other Non Current assets	13	468.95	192.72	243.62	350.65
		6,586.92	4,843.06	5,287.19	5,411.05
2 Current assets					
(a) Inventories	14	4,500.55	2,388.66	985.33	915.22
(b) Trade receivables	15	6,422.54	3,034.30	2,192.97	1,197.02
(c) Cash and bank balances	16	23.45	17.09	9.69	12.10
(d) Short-term loans and advances	17	1,107.01	173.87	365.78	733.07
(e) Other current assets	18	647.48	201.07	473.75	308.43
		12,701.03	5,814.98	4,027.53	3,165.84
TOTAL ASSETS		19,287.95	10,658.04	9,314.71	8,576.89

Note: The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information appearing in Annexure 4 and Annexure 5 respectively.

In terms of our report attached.
For, Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited**
(Earlier known as Spunweb Nonwoven Private Limited)

- - SD - -

- - SD - -

- - SD - -

(Kaushal V.Dave)
Partner
(Membership No. 174550)
UDIN : 25174550BMLMPY5905

(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN:(09730384)

- - SD - -

- - SD - -

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

(Abhaykumar N.Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25-01-2025

Place : Rajkot
Date: 25-01-2025

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 2

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Lakhs

Particulars	Note No.	For the nine month period ended on 31.12.2024	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Income					
1 Revenue from operations	19	15,710.05	14,861.14	11,591.82	11,382.15
2 Other income	20	45.51	562.98	176.19	421.02
3 Total income (1+2)		15,755.56	15,424.12	11,768.01	11,803.17
4 Expenses:					
a) Cost of materials consumed	21	12,897.42	11,632.09	8,875.35	9,901.48
b) Changes in inventories of finished goods and work-in-progress	22	(1,265.67)	(627.56)	(211.93)	(230.35)
c) Employee benefits expense	23	484.36	422.22	371.15	307.07
d) Finance costs	24	479.35	439.08	435.19	347.28
e) Depreciation and amortisation expense	25	595.11	879.70	650.33	242.12
f) Operating expenses	26	818.36	1,061.68	757.41	455.11
g) Selling, general and administrative expense	27	727.51	872.19	719.66	309.94
Total expenses		14,736.44	14,679.40	11,597.18	11,332.66
5 Profit before exceptional and extraordinary items, and tax (3-4)		1,019.12	744.71	170.83	470.51
6 Exceptional items & extraordinary items		-	-	-	-
7 Profit before tax (5-6)		1,019.12	744.71	170.83	470.51
8 Tax expense:					
(a) Current tax expense, as restated		246.19	246.76	32.51	130.79
(b) Short/ (excess) provision for tax relating to prior years		25.51	-	-	2.14
		271.70	246.76	32.51	132.93
(c) Deferred tax credit		18.06	(46.22)	25.64	4.51
Total tax expenses		289.76	200.53	58.15	137.44
9 Profit after tax but before share of profit of associate & minority interest (7-8)		729.35	544.18	112.68	333.07
10 Share in profit of associate		-	-	-	-
11 Profit after tax but before share of profit attributable to minority interest (9-10)		729.35	544.18	112.68	333.07
12 Less: Share of (loss)/ profit attributable to minority interest		-	-	-	-
13 Profit for the year after tax carried to balance sheet (11-12)		729.35	544.18	112.68	333.07
Earnings per equity share of Rs. 10/- each					
Basic		7.29	5.44	1.13	3.33
Diluted		7.29	5.44	1.13	3.33

Note: The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information appearing in Annexure 4 and Annexure 5 respectively.

In terms of our report attached.
For, Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)**

- - SD - -

- - SD - -

- - SD - -

(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN: (09730384)

- - SD - -

- - SD - -

(Kaushal V.Dave)
Partner
(Membership No. 174550)
UDIN : 25174550BMLMPY5905

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

(Abhaykumar N.Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25-01-2025

Place : Rajkot
Date: 25/01/2025

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 3

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in Lakhs

Particulars	For the nine month period ended on 31.12.2024	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
A. Cash flows from operating activities				
Profit before tax, as restated	1,019.12	744.71	170.83	470.51
Adjustments for:				
Depreciation and amortisation expense	595.11	879.70	650.33	242.12
Loss on Sales of Assets	-	0.14	-	1.22
Preliminary Expenses Written off	1.85	1.85	1.85	1.85
Finance costs	479.35	439.08	435.19	347.28
Interest income on bank deposits	(7.98)	(10.03)	(13.33)	(8.14)
Provision for Corporate social Responsibility	9.01	-	-	-
Provision for Gratuity	10.13	16.66	8.27	16.59
Operating profit before working capital changes	2,106.58	2,072.11	1,253.14	1,071.44
Adjustments for changes in :				
(Increase)/ decrease in inventories	(1,207.60)	(1,403.33)	(70.10)	97.67
(Increase)/ decrease in trade receivables	(1,561.87)	(841.33)	(995.97)	265.43
(Increase)/ decrease in short-term loans and advances	(503.29)	191.91	367.28	912.32
(Increase)/ decrease in other current assets	(140.64)	270.84	(167.17)	(285.72)
Increase/ (decrease) in trade payables	189.71	691.23	1,530.12	(233.94)
Increase/ (decrease) in other current liabilities	316.70	(5.56)	(182.63)	188.83
Increase/ (decrease) in Other Non Current Assets	(8.14)	50.90	107.03	(350.65)
Cash generated from operations	(808.55)	1,026.76	1,841.70	1,665.39
Net income tax paid	(272.27)	(32.51)	(130.79)	(186.95)
Net cash flows from operating activities (A)	(1,080.82)	994.26	1,710.91	1,478.44
B. Cash flows from investing activities				
Net Capital expenditure on fixed assets including capital advances	(270.63)	(456.28)	(659.13)	(3,970.24)
Interest received	7.98	10.03	13.33	8.14
Proceeds from the sales of Fixed assets	28.23	7.17	-	-
Investment in Subsidiary	(828.11)	-	-	-
Security deposits (made)/ refund received	-	-	-	-
Proceeds from government authorities	-	-	-	-
Fixed deposit with banks matured/ (placed)	-	-	-	61.46
Net cash from / (used in) investing activities (B)	(1,062.53)	(439.07)	(645.80)	(3,900.64)
C. Cash flows from financing activities				
Proceeds/ (repayment) of short term borrowings, net	1,761.96	396.09	515.43	(0.87)
Proceeds/ (repayment) of Long Term Borrowing Net	867.11	(504.80)	(1,147.75)	2,750.34
Finance costs	(479.35)	(439.08)	(435.19)	(347.28)
Net cash (used in) / from financing activities (C)	2,149.71	(547.78)	(1,067.52)	2,402.20
Net increase in cash and cash equivalents (A+B+C)	6.36	7.40	(2.41)	(20.00)
Cash and cash equivalents (opening balance)	17.09	9.69	12.10	32.10
Cash and cash equivalents (closing balance)	23.45	17.09	9.69	12.10

Notes to cash flow statement:

- The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information Annexure 4 and Annexure 5 respectively.
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement".

In terms of our report attached.

For, Kaushal Dave & Associates

Chartered Accountants

ICAI Firm Registration No 143936W

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited**

- SD -

- SD -

- SD -

(Kaushal V. Dave)

Partner

(Membership No. 174550)

UDIN : 25174550BMLMPY5905

(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

- SD -

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN: (09730384)

- SD -

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

(Abhaykumar N. Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25/01/2025

Place : Rajkot
Date: 25/01/2025

SECTION V – GENERAL INFORMATION

Our Company was incorporated as “*Spunweb Nonwoven Private Limited*” as a private limited company in Rajkot, Gujarat under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated August 06, 2015, issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on July 06, 2024, and the name of our Company was changed to “*Spunweb Nonwoven Limited*”. A fresh certificate of Incorporation consequent upon conversion from a Private Limited company to Public Limited company dated September 06, 2024, was issued by the Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U17291GJ2015PLC084107. For change in registered office and other details please see “*History and Certain Corporate Matters*” on page 204 of this Draft Red Herring Prospectus.

Registered Office

Survey No.109(2), N.H. 27,
Near Wankaner Boundary,
Post at Jalida, Village Rangpar,
Rajkot, Wankaner – 363 621, Gujarat, India.
Telephone: +91-87 5894 4844
Website: www.spunweb.com
Company Registration Number: 084107
Corporate Identification Number: U17291GJ2015PLC084107

Corporate Office

Office No. 604, South Block, Twin Star,
Near Nana Mava Circle, 150 Feet Ring Road,
Rajkot – 360 005, Gujarat, India.

Registrar of Companies

Our Company is registered with the RoC located at the following address:

Registrar of Companies, Gujarat
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad-380013, Gujarat.
Telephone: +079-2743 8531
Email: roc.ahmedabad@mca.gov.in
Website: www.mca.gov.in

Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Jay Dilipbhai Kagathara	Chairman and Managing Director	07335356	A-401, The Temple, New 150 Feet Ring Road, Nr. Arjun Party Plot, Rajkot – 360 005, Gujarat.
Kishan Dilipbhai Kagathara	Whole Time Director	09730384	A-401, The Temple, New 150 Feet Ring Road, Near Arjun Party Plot, Rajkot – 360 005, Gujarat.

Name	Designation	DIN	Address
Charulata Jay Kagathara	Non-Executive Director	10694605	A-401, The Temple, New 150 Feet Ring Road, Nr. Arjun Party Plot, Rajkot – 360 005, Gujarat.
Amul Kantibhai Kotadia	Independent Director	10805206	8, Sardar Patel Society, Near New Best English School, Joshipara, Junagadh 362 001, Gujarat.
Chetankumar Jayantilal Kamani	Independent Director	10770099	Flat No. 501, Siddhi Silver Flats, Ambika Township, Near Modi School, Rajkot 360 004, Gujarat.

For further details of our Directors, see “*Our Management*” on page 208 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Romit Ajaykumar Shah is our Company Secretary and Compliance Officer of our Company. His Contact details are as follows:

Romit Ajaykumar Shah

Survey No.109(2), N.H. 27, Near Wankaner Boundary, Post at Jalida Village, Rangpar, Rajkot, Wankaner – 363 621, Gujarat, India.
Telephone: +91-87 5894 4844

E-mail: cs@spunweb.in

Chief Financial Officer

Abhaykumar Narshibhai Fadadu is our Chief Financial Officer. His contact details are as follows:

Abhaykumar Narshibhai Fadadu

Survey No.109(2), N.H. 27, Near Wankaner Boundary, Post at Jalida Village, Rangpar, Rajkot, Wankaner – 363 621, Gujarat, India.
Telephone: +91-87 5834 4844

E-mail: cfo@spunweb.in

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre- Issue or post- Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

All grievances relating to applications submitted through the Registered Broker and/or a stockbroker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

Details of Key Intermediaries pertaining to this Issue and our Company

Book Running Lead Manager

Vivro Financial Services Private Limited

Vivro House, 11, Shashi Colony,
opp. Suvidha Shopping Center,
Paldi, Ahmedabad, Gujarat 380007, India.

Telephone: +91-79 4040 4242

Email id: investors@vivro.net

Investor Grievance id: investors@vivro.net

Website: www.vivro.net

Contact Person: Hardik Vanpariya/ Jay Dodiya

SEBI Registration No.: INM000010122

CIN: U67120GJ1996PTC029182

Statement of responsibilities of the Book Running Lead Manager

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

Syndicate Members

[•]

Legal Counsel to the Issue

Rajani Associates, Advocates & Solicitors

204 – 207, Krishna Chambers 59, New Marine Lines,
Mumbai, 400 020, Maharashtra, India.

Telephone: +91-22-4096 1002 | 98200 41647

Email Id: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

Statutory & Peer Review Auditor of the Company

Kaushal Dave & Associates

Chartered Accountants

Office No. 604 & 605, Level 06,
Opposite Imperial Heights,
Near AP park, Rajkot, Gujarat – 360 001

Telephone: +91-94 2951 4418

Website: www.cakda.in

Email Id: office@cakda.in

Contact Person: Kaushal V Dave

Membership Number: 174550

Peer Review Number: 017477

Firm Registration Number: 143936W

Registrar to the Issue

MUFG Intime India Private Limited

(Formerly known as Link Intime India Private Limited)

C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India.

Telephone: +91-81 0811 4949

Website: www.linkintime.co.in

Email ID: spunweb.ipo@linkintime.co.in

Investor Grievance ID: spunweb.ipo@linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

Bankers to the Issue, Refund Banker and Sponsor Bank

[•]

Banker to our Company

HDFC Bank Limited

Jai Hind Press Building,

Ground Floor, Nr. ICICI Bank, Opp.

Shardabaug, Shroff Road, Rajkot 360 001.

Telephone: +91-98 2514 1480

E-Mail ID: aditya.oza@hdfcbank.com

Website: www.hdfcbank.com

Contact Person : Aditya Haridas Oza

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. or at such other website as may be prescribed by SEBI and updated from time to time.

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

Self-Certified Syndicate Banks eligible as issuer banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated September 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Registered Brokers

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

Collecting Depository Participants

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar and Share Transfer Agent

The list of the RTAs eligible to accept ASBA forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at www.nseindia.com as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>.

Brokers to the Issue

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

IPO Grading

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

Experts

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

1. Our Company has received written consent dated January 28, 2025 from our Statutory Auditor namely, Kaushal Dave & Associates, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated January 25, 2025 on our Restated Consolidated Financial Statements; (ii) their report dated January 28, 2025 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus; and (iii) the certificates issued by them in relation to this Issue, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
2. Our Company has received a written consent dated January 09, 2025 from Babulal A. Ughreja, Chartered Engineer, to include his name as an “expert” as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Draft Red Herring Prospectus.

Monitoring Agency

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

Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue

Credit Rating

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

Trustees

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

Debenture trustees

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

Green Shoe Option

No green shoe option is applicable for the Issue.

Filing of Issue Document

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed with EMERGE Platform of the National Stock Exchange of India Limited (the “NSE EMERGE”) in terms of Regulation 246 (2) of SEBI ICDR Regulations.

Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on the draft offer document in term of Regulation 246(2) of the SEBI ICDR Regulations. Pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of this Draft Red Herring Prospectus will be available on website of the Company at www.spunweb.com, Book Running Lead Manager at www.vivro.net and Stock Exchange at www.nseindia.com.

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

Changes in Auditors during the last three years

Except as stated below, there has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus

Particulars	Date of Change	Reason for Change
Busa & Associates, Chartered Accountants Busa House, Plot No. 3 - A, Jankalyan Society, Near Astron Chowk, Tagore Road, Rajkot – 360 001, Gujarat. Telephone: +028 1246 2804 Email Id: rajkot@cabusa.in Contact Person: CA Hemantkumar Busa Membership Number: 109953 Peer Review Number: 014231 Firm Registration Number: 122574W	July 22, 2024	Resignation due to pre-occupation in other assignment

Particulars	Date of Change	Reason for Change
Kaushal Dave & Associates, Chartered Accountants Office No. 604 & 605 Level 06, Opp. Imperial Heights, Near AP Park, Rajkot 360 001, Gujarat Telephone: +028 1246 2804 Email Id: office@cakda.in Contact Person: Kaushal V. Dave Membership Number: 174550 Peer Review Number: 017477 Firm Registration Number: 143936W	August 21, 2024	Appointment to fill casual vacancy upon resignation by Busa & Associates, Chartered Accountants.

Type of Issue

The present Issue is 100% Book Building Issue.

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company
- The Book Running Lead Manager in this case being Vivro Financial Services Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriter. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50 % of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”, the “QIB Portion”), provided that our Company in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (“Anchor Investor Portion”), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹2 lakhs and up to ₹10 lakhs and two-thirds shall be reserved for Bidders with Bids exceeding ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated

to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non- Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Book Building, please refer to the chapter titled “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process:

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program

Event	Indicative Dates
Bid/ Issue Opening Date	[●]
Bid/ Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Note:

1. Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid / Issue Period shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI ICDR Regulations.
2. Our Company in consultation with the Book Running Lead Manager, consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and revision of Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

Bid/Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/ Cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories [#]	Only between 10.00 a.m. on the Bid/Issue Opening Date and up to 4.00 p.m. IST on Bid/Issue Closing Date
Upward or downward revision of Bids or cancellation of Bids by Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Issue Closing Date

* UPI mandate end time was at 5:00 p.m. on the Bid/ Issue Closing Date.

[#] QIBs and Non-Institutional Bidders could neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- (i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders

The time for applying for Retail Individual Bidder on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 12.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stockbrokers, as the case may be, for the rectified data.

Underwriter

Our Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten by the underwriter [●]. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The

underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Details of the Underwriter	No. of Shares Underwritten*	Amount Underwritten	% of the total Issue Size Underwritten
[•]	[•]	[•]	[•]

**Includes [•] Equity shares of face value of ₹ [•]/- each of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [•] in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full.

Details of Market Making Arrangement

Our Company and the Book Running Lead Manager will enter into Market Making Agreement dated [•] with the following Market Maker to fulfil the obligations of market making for this Issue:

Name Address Telephone E-mail Contact Person SEBI Registration No. Market Maker Registration No.	[•]
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[•], registered with [•], will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations as amended from time to time.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE EMERGE and SEBI in this matter from time to time.

In terms of Regulation 261(1) of SEBI ICDR Regulations, the market making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by NSE EMERGE and SEBI regarding this matter from time to time.

In terms of Regulation 261(2) of SEBI ICDR Regulations, the Market Maker or Issuer, in consultation with the Book Running Lead Manager may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of NSE EMERGE.

In terms of regulation 261(3) of SEBI ICDR Regulations, following is a summary of the key details pertaining to the Market Making arrangement:

The Market Maker "[•]", shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

The prices quoted by Market Maker shall be in compliance with the market maker spread requirements and other particulars as specified or as per the requirements of NSE EMERGE and SEBI from time to time.

The minimum depth of the quote shall be ₹1,00,000/- (Rupees One Lakh Only). However, the investors with holdings of value less than ₹1,00,000/- (Rupees One Lakh Only) shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE EMERGE may intimate the same to SEBI after due verification.

The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on NSE EMERGE (in this case currently the minimum trading lot size is [•] Equity Shares; however, the same may be changed by NSE from time to time).

After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken into consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.

Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

There would not be more than five Market Maker for a script at any point of time and the Market Maker may compete with other Market Makers for better quotes to the investors.

On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.

There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market-for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

The Market Maker(s) shall have the right to terminate said arrangement by giving six months' notice or on mutually acceptable terms to the BRLM, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI ICDR Regulations, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

Price Band and Spreads: The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME platform:

Sr. No.	Market Price Slab (in ₹) Proposed Spread (in % to sale price)	Market Price Slab (in ₹) Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

Risk containment measures and monitoring for Market Maker:

EMERGE Platform of NSE will have all margins which are applicable on NSE viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE may impose other margins as deemed necessary from time-to-time.

Punitive Action in case of default by Market Maker:

EMERGE Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines /suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time. The Market Maker shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue size)	Re-entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts

within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

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SECTION VI - CAPITAL STRUCTURE

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

<i>(₹ in lakhs, except share data)</i>		
Particulars	Aggregate nominal value	Aggregate value at Issue Price*
A AUTHORISED SHARE CAPITAL		
2,50,00,000 Equity Shares of face value of ₹10 each	2,500.00	-
B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
1,77,51,809 Equity Shares of face value of ₹10 each	1,775.18	-
C PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS[^]		
Issue of up to 63,51,600 Equity Shares of face value of ₹10 each at an Issue Price of ₹[●] per Equity Share	[●]	[●]
Of which[#]		
Reservation for Market Maker: [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
Net Issue to Public: [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share to the Public	[●]	[●]
Net Public Issue consists of:		
Allocation of Qualified Institutional Buyers	[●]	[●]
Not more than [●] Equity Shares of face value of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share will be available for allocation to Qualified Institutional Buyers		
Allocation to Non-Institutional Investors:	[●]	[●]
At least [●] Equity Shares of face value of ₹10/- each at an Issue Price of ₹ [●] per Equity Share will be available for allocation to Non-Institutional Investors		
Allocation to Retail Individual Investors:	[●]	[●]
At least [●] Equity Shares of face value of ₹10/- each at an Issue Price of ₹ [●] per Equity Share will be available for allocation to Retail Individual Investors		
D ISSUED, SUBSCRIBED AND PAID-UP EQUITY CAPITAL AFTER THE ISSUE		
Up to [●] Equity Shares of face value of ₹10/- each	[●]**	[●]
E SECURITIES PREMIUM		
Before the Issue (as on the date of this Draft Red Herring Prospectus)	-	773.09
After the Issue	-	[●]

*To be updated upon finalization of the Issue Price.

[^] The Issue has been authorised by our Board of Directors at their meeting held on January 11, 2025 and our Shareholders pursuant to the resolutions passed at their meeting held on January 13, 2025.

** Subject to finalization of Basis of Allotment.

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

Classes of Shares

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

Notes to Capital Structure

1. Change in Authorised Share Capital of our Company:

The initial authorized capital of our Company was ₹1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) Equity Shares of ₹10/- (Rupees Ten only) each. Further, the authorised share capital of our Company has been altered in the manner set forth below: :

Date of Meeting	General Particulars of change in Authorized Share Capital
December 1, 2015	Increase of the authorized share capital of our Company from ₹1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) Equity Shares of ₹10/- (Rupees Ten only) each to ₹4,00,00,000/- (Rupees Four Crores only) consisting of 40,00,000 (Forty Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each.
March 6, 2017	Increase of the authorized share capital of our Company from ₹4,00,00,000/- (Rupees Four Crores only) consisting of 40,00,000 (Forty Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each to ₹4,50,00,000/- (Rupees Four Crores and Fifty Lakhs only) consisting of 45,00,000 (Forty-Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
July 10, 2018	Increase of the authorized share capital of our Company from ₹4,50,00,000/- (Rupees Four Crores and Fifty Lakhs only) consisting of 45,00,000 (Forty-Five Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each to ₹5,00,00,000/- (Rupees Five Crores only) consisting of 50,00,000 (Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
December 1, 2020	Increase of the authorized share capital of our Company from ₹5,00,00,000/- (Rupees Five Crores only) consisting of 50,00,000 (Fifty Lakhs) of ₹10/- (Rupees Ten only) each to ₹10,00,00,000/- (Rupees Ten Crores only) consisting of 1,00,00,000 (One Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each.
February 11, 2021	Increase of the authorized share capital of our Company from ₹10,00,00,000/- (Rupees Ten Crores only) consisting of 1,00,00,000 (One Crore) of ₹10/- (Rupees Ten only) each to ₹14,00,00,000/- (Rupees Fourteen Crores only) consisting of 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
December 9, 2024	Increase of the authorized share capital of our Company from ₹14,00,00,000/- (Rupees Fourteen Crores only) consisting of 1,40,00,000 (One Crore Forty Lakhs) of ₹10/- (Rupees Ten only) each to ₹25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.

2. Equity Share Capital History of our Company:

(a) Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Sr. No.	Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Cumulative Number of Equity Shares	Cumulative Paid-Up Share Capital
1.	On Incorporation	Subscription to MOA ⁽¹⁾	10,000	10	-	Cash	10,000	1,00,000
2.	March 31, 2016	Right Issue ⁽²⁾	39,90,000	10	10	Cash	40,00,000	4,00,00,000
3.	March 23, 2017	Right Issue ⁽³⁾	5,00,000	10	10	Cash	45,00,000	4,50,00,000
4.	July 27, 2018	Right Issue ⁽⁴⁾	4,90,000	10	10	Cash	49,90,000	4,99,00,000
5.	January 8, 2021	Right Issue ⁽⁵⁾	39,87,100	10	10	Cash	89,77,100	8,97,71,000
6.	March 30, 2021	Right Issue ⁽⁶⁾	10,22,000	10	10	Cash	99,99,100	9,99,91,000
7.	December 30, 2024	Preferential Issue ⁽⁷⁾	7,59,572	10	111.78	Other than Cash [^]	1,07,58,672	10,75,86,720
8.	January 13, 2025	Bonus Issue ⁽⁸⁾	69,93,137	10	-	-	1,77,51,809	17,75,18,090

[^]The board of directors in their meeting held on December 30, 2024, allotted 7,59,572 Equity Shares pursuant to the Share Sale and Transfer Agreement dated December 27, 2024 for acquisition of 69,95,000 (Sixty Nine Lakhs Ninety Five Thousand) fully paid-up equity shares of Spunweb India Private Limited constituting 50.00% of the shareholding of Spunweb India Private Limited.

1. Initial Subscribers to the Memorandum of Association of our Company - 10,000 Equity Shares of face value of ₹10/- each issued at par to the following persons:

Sr. No.	Name	Number of Equity Shares
1.	Dilipbhai Hansrajbhai Kagathara	5,000
2.	Dineshbhai Hansrajbhai Kagathara	5,000
	Total	10,000

2. Allotment of 39,90,000 Equity Shares of face value of ₹10/- each by way of Rights Issue to the following persons:

Sr. No.	Name	Number of Equity Shares
1.	Ansari Mohammedjuber Shahbudin	25,000
2.	Arjanbhai Popatbhai Bhojani	39,974
3.	Arvindbhai Valjibhai Bhimani	10,000
4.	Ashvinbhai Chhaganbhai Vadhadiya	49,290
5.	Atulbhai Vrajilalbai Sayja	50,000
6.	Bakulbhai Shantilalbai Bhesdadiya	50,000
7.	Baljibhai Madhavjibhai Bhalodiya	50,000
8.	Chetanbhai Nanjibhai Saveria	20,000
9.	Chetanbhai Thobhanbhai Kanani	70,000
10.	Damjibhai Madhavjibhai Hothi	60,000
11.	Dayalalbai Madhavjibhai Bhalodiya	50,000
12.	Dilipbhai Hansarajbhai Kagathara	9,28,822
13.	Dineshbhai Hansarajbhai Kagathara	10,81,296
14.	Dipakbhai Damjibhai Bhalodiya	50,450
15.	Godavriben Bhagvanjibhai Bhojani	50,000
16.	Hansrajbhai Karamshibhai Kagathara	40,000
17.	Jay Dilipbhai Kagathara	46,642
18.	Jaybhai Dhirajbhai Kanani	90,000
19.	Kalpeshbhai Talshibhai Sitapara	30,000
20.	Keyurbhai Dineshbhai Kagathara	23,880
21.	Khimjibhai Hansrajbhai Jasapara	2,00,000
22.	Kishorkumar Dayabhai Desai	49,630

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
23.	Laljibhai Gangjibhai Kalariya	40,000
24.	Maganbhai Thakarshibhai Sitapara	2,00,000
25.	Nanjibhai Nathabhai Savera	30,000
26.	Nareshbhai Parsottambhai Panara	50,000
27.	Nileshbhai Bhagvanjibhai Kanani	42,233
28.	Nimishbhai Narbherambhai Sangani	19,713
29.	Prabhaven Dilipbhai Kagathara	50,000
30.	Pravinbhai Bhagvanbhai Bhojani	1,00,000
31.	Rajeshbhai Sundarjibhai Chhatrola	51,770
32.	Ramaben Dineshbhai Kagathara	20,000
33.	Rasala Restaurant	80,000
34.	Rimpalbhai Bhagvanjibhai Kanani	41,300
35.	Tribhovanbhai Arjanbhai Vishodiya	60,000
36.	Vallabhbhai Nathabhai Savera	50,000
37.	Vinodbhai Bhagvanbhai Bhojani	40,000
38.	Vithalbhai Maganbhai Bhalodiya	50,000
	Total	39,90,000

3. Allotment of 5,00,000 Equity Shares of face value of ₹10/- each by way of Rights Issue to the following persons:

<i>Sr. No.</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Dilipbhai Hansrajbhai Kagathara	4,00,000
2.	Dineshbhai Hansrajbhai Kagathara	1,00,000
	Total	5,00,000

4. Allotment of 4,90,000 Equity Shares of face value of ₹10/- each by way of Rights Issue to the following persons:

<i>Sr. No.</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Prabhaven Dilipbhai Kagathara	3,00,000
2.	Ramaben Dineshbhai Kagathara	1,90,000
	Total	4,90,000

5. Allotment of 39,87,100 Equity Shares of face value of ₹10/- each by way of Rights Issue to the following persons:

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Abhaykumar Narshibhai Fadadu	2,85,000
2.	Atulbhai Vrajlalbhai Sayja	2,75,000
3.	Bhagvanji Harjibhai Kanani	1,00,000
4.	Chandrakant Rasiklal Kansagara	50,000
5.	Charulata Jagdishbhai Bhut	2,05,500
6.	Dilipbhai Mohanbhai Bhalodiya	70,000
7.	Dineshbhai Hansrajbhai Kagathara	6,86,500
8.	Jay Dilipbhai Kagathara	8,00,000
9.	Keyur Dineshbhai Kagathara	1,76,500
10.	Kishan Dilipbhai Kagathara	63,000
11.	Parth Sureshbhai Vachhani	1,33,500
12.	Pinalben Yashpalsingh Dasondi	1,00,000
13.	Raj Dilipbhai Bhalodiya	70,000
14.	Rajendrabhai Gangjibhai Desai	50,000
15.	Ramaben Dineshbhai Kagathara	29,500
16.	Renish Vrujlal Kaneriya	60,000
17.	Rimpalben Arvindkumar Kadchhi	2,04,800
18.	Sangitaben P. Maradiya	20,000
19.	Skyline Component	1,00,000
20.	Suhani Anilbhai Sinojiya	60,000
21.	Vanitaben Atulbhai Sanyaja	1,72,800
22.	Vrjalal Chhaganlal Kaneriya	1,35,000
23.	Yashpalsinh Ganshyamsinh Dasondi	1,40,000
	Total	39,87,100

6. Allotment of 10,22,000 Equity Shares of face value of ₹10/- each by way of Rights Issue to the following persons:

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Ansuyaben Bharatbhai Sanyaja	69,900
2.	Atulbhai Vrujlalbhai Sayja	20,300

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
3.	Charulata Jagdishbhai Bhut	21,300
4.	Dharmendrabhai Kantilal Thakkar	50,000
5.	Dimpalben Vrujlal Kaneriya	97,100
6.	Dineshbhai Hansrajbhai Kagathara	43,300
7.	Hinaben Jagdishbhai Bhalodiya	1,40,000
8.	Jadeja Suryarajsinh Mahendrasinh	1,00,000
9.	Jaykumar Nayanbhai Delavadiya	33,000
10.	Jayprakshbhai Manjibhai Bhadja	60,000
11.	Kanjibhai Motibbhai Kasudara	1,50,000
12.	Keyur Dineshbhai Kagathara	24,300
13.	Kishan Dilipbhai Kagathara	22,400
14.	Rajeshreeben Dipakbhai Bhalodiya	1,50,000
15.	Rimpalben Arvindkumar Kadchhi	20,200
16.	Vanitaben Atulbhai Sanyaja	20,200
	Total	10,22,000

7. Allotment of 7,59,572 Equity Shares of face value of ₹10/- each issued at a premium of ₹101.78 per Equity Share on a private placement basis to the following persons:

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Jay Dilipbhai Kagathara	4,94,178
2.	Kishan Dilipbhai Kagathara	2,65,394
	Total	7,59,572

8. Allotment of 69,93,137 Equity Shares of face value of ₹10/- each by way of Bonus Issue in the ratio of 13:20 to the following persons:

<i>Sr. No</i>	<i>Name</i>	<i>Number of Equity Shares</i>
1.	Abhaykumar Narshibhai Fadadu	69,932
2.	Bediya Jinal Mansukhbhai	6,650
3.	Bhalodiya Raj Dilipbhai	1,81,342
4.	Charulata Jay Kagathara	1,47,420
5.	Daxaben Pankajbhai Padsumbiya	69,932
6.	Denish Vinodbhai Agola	69,932
7.	Dilipbhai Hansrajbhai Kagathara	1,71,186
8.	Dilipbhai Mohanbhai Bhalodia	1,53,863
9.	Ilaben Dilipbhai Bhalodia	1,54,654
10.	Jay Dilipbhai Kagathara	27,69,281
11.	Kishan Dilipbhai Kagathara	29,16,700
12.	Kriva Jay Kagathara	6,650
13.	Prabhaben Dilipbhai Kagathara	1,70,698
14.	Yashpalsinh Ghanshyamsinh Dasondi	1,04,897
	Total	69,93,137

The securities issued by the Company from inception till the date of this Draft Red Herring Prospectus have been issued in compliance with the Companies Act, 2013, more particularly, Section 62(1)(c) and Section 42 for the private placement, Section 62(1)(a) for the Rights Issue and Section 63 for Bonus issue.

3. Convertible Warrants

Our Company does not have any outstanding convertible warrants as on the date of filing this Draft Red Herring Prospectus.

4. Preference Share Capital

As on the date of this Draft Red Herring Prospectus, our Company does not have any preference share capital.

Our Company has one class of share capital i.e., Equity Shares of face value of ₹10/- each only. All Equity shares issued are fully paid up.

5. **Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves**

Except as mentioned below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves at any time since incorporation

Date of allotment	Nature of allotment	Issue price per equity shares (₹)	Number of equity shares allotted	Face value (₹)	Nature of consideration	Benefits accrued to our Company, if any
December 30, 2024	Preferential Issue ⁽¹⁾	111.78	7,59,572	10	Other than Cash [^]	Acquisition of interest in Spunweb India Private Limited by way of acquiring equity shares of the Company and making it as wholly owned subsidiary
January 13, 2025	Bonus Issue ⁽²⁾	-	69,93,137	10	Nil	Capitalisation of reserves

[^]The board of directors in their meeting held on December 30, 2024, allotted 7,59,572 Equity Shares pursuant to the Share Sale and Transfer Agreement dated December 27, 2024 for acquisition of 69,95,000 (Sixty Nine Lakhs Ninety Five Thousand) fully paid-up equity shares of Spunweb India Private Limited constituting 50.00% of the shareholding of Spunweb India Private Limited.

(1) Allotment of 7,59,572 Equity Shares of face value of ₹10/- each issued at a premium of ₹101.78 per Equity Share on a private placement basis to the following persons:

Sr. No	Name	Number of Equity Shares
1.	Jay Dilipbhai Kagathara	4,94,178
2.	Kishan Dilipbhai Kagathara	2,65,394
	Total	7,59,572

(2) Allotment of 69,93,137 Equity Shares of face value of ₹10/- each by way of Bonus Issue in the ratio of 13:20 to the following persons:

Sr. No	Name	Number of Equity Shares
1.	Abhaykumar Narshibhai Fadadu	69,932
2.	Bediya Jinal Mansukhbhai	6,650
3.	Bhalodiya Raj Dilipbhai	1,81,342
4.	Charulata Jay Kagathara	1,47,420
5.	Daxaben Pankajbhai Padsumbiya	69,932
6.	Denish Vinodbhai Agola	69,932
7.	Dilipbhai Hansrajbhai Kagathara	1,71,186
8.	Dilipbhai Mohanbhai Bhalodia	1,53,863
9.	Ilaben Dilipbhai Bhalodia	1,54,654
10.	Jay Dilipbhai Kagathara	27,69,281
11.	Kishan Dilipbhai Kagathara	29,16,700
12.	Kriva Jay Kagathara	6,650
13.	Prabhaven Dilipbhai Kagathara	1,70,698
14.	Yashpalsinh Ghanshyamsinh Dasondi	1,04,897
	Total	69,93,137

6. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not allotted any Equity Shares in terms of any scheme approved under Section 391-392 of the Companies Act, 1956 or Section 230-232 of the Companies Act, 2013

7. **Issue or transfer of Equity Shares under employee stock option schemes**

The Company does not have any employee stock option schemes under which any equity shares of the Company is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

8. **Issue of shares at a price lower than the Issue Price in the last year**

The Issue Price shall be determined by Our Company in consultation with the BRLM after the BID/Issue Closing Date. Our Company has issued Equity Shares during a period of 1 (one) year preceding the date of this Draft Red Herring Prospectus which may be lower than the Issue Price.

9. **Sub- Division/consolidation of Equity Shares in the last one year**

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

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10. Shareholding Pattern of our Company

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

Category (I)	Category of shareholders (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number 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)			Number of Outstanding convertible securities (including Warrants) (X)	Number of 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 shares locked in (XII)		Number of Shares pledged or otherwise encumbered (XIII)	Number of Equity Shares held in dematerialized form (XIV)	
								Class: Equity Shares	Class: Others	Total			Number (a)	As a % of total Equity Shares held (b)			
(A)	Promoters and Promoter Group	7	1,57,09,489	-	-	1,57,09,489	88.50	1,57,09,489	-	1,57,09,489	88.50	-	88.50	-	-	-	1,57,09,489
(B)	Public	7	20,42,320	-	-	20,42,320	11.50	20,42,320	-	20,42,320	11.50	-	11.50	-	-	-	20,42,320
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	14	1,77,51,809	-	-	1,77,51,809	100.00	1,77,51,809	-	1,77,51,809	100.00	-	100.00	-	-	-	1,77,51,809

Notes

- As on date of this Draft Red Herring Prospectus 1 Equity Share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated October 22, 2024 and October 24, 2024 with NSDL and CDSL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of NSE before commencement of trading of such Equity Shares.

11. Other details of shareholding of Our Company

As on the date of the filing of this Draft Red Herring Prospectus, our Company has 14 (fourteen) Shareholders.

Set forth below are the details of the build – up of our Promoters’ shareholding in our Company since incorporation:

Jay Dilipbhai Kagathara

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of Post-Issue capital
March 31, 2016	46,642	10	10	Cash	Rights Issue	0.26	[●]
January 8, 2021	8,00,000	10	10	Cash	Rights Issue	4.51	[●]
June 27, 2022	50,000	10	10	Cash	Transfer from Dharmendra Kantilal Thakkar	0.28	[●]
December 20, 2022	60,000	10	10	Cash	Transfer from Jayprakashbhai Manjibhai Bhadja	0.34	[●]
June 30, 2023	50,000	10	21	Cash	Transfer from Bakulbhai Shantilalbhai Bhesdadiya	0.28	[●]
June 30, 2023	20,000	10	21	Cash	Transfer from Chetanbhai Nanjibhai Savera	0.11	[●]
June 30, 2023	60,000	10	21	Cash	Transfer from Damjibhai Madhavjibhai Hothi	0.34	[●]
June 30, 2023	30,000	10	21	Cash	Transfer from Kanjibhai Tarshibhai Sitapara	0.17	[●]
June 30, 2023	2,00,000	10	21	Cash	Transfer from Khimjibhai Hansrajibhai Panara	1.13	[●]
June 30, 2023	30,000	10	21	Cash	Transfer from Nanjibhai Nathabhai Savera	0.17	[●]
June 30, 2023	50,000	10	21	Cash	Transfer from Nareshbhai Parsottambhai Panara	0.28	[●]
June 30, 2023	50,000	10	21	Cash	Transfer from Vallabbhai Nathabhai Savera	0.28	[●]
June 30, 2023	40,000	10	21	Cash	Transfer from Vinodbhai	0.23	[●]

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of Post-Issue capital
October 1, 2023	3,45,300	10	21	Cash	Bhagvanbhai Bhojani Transfer from Atulbhai Vrajlal Sanyaja	1.95	[●]
October 1, 2023	1,93,000	10	21	Cash	Transfer from Vanitaben Atulbhai Sanyaja	1.09	[●]
November 10, 2023	1,00,000	10	21	Cash	Transfer from Pravinbhai Bhagvanjibhai Bhojani	0.56	[●]
November 10, 2023	39,974	10	21	Cash	Transfer from Arjanbhai Popatbhai Bhojani	0.23	[●]
November 10, 2023	50,000	10	21	Cash	Transfer from Godavariben Bhagvanjibhai Bhojini	0.28	[●]
November 10, 2023	69,900	10	21	Cash	Transfer from Ansuyaben Bharatbhai Sanyaja	0.39	[●]
June 12, 2024	1,32,233	10	20	Cash	Transfer from Nilesbbhai Bhagvanjibhai Kanani	0.74	[●]
June 12, 2024	2,00,000	10	10	Cash	Transfer from Maganlal Thakarshibhai Sitapara	1.13	[●]
June 12, 2024	97,100	10	20	Cash	Transfer from Dimpalben Vrujlal Kaneriya	0.55	[●]
June 12, 2024	33,000	10	20	Cash	Transfer from Jaykumar Nayanbhai Delvadiya	0.19	[●]
June 12, 2024	60,000	10	20	Cash	Transfer from Renish Vrujlal Kaneriya	0.34	[●]
June 12, 2024	1,35,000	10	20	Cash	Transfer from Vrajlal Chhaganlal Kaneriya	0.76	[●]
June 12, 2024	70,000	10	20	Cash	Transfer from Chetanbhai Thobhanbhai Kanani	0.39	[●]
June 12, 2024	1,00,000	10	20	Cash	Transfer from Bhagvanji Harjibhai Kanani	0.56	[●]
June 12, 2024	41,300	10	20	Cash	Transfer from Rimpalbhai	0.23	[●]

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of Post-Issue capital
June 12, 2024	1,00,000	10	20	Cash	Bhagvanjibhai Kanani Transfer from Suryarajsinh Mahendrasinh Jadeja	0.56	[●]
June 12, 2024	1,85,009	10	20	Cash	Transfer from Abhaykumar Narshibhai Fadadu	1.04	[●]
December 30, 2024	4,94,178	10	111.78	Other than Cash [^]	Preferential Issue	2.78	[●]
January 06, 2025	3,27,799	10	-	Gift	Transfer from Dilipbhai Hansrajbhai Kagathara	1.85	[●]
January 13, 2025	27,69,281	10	-	-	Bonus Issue	15.60	[●]
Total	70,29,716	-	-	-	-	39.60	[●]

[^]The board of directors in their meeting held on December 30, 2024, allotted 7,59,572 Equity Shares pursuant to the Share Sale and Transfer Agreement dated December 27, 2024 for acquisition of 69,95,000 (Sixty Nine Lakhs Ninety Five Thousand Eight) fully paid-up equity shares of Spunweb India Private Limited constituting 50.00% of the shareholding of Spunweb India Private Limited

Kishan Dilipbhai Kagathara

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of Post-Issue capital
January 8, 2021	63,000	10	10	Cash	Rights Issue	0.35	[●]
March 30, 2021	22,400	10	10	Cash	Rights Issue	0.13	[●]
June 30, 2023	10,000	10	21	Cash	Transfer from Arvindbhai Valjibhai Bhimani	0.06	[●]
June 30, 2023	19,16,096	10	21	Cash	Transfer from Dineshbhai Hansrajbhai Kagathara	10.79	[●]
June 30, 2023	2,24,680	10	21	Cash	Transfer from Keyurbhai Dineshbhai Kagathara	1.27	[●]
June 30, 2023	2,39,500	10	21	Cash	Transfer from Ramaben Dineshbhai Kagathara	1.35	[●]
June 30, 2023	2,25,000	10	21	Cash	Transfer from Rimpalben Arvindkumar Kadchhi	1.27	[●]
June 30,	60,000	10	21	Cash	Transfer from	0.34	[●]

Date of Allotment / Acquisition	Number of Equity Shares Allotted / Transferred	Face value per Equity Share (₹)	Issue / Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of Allotment / Transfer	% of Pre-Issue capital	% of Post-Issue capital
2023					Tribhovanbhai Arjanbhai Vishodiya		
May 4, 2024	25,000	10	20	Cash	Transfer from Mohammedjuber Shahbuddin Ansari	0.14	[●]
May 4, 2024	40,000	10	20	Cash	Transfer from Laljibhai Gangjibhai Kalariya	0.23	[●]
May 4, 2024	50,000	10	20	Cash	Transfer from Chandrakant Rasiklal Kansagara	0.28	[●]
May 4, 2024	1,33,500	10	20	Cash	Transfer from Vachhani Parth Sureshbhai	0.75	[●]
May 4, 2024	50,000	10	20	Cash	Transfer from Rajendra G. Desai	0.28	[●]
May 4, 2024	20,000	10	20	Cash	Transfer from Sangeetaben Pursottambhai Maradia	0.11	[●]
May 4, 2024	1,00,000	10	20	Cash	Transfer from Skyline Components	0.56	[●]
May 4, 2024	60,000	10	20	Cash	Transfer from Suhani Anilbhai Sinojiya	0.34	[●]
June 12, 2024	50,450	10	20	Cash	Transfer from Dipakbhai Damjibhai Bhalodiya	0.28	[●]
June 12, 2024	40,000	10	20	Cash	Transfer from Hansrajbhai Karamshibhai Kagathara	0.23	[●]
June 12, 2024	90,014	10	20	Cash	Transfer from Pinalben Yashpalsinh Dasondi	0.51	[●]
December 30, 2024	2,65,394	10	111.78	Other than cash^	Preferential Issue	1.50	[●]
January 06, 2025	8,02,201	10	-	Gift	Transfer from Dilipbhai Hansrajbhai Kagathara	4.52	[●]
January 13, 2025	29,16,700	10	-	-	Bonus Issue	16.43	[●]
Total	74,03,935	-	-	-	-	41.71	[●]

^The board of directors in their meeting held on December 30, 2024, allotted 7,59,572 Equity Shares pursuant to the Share Sale and Transfer Agreement dated December 27, 2024 for acquisition of 69,95,000 (Sixty Nine Lakhs Ninety Five Thousand Eight) fully paid-up equity shares of Spunweb India Private Limited constituting 50.00% of the shareholding of Spunweb India Private Limited

12. **List of Shareholders of the Company holding 1% or more of the paid-up Equity Share Capital of the Company**

(a) **As on the date of filing of this Draft Red Herring Prospectus**

Sr. No.	Name of Shareholder	Equity Shares Held (Face Value of ₹10 each)	% of Equity Share Capital
1.	Kishan Dilipbhai Kagathara	74,03,935	41.71
2.	Jay Dilipbhai Kagathara	70,29,716	39.60
3.	Bhalodiya Raj Dilipbhai	4,60,329	2.59
4.	Dilipbhai Hansrajbhai Kagathara	4,34,548	2.45
5.	Prabhaben Dilipbhai Kagathara	4,33,310	2.44
6.	Ilaben Dilipbhai Bhalodia	3,92,583	2.21
7.	Dilipbhai Mohanbhai Bhalodia	3,90,574	2.20
8.	Charulata Jay Kagathara	3,74,220	2.11
9.	Yashpalsinh Ghanshyamsinh Dasondi	2,66,277	1.50
10.	Abhaykumar Narshibhai Fadadu	1,77,519	1.00
11.	Daxaben Pankajbhai Padsumbiya	1,77,519	1.00
12.	Denish Vinodbhai Agola	1,77,519	1.00
	Total	1,77,18,049	99.81

(b) **10 days prior to date of filing of this Draft Red Herring Prospectus**

Sr. No.	Name of Shareholder	Equity Shares Held (Face Value of ₹10 each)	% of Equity Share Capital
1.	Kishan Dilipbhai Kagathara	74,03,935	41.71
2.	Jay Dilipbhai Kagathara	70,29,716	39.60
3.	Bhalodiya Raj Dilipbhai	4,60,329	2.59
4.	Dilipbhai Hansrajbhai Kagathara	4,34,548	2.45
5.	Prabhaben Dilipbhai Kagathara	4,33,310	2.44
6.	Ilaben Dilipbhai Bhalodia	3,92,583	2.21
7.	Dilipbhai Mohanbhai Bhalodia	3,90,574	2.20
8.	Charulata Jay Kagathara	3,74,220	2.11
9.	Yashpalsinh Ghanshyamsinh Dasondi	2,66,277	1.50
10.	Abhaykumar Narshibhai Fadadu	1,77,519	1.00
11.	Daxaben Pankajbhai Padsumbiya	1,77,519	1.00
12.	Denish Vinodbhai Agola	1,77,519	1.00
	Total	1,77,18,049	99.81

(c) **One year prior to date of filing of this Draft Red Herring Prospectus**

Sr. No.	Name of Shareholder	Equity Shares Held (Face Value of ₹10 each)	% of Equity Share Capital
1.	Kishan Dilipbhai Kagathara	27,60,676	27.61
2.	Jay Dilipbhai Kagathara	22,84,816	22.85
3.	Dilipbhai Hansrajbhai Kagathara	14,13,822	14.14
4.	Prabhaben Dilipbhai Kagathara	3,50,000	3.50
5.	Abhaykumar Narshibhai Fadadu	2,85,000	2.85
6.	Charulata Jagdishbhai Bhut	2,26,800	2.27
7.	Maganbhai Thakarshibhai Sitapara	2,00,000	2.00
8.	Kanjibhai Motibhai Kasundra	1,50,000	1.50

Sr. No.	Name of Shareholder	Equity Shares Held (Face Value of ₹10 each)	% of Equity Share Capital
9.	Rajeshreeben Dipakbhai Bhalodiya	1,50,000	1.50
10.	Yashpalsinh Ghanshyamsinh Dasondi	1,40,000	1.40
11.	Hinaben Jigneshbhai Bhalodiya	1,40,000	1.40
12.	Vrajlal Chhaganlal Kaneriya	1,35,000	1.35
13.	Parth Sureshbhai Vachhani	1,33,500	1.34
14.	Nileshbhai Bhagvanjibhai Kanani	1,32,233	1.32
15.	Bhagvanjibhai Harjibhai Kanani	1,00,000	1.00
16.	Pinalben Yashpalsinh Dasondi	1,00,000	1.00
17.	Skyline Components	1,00,000	1.00
18.	Jadeja Suryarajsinh Mahendrasinh	1,00,000	1.00
	Total	89,01,847	89.03

(d) **Two years prior to date of filing of this Draft Red Herring Prospectus**

Sr. No.	Name of Shareholder	Equity Shares Held (Face Value of ₹10 each)	% of Equity Share Capital
1.	Dineshbhai Hansrajbhai Kagathara	19,16,096	19.16
2.	Dilipbhai Hansrajbhai Kagathara	14,13,822	14.14
3.	Jay Dilipbhai Kagathara	9,56,642	9.57
4.	Prabhben Dilipbhai Kagathara	3,50,000	3.50
5.	Atulbhai Vrajlalbhai Sayja	3,45,300	3.45
6.	Abhaykumar Narshibhai Fadadu	2,85,000	2.85
7.	Ramaben Dineshbhai Kagathara	2,39,500	2.40
8.	Charulata Jagdishbhai Bhut	2,26,800	2.27
9.	Rimpalben Arvindkumar Kadchhi	2,25,000	2.25
10.	Keyurbhai Dineshbhai Kagathara	2,24,680	2.25
11.	Khimjibhai Hansrajbhai Jasapara	2,00,000	2.00
12.	Maganbhai Thakarshibhai Sitapara	2,00,000	2.00
13.	Vanitaben Atulbhai Sanyaja	1,93,000	1.93
14.	Kanjibhai Motibhai Kasundra	1,50,000	1.50
15.	Rajeshreeben Dipakbhai Bhalodiya	1,50,000	1.50
16.	Yashpalsinh Ghanshyamsinh Dasondi	1,40,000	1.40
17.	Hinaben Jigneshbhai Bhalodiya	1,40,000	1.40
18.	Vrajlal Chhaganlal Kaneriya	1,35,000	1.35
19.	Parth Sureshbhai Vachhani	1,33,500	1.34
20.	Nileshbhai Bhagvanjibhai Kanani	1,32,233	1.32
21.	Pravinbhai Bhagvanbhai Bhojani	1,00,000	1.00
22.	Bhagvanjibhai Harjibhai Kanani	1,00,000	1.00
23.	Pinalben Yashpalsinh Dasondi	1,00,000	1.00
24.	Skyline Components	1,00,000	1.00
25.	Jadeja Suryarajsinh Mahendrasinh	1,00,000	1.00
	Total	82,56,573	82.58

13. **The aggregate shareholding of the Promoters and Promoter Group:**

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)	Percentage of the Post-Issue Equity Share capital (%)
Promoters				
1.	Jay Dilipbhai Kagathara	70,29,716	39.60	[●]
2.	Kishan Dilipbhai Kagathara	74,03,935	41.71	[●]
Promoters Group				
1.	Dilipbhai Hansrajbhai Kagathara	4,34,548	2.45	[●]
2.	Prabhaben Dilipbhai Kagathara	4,33,310	2.44	[●]
3.	Charulata Jay Kagathara	374,220	2.11	[●]
4.	Bediya Jinal Mansukhbhai	16,880	0.10	[●]
5.	Kriva Jay Kagathara	16,880	0.10	[●]
Total		1,57,09,489	88.50	[●]

14. **Except as provided below no Equity Shares were acquired/ purchased/ sold by the Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus:**

Sr. No.	Date of Allotment/Transfer	Category of Allottees	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)	Purchase/Sold
Promoters Group					
A. Dilipbhai Hansrajbhai Kagathara					
1	January 06, 2025	Promoter Group	(3,27,799)	(1.85)	Transfer to Jay Dilipbhai Kagathara
2	January 06, 2025	Promoter Group	(8,02,201)	(4.52)	Transfer to Kishan Dilipbhai Kagathara
3	January 06, 2025	Promoter Group	(10,230)	(0.06)	Transfer to Bediya Jinal Mansukhbhai
4	January 06, 2025	Promoter Group	(10,230)	(0.06)	Transfer to Kriva Jay Kagathara
5	January 13, 2025	Promoter Group	1,71,186	0.96	Acquisition through Bonus Issue
B. Prabhaben Dilipbhai Kagathara					
1	January 06, 2025	Promoter Group	(16,711)	(0.09)	Transfer to Dilipbhai Mohanbhai Bhalodia
2	January 06, 2025	Promoter Group	(19,697)	(0.11)	Transfer to Bhalodiya Raj Dilipbhai
3	January 06, 2025	Promoter Group	(16,798)	(0.09)	Transfer to Ilaben Dilipbhai Bhalodia
4	January 06, 2025	Promoter Group	(7,596)	(0.04)	Transfer to Denish Vinodbhai Agola
5	January 06, 2025	Promoter Group	(11,394)	(0.06)	Transfer to Yashpalsinh Ghanshyamsinh Dasondi
6	January 06, 2025	Promoter Group	(7,596)	(0.04)	Transfer to Abhaykumar Narshibhai Fadadu
7	January 06, 2025	Promoter Group	(7,596)	(0.04)	Transfer to Daxaben Pankajbhai Padsumbiya
8	January 13, 2025	Promoter Group	1,70,698	0.96	Acquisition through Bonus Issue
C. Bediya Jinal Mansukhbhai					
1	January 06, 2025	Promoter Group	10,230	0.06	Purchase from Dilipbhai Hansrajbhai Kagathara
2	January 13, 2025	Promoter Group	6,650	0.04	Acquisition through Bonus Issue
D. Kriva Jay Kagathara					

Sr. No.	Date of Allotment/Transfer	Category of Allottees	Number of Equity Shares	Percentage of the Pre-Issue Equity Share capital (%)	Purchase/Sold
1	January 06, 2025	Promoter Group	10,230	0.06	Purchase from Dilipbhai Hansrajbhai Kagathara
2	January 13, 2025	Promoter Group	6,650	0.04	Acquisition through Bonus Issue

15. The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

16. **Details of Promoters' Contribution locked for Three Years**

Pursuant to the Regulation 236 and 238 of the SEBI ICDR Regulations, an aggregate of 20.00% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of 3 (three) years from the date of Allotment of the Equity Shares. The lock-in of the Promoters' 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 Red Herring Prospectus, our Promoters hold 1,44,33,651 Equity Shares of face value of ₹10/- each constituting 81.31% of the pre-issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, [●], have given written consent to include [●] Equity Shares of face value of ₹10/- each 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.

Name of Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue / Acquisition price per Equity Share (₹)	Percentage of the pre-Issue paid-up capital (%)	Percentage of the Post-Issue paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]				[●]	[●]	[●]	

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 (three) 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.

Details of Promoters' Contribution Locked-in for One Year and Two Years

Pursuant to Regulation 238(b) of the SEBI ICDR Regulations, read with the additional eligibility criteria for obtaining in-principle approval for listing on the EMERGE Platform of NSE, as well as the press release dated December 18, 2024, issued following the 208th SEBI Board meeting on the "*Review of the SME framework under SEBI ICDR Regulations and applicability of corporate governance provisions under SEBI LODR Regulations on SME companies,*" the following lock-in requirements apply:

In addition to the Minimum Promoters' Contribution, which is locked in for 3 (three) years as mentioned above, 50% of Promoters' holding in excess of Minimum Promoters' Contribution, comprising [●] Equity Shares, will be locked in for a period of two (2) years, while the remaining 50% of Promoters' holding in excess of Minimum Promoters' Contribution, comprising [●] Equity Shares, will be locked in for a period of one (1) year from the date of allotment of Equity Shares in this issue.

Details of pre-issue Equity Shares held by persons other than the Promoters locked-in for One Year

The Equity Shares held by shareholders other than Promoters shall be locked-in for a period of 1 (one) year from the date of allotment in the Issue, the same may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the SEBI Takeover Regulations.

17. All the Equity Shares held by our Promoters are in dematerialized form.
18. **Compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoter's contribution of 20% as shown above which is subject to lock-in for three years, we confirm the following:**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares Forming part of the 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	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.	Eligible
237 (1) (b)	Specified securities acquired by the promoters' and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, or any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s) during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	Eligible
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds 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 or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in	Eligible

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares Forming part of the Promoters Contribution
	the management.	
237 (1) (d)	Specified securities pledged with any creditor	Eligible

19. **Inscription or recording of non-transferability**

In terms of Regulation 241 of the SEBI ICDR Regulations, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “**Non-Transferable**” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

20. **Pledge of Locked in Equity Shares**

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 the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as Minimum Promoter's Contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

In case of Minimum Promoters' Contribution, 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 equity shares is one of the terms of sanction of the loan.

In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

21. **Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI ICDR Regulations and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI ICDR Regulations may be transferred to any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI ICDR Regulations may be transferred to any other person (including Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock in period stipulated has expired.

22. **Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

23. **Employee stock option schemes**

The Company does not have any employee stock option schemes under which any Equity Shares of the Company are granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

Other Confirmations

24. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy-back arrangements for the purchase of Equity Shares being issued through Prospectus from any person.
25. We have 14 (fourteen) shareholders as on the date of filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, the entire Issued, Subscribed and Paid-up Equity 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.
26. The Book Running Lead Manager and their associates do not hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus. The BRLM and its 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 investment banking transactions with our Company for which they may receive customary compensation.
27. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
28. Our Company has not raised any bridge loan against the proceeds of the Issue.
29. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there is no other class of securities issued by our Company.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters/ Promoter Group are subject to any pledge.
34. As on the date of filing this Draft Red Herring Prospectus document, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.
35. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.

36. There are no Equity Shares against which depository receipts have been issued.
37. There are no safety net arrangements for this public Issue.
38. Our Promoters and Promoter Group will not participate in this Issue.
39. This Issue is being made through Book Building Process.
40. 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 Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, from time to time.
41. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
42. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of the transactions.
43. Except as stated below, none of our other Directors or Key Managerial Personnel or Senior Managerial Personnel holds Equity Shares in our Company:

Sr. No.	Name of Individual	Designation	Number of Equity Shares	% of Pre-Issue paid up Share Capital
1	Jay Dilipbhai Kagathara	Chairman and Managing Director	70,29,716	39.60
2.	Kishan Dilipbhai Kagathara	Whole Time Director	74,03,935	41.71
3.	Charulata Jay Kagathara	Non-Executive Director	3,74,220	2.11
4.	Abhaykumar Narshibhai Fadadu	Chief Financial Officer	1,77,519	1.00
5.	Yashpalsinh Ghanshyamsinh Dasondi	Senior Managerial Personnel	2,66,277	1.50

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SECTION VII - PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

Our Company intends to utilize the gross proceeds raised through the Issue (“Gross Proceeds”), after deducting the Issue related expenses (“Net Proceeds”), for the following objects:

1. Funding the working capital requirements of our Company;
2. Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements;
3. Repayment, in full or in part, of certain borrowings availed by our Company; and
4. General Corporate Purposes.

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

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

The Main Objects clause and objects incidental and ancillary to the Main Objects as set out in the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue.

Issue Proceeds

The details of the Issue Proceeds are set forth below:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds from this Issue [^]	Up to [●]
Less: Estimated Issue related expenses*	[●]
Net Proceeds from the Issue	[●]

[^] assuming full subscription and allotment.

*To be finalized upon determination of the Issue Price and updated in the Prospectus at the time of filing with the RoC.

Utilization of Net Proceeds and Schedule of Deployment

The proposed utilization of the Net Proceeds by our Company is set forth in the following table:

(₹ in Lakhs)

Particulars	Amount which will be financed from Net Proceeds	Proposed schedule for deployment of the Net Proceeds
		Fiscal 2026
Funding the working capital requirements of our Company	2,900.00	2,900.00
Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements	1,000.00	1,000.00
Repayment, in full or in part, of certain borrowings availed by our Company	800.00	800.00
General Corporate Purposes*	[●]	[●]
Total Net proceeds[^]	[●]	[●]

*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for General Corporate Purposes will not exceed will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower..

[^] Assuming full subscription and subject to finalization of basis of allotment.

The funding requirements mentioned above are based on management estimates and current business plans. However, such fund requirements and deployment of funds have not been appraised by any bank, financial institution or any other external agency. For further details, see ‘Risk Factors – Our funding requirements and

the proposed deployment of Net Proceeds are based on management estimates and have not appraised by any independent agency and deployment of funds raised through this Issue shall not subject to monitoring by any monitoring agency' on page 48 of this Draft Red Herring Prospectus. We may have to revise our funding requirements and deployment on account of a variety of factors, such as our financial and market condition, business and strategy, competition, negotiation with customers and vendors, production schedule, overall condition of industry in which our products are used, variation in cost estimates on account of various factors and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned utilization of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. For details, see 'Risk Factors - Any variation in the utilization of Net Proceeds of the Fresh Issue as disclosed in this Draft Red Herring Prospectus shall be subject to compliance requirements, including prior shareholders' approval.' on page 49 of this Draft Red Herring Prospectus.

If the estimated utilization of the Net Proceeds in a scheduled financial year is not completely met, due to reasons stated above, the same shall be utilized in the next financial year i.e., FY 2026-27, as may be determined by our Company, in accordance with applicable laws. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by means available to us, including from internal accruals and any additional equity and/or debt arrangements. Our management expects that such alternate means would be available to fund any such shortfall. Further, if the actual utilization towards the Object is lower than the proposed deployment, such balance will be used for future growth opportunities and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 15% of the Gross Proceeds or ₹ 1,000.00 lakhs, whichever is lower, in accordance with the SEBI ICDR Regulations and other applicable laws.

Means of Finance

The funds set out above are proposed to be entirely funded from the Net Proceeds, working capital loans from bank and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations. In case of shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals, any additional equity and/or debt arrangements.

Details of the Objects of this Issue

The details of utilization of the Net Proceeds are set forth below:

1. Funding working capital requirements of our Company

Our business and industry in which we operate is working capital intensive. We fund a majority of our working capital requirements in the ordinary course of business from the working capital facilities from banks and financial institutions, and through internal accruals. The requirement is proportionate and variable in nature with the growth of our Company. Our Company requires additional working capital for funding for its present and future growth requirements. As on December 31, 2024, total indebtedness (including fund based and non-fund based facilities) of our Company was ₹8,479.07 lakhs. For details, please see "*Financial Indebtedness*" on page 271 of this Draft Red Herring Prospectus.

In light of existing and prospective growth opportunities, including expanding our geographies reach, expanding our product portfolio and optimizing our production capacities, we intend to utilise ₹ 2,900.00 lakhs from Net Proceeds to fund working capital requirements of our Company in fiscal 2026. For details, please see "*Our Business – Our Strategies*" on page 175 of this Draft Red Herring Prospectus.

Basis of estimation of working capital requirement

The details of our Company's working capital requirements as at March 31, 2022, March 31, 2023, March 31, 2024 and December 31, 2024 and their source of funding, derived on the basis of audited financial statements, on standalone basis, are as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	March 31, 2022 (Audited)	March 31, 2023 (Audited)	March 31, 2024 (Audited)	December 31, 2024 (Audited)
I	Current Assets				
1	Current Investments	229.91	241.37	192.67	-
2	Inventories – Raw Materials	684.87	514.55	1,318.82	1,260.75
3	Inventories – Finished Goods	230.35	470.78	1,069.84	2,335.51
4	Trade receivables	1,197.02	2,192.98	3,033.93	4,596.17
5	Cash & cash equivalents	12.10	9.69	21.47	3.09
6	Short-term loans & advances	1,036.31	835.91	373.19	677.16
7	Other current assets	-	-	-	339.86
	Total (A)	3,390.56	4,265.28	6,009.92	9,212.52
II	Current Liabilities				
1	Trade Payables	637.41	2,013.10	2,772.79	3,048.46
2	Short term provisions	148.86	70.82	303.97	275.41
3	Other Current Liabilities (including current maturity of long-term debt)	720.36	716.73	705.26	913.96
	Total (B)	1,506.63	2,800.64	3,782.02	4,237.83
III	Total working capital gap (A-B)	1,883.93	1,464.64	2,227.90	4,974.71
	Less: Cash & Cash Equivalents	12.10	9.69	21.47	3.09
IV	Net working capital Gap	1,871.83	1,454.95	2,206.43	4,971.62
V	Funding pattern				
a)	Short Term Borrowings (including working capital facilities from banks)	634.48	1,087.07	1,535.78	3,738.82
b)	Internal accruals / Networth*	1,237.36	367.88	670.65	1,232.80
	Total	1,871.83	1,454.95	2,206.43	4,971.62

*Internal Accruals = Total working capital requirement less short-term borrowings.

Sr No	Holding Period	Basis	March 31, 2022	March 31, 2023	March 31, 2024	December 31, 2024
1	Trade Receivables	No of Days	39	70	75	81
2	Inventories - raw material	No of Days	26	22	39	27
3	Inventories - finished goods	No of Days	7	15	26	41
4	Trade Payables	No of Days	24	83	87	79

Note: As certified by Kaushal Dave & Associates, Chartered Accountants, by way of their certificate dated January 28, 2025

Based on our existing working capital requirements and business plan, our Board of Directors, pursuant to its resolution dated January 28, 2025, has approved the projected working capital requirements for Fiscal 2025 and 2026, details of which are as set forth below:

				(₹ in lakhs)	
Sr. No.	Particulars	March 31,	March 31,		
		2025	2026	(Projected)	(Projected)
I	Current Assets				
1	Current Investments	-	-		
2	Inventories – Raw Materials	1,884.77	2,135.26		
3	Inventories – Finished Goods	1,914.21	2,541.43		
4	Trade receivables	4,922.24	5,650.18		
5	Cash & cash equivalents	19.01	3,309.57		
6	Short-term loans & advances	-	-		
7	Other current assets	735.95	735.95		
	Total (A)	9,476.18	14,372.38		
II	Current Liabilities				
1	Trade Payables	2,513.03	1,898.01		
2	Short term provisions	454.27	498.95		
3	Other Current Liabilities (including current maturity of long-term debt)	768.47	810.44		
	Total (B)	3,735.77	3,207.39		
III	Total working capital gap (A-B)	5,740.41	11,164.98		
	Less: Cash & Cash Equivalents	19.01	3,309.57		
IV	Net working capital Gap	5,721.40	7,855.42		
V	Funding pattern				
a)	Short Term Borrowings (including working capital facilities from banks)	3,800.00	3,000.00		
b)	Internal accruals / Networth*	1,921.40	1,955.42		
c)	Amount proposed to be utilized from Net Proceeds	-	2,900.00		
	Total	5,721.40	7,855.42		

*Internal Accruals = Total working capital requirement less short-term borrowings.

Assumptions for our estimated working capital requirements

The table below contains details of the estimated holding levels (days) for financial year Fiscal 2025 and 2026:

Sr No	Holding Period	Basis	March 31, 2025	March 31, 2026
1	Trade Receivables	No of Days	90	90
2	Inventories - Raw material	No of Days	45	45
3	Inventories - finished goods	No of Days	35	40
4	Trade Payables	No of Days	60	40

Justification for holding period levels:

Inventories	We are engaged in the business of manufacturing spunbond nonwoven fabrics. In order to efficiently operate our manufacturing process and fulfill delivery schedules, we need to maintain efficient inventory levels. Our inventory levels tend to dependent upon
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	<p>delivery schedules provided to us by our customers. The average inventory holding level of raw materials in fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 26, 22, 39 and 27 days, respectively whereas average inventory holding level of finished goods in fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 7, 15, 26 and 41 days, respectively. We believe that considering the size of market, existing and prospective growth opportunities, overall economic conditions and various internal and external factors involved in our business operations, the raw material holding level is expected to be at 45 days for fiscal 2025 and fiscal 2026 and finished goods holding level is expected to be at 35 days and 40 days for fiscal 2025 and fiscal 2026, respectively.</p>
Trade Receivables	<p>As a part of our growth strategy, we intend to expand our presence across end-user industries, diversify our customer base and geographical reach while continuing to deliver quality products. We intend to do so by continuing to expand our product portfolio, optimizing utilisation of the installed capacity at our existing facilities, leveraging of our marketing skills and relationships with existing customers and effective working capital management.</p> <p>The Company anticipates a substantial expansion in the business operations of the Company in the forthcoming financial year supported by the fresh infusion of funds from the proceeds of the Issue. A significant increase in trade receivables is due to our plans to engage with new clients and extend longer credit periods as part of our strategy to build stronger relationships. Hence, the Company expects an increase in trades receivable days and amount of trades receivable in line with expansion in business operations and increase in business operations of the Company in forthcoming financial years.</p> <p>The debtors' realization for Fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 39, 70, 75 and 81 days, respectively. Based on our expected increase in business activities, we believe average collection period of 90 days for fiscal 2025 and fiscal 2026 each, seems realistic and achievable, given the current business developments.</p>
Trade Payables	<p>During Fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024, our trades payables period was 24, 83, 87 and 79 days respectively.</p> <p>The primary raw materials used in our manufacturing process of spunbond nonwoven fabric are PP Granules, master batch and other additives to make fabric softer, UV treated and FR treated. We also use special chemicals to produce hydrophilic and antistatic treatments. We source raw materials from our diversified supplier base who are in located in India, USA, Singapore and middle-eastern countries.</p> <p>The Company anticipates a substantial expansion in business operations of the Company in the forthcoming financial years supported by the fresh infusion of funds from the proceeds of the Issue. To support this expansion in business operation, the Company expects significant increase in procurement of raw materials. In order to reduce dependence on few suppliers, our Company plans to diversify our supplier base, which includes engaging with larger petrochemical manufacturers in and outside India who are able to supply these key raw materials in larger quantity and lower lead time. Typically, these large-sized suppliers extend lower credit period and less favorable payment terms as compared to smaller vendors. Hence, owing to these factors, our Company envisages a reduction in trades payable days and increase in total trades payable in fiscal 2025 and 2026. For fiscal 2025 and fiscal 2026, we expect the creditors' payment period to be 60 and 40 days, respectively.</p>

2. Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements;

We acquired all the outstanding equity shares of Spunweb India Private Limited (earlier known as Spunweb Nonwoven) vide Share Sale and Transfer Agreement ("*SIPL SSTA*") dated December 27,

2024. Our Company paid the agreed purchase consideration and fulfilled all required conditions as outlined in SIPL SSTA and on account of this, SIPL became a wholly owned subsidiary of our Company with effect from December 30, 2024. For further details, please refer “History And Certain Corporate Matters - Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation” on page 206 of this Draft Red Herring Prospectus.

SIPL is engaged in the same line of business as that of our Company, i.e., manufacturing of spunbond nonwoven fabrics. SIPL has historically funded majority of its working capital requirements from the working capital facilities from banks and financial institutions, and through internal accruals. As on December 31, 2024, total indebtedness (including fund based and non-fund based facilities) of SIPL was ₹1,749.74 lakhs. Owing to operational and functional synergies expected to accrue on account of similarity in business operations, SIPL requires additional working capital for funding its present and future growth requirements. Our Company proposes to utilise ₹ 1,000.00 lakhs to fund SIPL’s working capital requirements in fiscal 2026. The board of directors of SIPL have adopted a resolution dated January 28, 2025 in relation its additional working capital requirements.

Basis of estimation of working capital requirement

The details of SIPL’s working capital requirements as at March 31, 2022, March 31, 2023, March 31, 2024 and December 31, 2024 and their source of funding, derived on the basis of audited financial statements, on standalone basis, are as set forth below:

Sr. No.	Particulars	(₹ in lakhs)			
		March 31, 2022	March 31, 2023	March 31, 2024	December 31, 2024
		(Audited)	(Audited)	(Audited)	(Audited)
I	Current Assets				
1	Inventories – Raw Materials	97.78	610.65	352.99	484.84
2	Inventories – Finished Goods	240.27	418.88	488.24	419.44
3	Trade receivables	1,094.44	1,083.75	881.87	2,171.20
4	Cash & cash equivalents	17.83	15.32	18.10	20.38
5	Short-term loans & advances	242.19	296.73	332.59	432.85
6	Other current assets	-	-	-	307.63
	Total (A)	1,692.51	2,425.33	2,073.79	3,836.34
II	Current Liabilities				
1	Trade Payables	940.23	96.10	298.34	1,153.67
2	Short term provisions	43.41	67.90	2.36	162.03
3	Other Current Liabilities (including current maturity of long-term debt)	10.48	7.42	113.31	514.50
	Total (B)	994.12	171.42	414.01	1,830.20
III	Total working capital gap (A-B)	698.39	2,253.91	1,659.78	2,006.14
	Less: Cash & Cash Equivalents	17.83	15.32	18.10	20.38
IV	Net working capital Gap	680.56	2,238.59	1,641.68	1,985.76
V	Funding pattern				
a)	Short Term Borrowings	388.43	872.50	889.63	794.17

Sr. No.	Particulars	March 31, 2022	March 31, 2023	March 31, 2024	December 31, 2024
		(Audited)	(Audited)	(Audited)	(Audited)
	(including working capital facilities from banks)				
b)	Internal accruals / Networth*	292.13	1,366.09	752.05	1,191.59
	Total	680.56	2,238.59	1,641.68	1,985.76

*Internal Accruals = Total working capital requirement less short-term borrowings.

Sr No	Holding Period	Basis	March 31, 2022	March 31, 2023	March 31, 2024	December 31, 2024
1	Trade Receivables	No of Days	67	64	54	88
2	Inventories - Raw material	No of Days	8	41	38	27
3	Inventories - finished goods	No of Days	20	25	44	24
3	Trade Payables	No of Days	79	6	32	65

Note: As certified by Kaushal Dave & Associates, Chartered Accountants, by way of their certificate dated January 28, 2025

Based on SIPL's existing working capital requirements and business plan, the board of directors of SIPL, pursuant to its resolution dated January 28, 2025, has approved the projected working capital requirements for Fiscal 2025 and 2026, details of which are as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	March 31, 2025	March 31, 2026
		(Projected)	(Projected)
I	Current Assets		
1	Inventories – Raw Materials	771.91	1,108.15
2	Inventories – Finished Goods	911.95	937.33
3	Trade receivables	2,058.42	2,550.55
4	Cash & cash equivalents	21.16	1,381.42
5	Short-term loans & advances	-	-
6	Other current assets	307.63	307.63
	Total (A)	4,071.07	6,285.08
II	Current Liabilities		
1	Trade Payables	1,029.21	833.18
2	Short term provisions	196.43	260.91
3	Other Current Liabilities (including current maturity of long-term debt)	408.37	363.31
	Total (B)	1,634.01	1,457.40
III	Total working capital gap (A-B)	2,437.06	4,827.68
	Less: Cash & Cash Equivalents	21.16	1,381.42
IV	Net working capital Gap	2,415.90	3,446.25
V	Funding pattern		

Sr. No.	Particulars	March 31,	March 31,
		2025 (Projected)	2026 (Projected)
a)	Short Term Borrowings (including working capital facilities from banks)	900.00	900.00
b)	Internal accruals / Networth*	1,515.90	1,546.25
c)	Amount proposed to be utilized from Net Proceeds	-	1,000.00
	Total	2,415.90	3,446.25

*Internal Accruals = Total working capital requirement less short-term borrowings.

Assumptions for estimated working capital requirements

The table below contains details of the estimated holding levels (days) for financial year Fiscal 2025 and 2026:

Sr No	Holding Period	Basis	March 31, 2025	March 31, 2026
1	Trade Receivables	No of Days	90	90
2	Inventories - Raw material	No of Days	45	45
3	Inventories - finished goods	No of Days	45	45
3	Trade Payables	No of Days	60	40

Justification for holding period levels:

Inventories	<p>SIPL is engaged in the business of manufacturing spunbond nonwoven fabrics. In order to efficiently operate its manufacturing process and fulfill delivery schedules, SIPL need to maintain efficient inventory levels. SIPL's inventory levels tend to dependent upon delivery schedules provided to them by its customers. The average inventory holding level of raw materials in fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 8, 41, 38 and 27 days, respectively whereas average inventory holding level of finished goods in fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 20, 25, 44 and 24 days, respectively. The board of directors of SIPL believes that considering the size of market, existing and prospective growth opportunities, overall economic conditions and various internal and external factors involved in its business operations, the raw material holding level and finished goods holding level is expected to be at 45 days each for fiscal 2025 and fiscal 2026, respectively.</p>
Trade Receivables	<p>As a part of our growth strategy, SIPL intends to expand its presence across end-user industries, diversify our customer base and geographical reach while continuing to deliver quality products. SIPL intend to do so by continuing to expand our product portfolio, optimizing utilisation of the installed capacity at its existing facilities, leveraging of its marketing skills and relationships with existing customers and effective working capital management.</p> <p>SIPL anticipates a substantial expansion in its business operations in the forthcoming financial year supported by the fresh infusion of funds from the proceeds of the Issue. A significant increase in trade receivables is due to its plans to engage with new clients and extend longer credit periods as part of its strategy to build stronger relationships. Hence, SIPL expects an increase in trades receivable days and amount of trades receivable in line with expansion in business operations and increase in business operations of SIPL in forthcoming financial years.</p> <p>The debtors' realization for Fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024 were 67, 64, 54 and 88 days, respectively. Based on</p>

	<p>expected increase in business activities, SIPL believes an average collection period of 90 days for fiscal 2025 and fiscal 2026 each, seems realistic and achievable, given the current business developments.</p>
Trade Payables	<p>During Fiscal 2022, 2023 and 2024 and for the nine months ended December 31, 2024, trades payables period of SIPL was 79, 6, 32 and 65 days, respectively. Trades payables days for fiscal 2023 reduced significantly as the Company availed short term borrowings to pay the creditors.</p> <p>The primary raw materials used in the manufacturing process of spunbond nonwoven fabric are PP Granules, master batch and other additives to make fabric softer, UV treated and FR treated. Special chemicals are also used to produce hydrophilic and antistatic treatments. SIPL sources raw materials from its diversified supplier base who are in located in India, USA, Singapore and middle-eastern countries.</p> <p>SIPL anticipates a substantial expansion in business operations in the forthcoming financial years supported by the fresh infusion of funds from the proceeds of the Issue. To support this expansion in business operation, SIPL expects a significant increase in procurement of raw materials. In order to reduce dependence on few suppliers, SIPL plans to diversify its supplier base, which includes engaging with larger petrochemical manufacturers in and outside India who are able to supply these key raw materials in larger quantity and lower lead time. Typically, these large-sized suppliers extend lower credit period and less favorable payment terms as compared to smaller vendors. Hence, owing to these factors, SIPL envisages a reduction in trades payable days and increase in total trades payable in fiscal 2025 and 2026. For fiscal 2025 and fiscal 2026, SIPL expects the creditors' payment period to be 60 days and 40 days, respectively.</p>

Mode of deployment

The investment by our Company in SIPL is proposed to be undertaken in the form of equity or debt (including in the form of unsecured inter-corporate loans and whether consistent with the terms on which such loans have been offered to SIPL in the past by our Company) or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus and will be finalised by our Company based on recommendations of our Audit Committee. Before providing its recommendations in this regard to our Board, our Audit Committee will be required to take into account relevant commercial considerations and considerations under the applicable regulatory framework. If the investment is in nature of debt arrangement, complete details regarding the rate of interest, nature of security, terms of repayment and subordination (if any) and if the investment is in nature of equity arrangement, complete details regarding the valuation of SIPL, number of equity shares acquired, acquisition price per share, impact in shareholding structure of SIPL and other related details will be suitably disclosed by our Company.

3. Repayment, in full or in part, of certain borrowings availed by our Company

Our Company has entered into various arrangements for borrowings, in the form of, inter alia, working capital loans from HDFC Bank Limited and Standard Chartered Bank. As on December 31, 2024, the total working facility of our Company is ₹3,738.81 lakhs. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 271.

Our Company intends to utilize ₹ 800.00 lakhs from Net Proceeds towards repayment of full or part of the principal amount on working capital loans availed by it, the details of which are listed out in the table below. Pursuant to the terms of the borrowing arrangements, commitment or foreclosure charges as prescribed by the respective lenders may be imposed on us. Such commitment or foreclosure charges, as applicable, along with interest, will also be funded out of Net Proceeds. In the event the Net Proceeds are insufficient for payment of commitment or foreclosure charges, or interest, as applicable, such

payment shall be made from the internal accruals of our Company.

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may in accordance with the relevant repayment schedule, pre-pay / repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Further, our Company may also avail additional borrowings after the date of this Draft Red Herring Prospectus and/or draw down further funds under existing loans from time to time. In light of the above, if at the time of filing this Draft Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down and if the terms of new loans are more onerous than the older loans or if the limits under the borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

We believe that the repayment of a portion of certain outstanding borrowings availed by our Company will help reduce our outstanding indebtedness and finance costs, assist us in maintaining a favorable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

The selection of borrowings proposed to be repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding. Our Company may utilize Net Proceeds to repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of repayment. For details, see “*Financial Indebtedness*” on page 271 of this Draft Red Herring Prospectus.

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained the requisite Statutory Auditor’s report dated January 28, 2025 issued in accordance with Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India, certifying the utilisation of loans for the purpose availed.

The details of the outstanding loans of our Company on a standalone basis proposed for repayment or prepayment, in full or in part from the Net Proceeds are set forth below:

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Name of the Lender	Nature of Borrowings	Date of Sanction Letter	Amount sanctioned as on December 31, 2024	Outstanding Amount as on December 31, 2024 (₹ in lakhs)	Interest Rate p.a./	Purpose for which the loan was sanctioned	Commitment Charges	Prepayment Charges	Tenor/Repayment Scheduled
HDFC Bank Limited	Various fund based and non-fund based working capital facilities including cash credit, letter of credit, Bank Guarantee	August 13, 2024	2,550.00*	2,489.41	9.10%	For Working capital Requirement	Borrower is liable to be charged at a 0.5% per annum on quarterly basis, on the entire unutilized portion, if average utilization is less than 60% for CC/OD facility	-	Payable on demand
Standard Chartered Bank	Fund based and non-fund based working capital facilities including cash credit, letter of credit, Bank Guarantee.	October 10, 2024	1,250.00	1,249.40	9.30%	For Working capital Requirement	Commitment fee of ₹15,000/- will be debited to the Borrower's account per quarter in case the average utilisation of the Overdraft Facility is less than 50% of the sanctioned limit in the previous calendar quarter.	Closure charges – 2% (which may be revised by bank from time to time) on the facility granted to the borrower plus applicable taxes. Break Cost and prepayment fee of 2% on the amount prepaid provided that the Bank receives notice of such prepayment at least two Banking Days' prior to the date of the proposed prepayment. Each prepayment amount has to be at least equivalent to 5% of the initial utilisation	Payable on demand

As certified by Kaushal Dave & Associates, Chartered Accountants, Statutory Auditor of the Company, through its certificate dated January 28, 2025.

*Sanctioned limit includes non-fund based limits sanctioned by HDFC Bank Limited. For details, see "Financial Indebtedness" on page 271.

4. General Corporate Purposes

In terms of Regulation 230(2) of the SEBI ICDR Regulations and SEBI press release PR No.: 36/2024 dated December 18, 2024, the extent of the Issue Proceeds proposed to be used for general corporate purposes must not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower. Our Board will have flexibility in applying the balance amount towards part or full repayment/prepayment of outstanding borrowings, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time.

Our management, in response to the competitive and dynamic nature of our industry and business, will have flexibility in utilizing any amount for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilisation of funds towards any of the purposes will be determined by the Board or a duly appointed committee, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Estimated Issue related expenses

The total expense of this Issue is estimated to be ₹ [●] lakhs. The break-up of the Issue expenses is as follows:

Particulars	Amount* (₹ in lakhs)	% of Estimated Issue related expenses	% of Estimated Issue size
Fees payable to BRLM and commission (including selling commission, brokerage and underwriting commission)^	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Issue and bidding/uploading charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, NSE processing fees and other regulatory expenses;	[●]	[●]	[●]
(ii) Printing and stationery expenses;	[●]	[●]	[●]
(iii) Advertising and marketing expenses;	[●]	[●]	[●]
(iv) Fees payable to legal counsel;	[●]	[●]	[●]
(vi) Miscellaneous (including brokerage and selling commission and bidding charges of members of the syndicate, marketing and selling expenses, fees payable to auditors, market maker, consultants, market research firms and other professional agencies, stamp duty charges and other miscellaneous expenses)	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

* Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price

^ The details of the fees and commissions payable to Designated Intermediaries will be updated at the time of filing of Prospectus with RoC.

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934, as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000.00 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. Our Audit Committee will monitor the utilization of the proceeds of the Issue. We will disclose details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

Pursuant to the SEBI LODR Regulations, our Company will disclose to the Audit Committee the uses and applications of the Net Proceeds. Our Company will prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI LODR Regulations, our Company will furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

Variation in Objects

In compliance with Section 27 of the Companies Act, 2013, our Company will not vary the Objects of the Issue unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with applicable laws, including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and applicable rules. The notice shall simultaneously be published in the newspapers, all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), in accordance with the Companies Act, 2013 and applicable rules. Our Promoters or controlling shareholders must provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Appraising entity

None of the Objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Interest of Promoters, Promoter Group and Directors, in the Objects of the Issue

Our Promoters, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company. There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds entered or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

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BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company in consultation with the Book running Lead Manager on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should read the following basis with the sections titled “*Risk Factors*”, “*Financial Information*” and the chapter titled “*Our Business*” on page 30, 228 and 171 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

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

1. We are one of the largest manufacturers of spunbond nonwoven fabrics in India;
2. We provide tailored spunbond nonwoven fabric manufacturing for industry specific needs;
3. Long standing association with different consumers in diverse industries and geographies;
4. Advanced spunbond technology along with cleanroom technology for manufacturing process;
5. Experienced Promoters supported by a strong management and execution team;
6. We ensure consistency in quality and service standards;
7. Consistent financial performance.

For more details on qualitative factors, refer to chapter “*Our Business*” on page 171 of this Draft Red Herring Prospectus.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Information. For more details on financial information, investors please refer the chapter titled “*Restated Financial Information*” on page 228 of this Draft Red Herring Prospectus. Investors should evaluate our Company by taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Equity Share (“EPS”), adjusted for changes in capital:

Financial period	Basic & Diluted EPS (in ₹)^	Weight
Fiscal 2024	3.30	3
Fiscal 2023	0.68	2
Fiscal 2022	2.02	1
Weighted Average	2.21	-
For nine months ended December 31, 2024	4.42*	

* Not annualised

^The EPS computed above are derived after giving the effect of bonus shares issued in the ratio of 13:20 on January 13, 2025.

Notes

(1) Earning per Share are in accordance with Accounting Standard 20 – Earnings per Share, as amended

(2) Basic Earnings per Equity Share (₹): Profit for the year, as, restated divided by Weighted average number of equity shares outstanding during the period/year

(3) Diluted Earnings per Equity Share (₹): Profit for the year, as, restated divided by Weighted average number of equity shares outstanding during the period/year

(4) Weighted Average: Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

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

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for Fiscal 2024	The details shall be provided post the fixing of price band by our Company at the time of filing of price band advertisement.	
Based on diluted EPS for Fiscal 2024		

3. **Industry Peer Group P/E Ratio**

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

4. **Return on Net Worth (“RoNW”):**

Financial period	RoNW (%)	Weight
Fiscal 2024	24.06%	3
Fiscal 2023	5.79%	2
Fiscal 2022	19.53%	1
Weighted Average	17.21%	-
For nine months ended December 31, 2024	22.34%*	

* Not annualized

Notes:

- (1) Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.
- (2) Return on Net Worth (%) = Restated profit for the year divided by net worth at the end of the year
- (3) Net worth = Equity Share capital plus Reserves and Surplus.

5. **Net Asset Value per Equity Share⁽¹⁾:**

Particulars	NAV (₹) ⁽²⁾
As at December 31, 2024	22.64
As at March 31, 2024	15.21
After the Issue [#]	
- At Floor Price	[●]
- At Cap Price	[●]
Issue Price	[●]

to be included upon determination of floor price, Cap Price and Issue Price

Note:

- (1) NAV per equity shares is derived based on net worth as restated the end of the period by Number of Equity Shares outstanding as at the end of the period.
- (2) The NAV computed above are derived after giving the effect of bonus shares issued in the ratio of 13:20 on January 13, 2025.

6. **Key Financial and Operational Performance Indicators**

The table below sets forth the details of the key financial and operational performance indicators (“KPIs”) that our Company considers have a bearing for arriving at the basis for Issue Price. These KPIs have been used historically by our Company to understand and analyse business performance, which in result, help us in analysing the growth of various vertical segments. The Bidders can refer to the below-mentioned KPIs to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 28, 2025 and the Audit Committee has confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years period prior to the date of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Kaushal Dave and Associates, Chartered Accountants, bearing firm registration number 143936W, pursuant to certificate dated January 28, 2025, which has been included as part of the “Material Contracts and Documents for Inspection” on page 405.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations, 2018.

For details of our key operating, financial and other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see “Our Business” on page 171 and “Management’s Discussion and Analysis of Financial Condition and Result of Operations” on page 259.

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

(₹ in lakhs except percentages and ratios)

Sr. No.	Particulars	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1	Revenue from Operations (₹ in lakhs)	15,710.05	14,861.14	11,591.82	11,382.15
2	Total income (₹ in lakhs)	15,755.56	15,424.12	11,768.01	11,803.17
3	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (₹ in lakhs) ^(a)	2,048.07	1,500.51	1,080.16	638.89
4	EBITDA Margins (%) ^(b)	13.00%	9.73%	9.18%	5.41%
5	Profit after Tax (PAT) (₹ in lakhs)	729.35	544.18	112.68	333.07
6	PAT Margins (%) ^(c)	4.63%	3.53%	0.96%	2.82%
7	Cash Profit after Tax (₹ in lakhs) ^(d)	1,324.46	1,423.88	763.01	575.19
8	Current Ratio ^(e) (In times)	1.21	1.12	1.04	1.49
9	Adjusted Net Worth ^(f)	4,019.29	2,509.11	2,015.17	1,875.00
10	Debt-Equity Ratio ^(g) (In times)	2.50	1.93	2.46	2.98
11	Return on Equity (%) ^(h)	22.34% ^	24.06%	5.79%	19.53%
12	Return on Capital Employed (%) ⁽ⁱ⁾	20.18% ^	11.55%	7.30%	8.18%

[^] Not annualised

As certified by our statutory auditors Kaushal Dave and Associates, Chartered Accountants vide their certificate dated January 28, 2025.

Notes:

- EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization.
- EBITDA Margins is calculated as EBITDA divided by total income.
- PAT Margins (%) is calculated as Profit After Tax carried to balance sheet divided by Total Income.
- Cash Profit After Tax is calculated as a sum of Profit After Tax to balance sheet and Depreciation and Amortisation as per Restated Consolidated Financial Statements.
- Current Ratio is calculated as Total Current Assets divided by Total Current Liabilities.
- Adjusted Net worth is calculated as Equity Share Capital plus Reserve and Surplus less deferred tax Assets, Intangible assets

- and Preliminary and Pre operative expenses.
- g. *Debt-Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Financial Statements. Total Debt is calculated as a sum of Long-Term Borrowings and Short-Term Borrowings (including current maturity of long-term borrowings).*
 - h. *Return on Equity is calculated as Restated profit after tax After Tax carried to balance sheet for the year divided by average adjusted net worth, where average adjusted net worth is calculated by dividing sum of closing adjusted net worth of the current fiscal year and closing adjusted net worth of the previous fiscal year by 2. Adjusted net worth of FY 2021 is taken from audited financial statements.*
 - i. *Return on Capital Employed is calculated as Earnings Before Interest and Tax divided by Average Capital Employed. Average Capital Employed is calculated by dividing sum of closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2. Capital employed is calculated as sum of adjusted net worth and Long-Term Borrowings. Capital Employed of FY 2021 is taken from audited financial statements.*

KPIs disclosed above has been approved by the Audit Committee of the Company in their meeting held on dated January 28, 2025.

7. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. The KPIs set forth above have been approved by the Audit Committee pursuant to its resolution dated January 28, 2025.

The list of the KPIs along with brief explanation of the relevance of the KPIs for the business operations of the Company are set forth below:

Sr No.	KPIs	Explanation
1.	Revenue from Operations	Revenue from operation provided information regarding growth of our business operations over the period
2.	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	EBITDA provides information regarding operational profitability and the financial performance of the business.
3.	EBITDA Margins (%)	EBITDA margin provides the financial benchmarking against peers as well as to compare against the historical performance of our business.
4.	Profit after Tax (PAT)	PAT provides information regarding the overall Profitability of our business.
5.	PAT Margins (%)	PAT margin is an indicator of the overall profitability of our business and provides the financial benchmarking against peer as well as to compare against the historical performance of our business.
6.	Cash Profit after Tax	Cash Profit after Tax is an indicator which denotes profit generated from our business operations during the period before adjusting the non-cash items
7.	Current Ratio	Current ratio is an indicator of short-term solvency i.e., company's ability to pay short-term obligations or those due within one year.
8.	Debt-Equity Ratio	Debt Equity Ratio is an indicator of overall leverage of our Company
9.	Return on Equity (%)	RoE provides how efficiently the Company generates profits from average shareholders' funds.
10.	Return on Capital Employed (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in our business.

8. Comparison of accounting ratios with Industry Peers

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry

comparison in relation to our Company

9. Comparison of KPIs with listed industry peers

There are no listed companies whose business operations are similar to that of our Company or are of a comparable size to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company

10. Comparison of Key Performance Indicators over time shall be explained based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the nine months period ended December 31, 2024, and fiscals 2024, 2023 and 2022. For further details see “*History and Certain Corporate Matters*” on page 204.

11. Weighted Average Cost of Acquisition, Floor Price and Cap Price

a. Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Plan and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

The details of the Equity Shares or convertible securities, excluding issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Issuance**”) are as follows:

Date of allotment	No. of shares transacted	Face Value (in ₹)	Issue price per share	Nature of allotment	Nature of consideration	Total consideration (in ₹ lakhs)
December 27,2024	7,59,572	10	111.78	Private Placement	Cash	849.05
Total	7,59,572	-	-	-	-	849.05
Weighted Average Cost of Acquisition [Total Consideration/Total Number of Shares Transacted]*						67.75*

*Adjusted for bonus shares issued in the ratio of 13:20 on January 13, 2025.

Except as stated above, it is confirmed that there are no primary/new issue of shares, equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated on the pre-issue capital on the date of allotment) in the 18 months prior to the date of this Draft Red Herring Prospectus.

b. Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, the Selling Shareholder or other Shareholders of the Company with rights to nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction/s, and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)

The Details of secondary sale / acquisition of whether equity shares or convertible securities, where the promoter, members of the promoter group, selling shareholders, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding

gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days are disclosed below:

Date of Allotment/ Acquisition	Number of Equity Shares Allotted/ Transacted	Face value per Equity Share (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of allotment	Nature of Consideration	Total Consideration (₹ in Lakhs)
October 01, 2023	3,45,300	10.00	21.00	Transfer from Atulbhai Vrajlal Sanyaja to Jay Dilipbhai Kagatahra	Cash	72.51
October 01, 2023	1,93,000	10.00	21.00	Transfer from Vanitaben Atulbhai Sanyaja to Jay Dilipbhai Kagatahra	Cash	40.53
June 12, 2024	1,32,233	10.00	20.00	Transfer from Nileshbhai Bhagvanjibhai Kanani to Jay Dilipbhai Kagatahra	Cash	26.45
June 12, 2024	2,00,000	10.00	10.00	Transfer from Maganlal Thakarshibhai Sitapara to Jay Dilipbhai Kagatahra	Cash	20.00
June 12, 2024	97,100	10.00	20.00	Transfer from Dimpalben Vrujlal Kaneriya to Jay Dilipbhai Kagatahra	Cash	19.42
June 12, 2024	33,000	10.00	20.00	Transfer from Jaykumar Nayanbhai Delvadiya to Jay Dilipbhai Kagatahra	Cash	6.60
June 12, 2024	60,000	10.00	20.00	Transfer from Renish Vrujlal Kaneriya to Jay Dilipbhai Kagatahra	Cash	12.00
June 12, 2024	1,35,000	10.00	20.00	Transfer from Vrajlal Chhaganlal Kaneriya to Jay Dilipbhai Kagatahra	Cash	27.00
June 12, 2024	70,000	10.00	20.00	Transfer from Chetanbhai Thobhanbhai Kanani to Jay	Cash	14.00

Date of Allotment/ Acquisition	Number of Equity Shares Allotted/ Transacted	Face value per Equity Share (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of allotment	Nature of Consideration	Total Consideration (₹ in Lakhs)
				Dilipbhai Kagatahra		
June 12, 2024	1,00,000	10.00	20.00	Transfer from Bhagvanji Harjibhai Kanani to Jay Dilipbhai Kagatahra	Cash	20.00
June 12, 2024	41,300	10.00	20.00	Transfer from Rimpalbhai Bhagvanjibhai Kanani to Jay Dilipbhai Kagatahra	Cash	8.26
June 12, 2024	1,00,000	10.00	20.00	Transfer from Suryarajsinh Mahendrasinh Jadeja to Jay Dilipbhai Kagatahra	Cash	20.00
June 12, 2024	1,85,009	10.00	20.00	Transfer from Abhaykumar Narshibhai Fadadu to Jay Dilipbhai Kagatahra	Cash	37.00
June 12, 2024	50,450	10.00	20.00	Transfer from Dipakbhai Damjibhai Bhalodiya to Kishan Dilipbhai Kagathara	Cash	10.09
June 12, 2024	40,000	10.00	20.00	Transfer from Hansrajbhai Karamshibhai Kagathara to Kishan Dilipbhai Kagathara	Cash	8.00
June 12, 2024	90,014	10.00	20.00	Transfer from Pinalben Yashpalsinh Dasondi to Kishan Dilipbhai Kagathara	Cash	18.00
Total	18,72,406	-	-	-	-	359.86
Weighted Average cost of acquisition (Total Consideration/Total number of shares transacted)						11.65*

*Adjusted for issue of bonus in the ratio of 13:20

c. Price per share based on the last five primary or secondary transactions

Since there are transactions to report to under (a) and (b) above, therefore, information based on last 5

primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of the Company, are a party to the transaction) not older than 3 years prior to the date of the Draft Red Herring Prospectus irrespective of the size of transactions is not required to disclosed.

d. Weighted average cost of acquisition, Floor Price and Cap Price:

Type of transaction	WACA (in ₹)	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	67.75	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	11.65	[●]	[●]
Since there are transactions to report in (A) or (B) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where promoter/promoter group entities or selling shareholder or shareholder(s) having right to nominate director(s) in the Board of the Company, are a party to the transaction) not older than 3 years prior to the date of Draft Red Herring Prospectus irrespective of the size of transactions is not required to disclosed			
Last 5 primary transactions	N.A.	N.A.	N.A.
Last 5 secondary transactions	N.A.	N.A.	N.A.

* To be updated at Prospectus stage after finalization of price band.

12. Justification for Basis of Issue price

- The following provides an explanation for the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the nine months period ended December 31, 2024 and Fiscal 2024, 2023 and 2022.

[●]

(To be included on finalization of Price Band)

2. The following provides an explanation to the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

(To be included on finalization of Price Band)

The Price Band of ₹ [●] – [●] has been determined by our Company, in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “*Risk Factors*”, “*Our Business*” and “*Restated Financial Information*” on pages 30, 171 and 228, respectively of this Draft Red Herring Prospectus, to have a more informed view.

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STATEMENT FOR POSSIBLE TAX BENEFITS

To,
The Board of Directors,
Spunweb Nonwoven Limited
Survey No.109(2), N.H. 27,
Near Wankaner Boundry Post at Jalida,
Village Rangpar, Rajkot, Wankaner,
Gujarat, India, 363 621,
(the “Company”)

Dear Sirs/Madams,

Sub: Statement of possible special tax benefit (the “Statement”) available to Spunweb Nonwoven Limited (the “Company”), its material subsidiary Spunweb India Private Limited, and its shareholders prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the “SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares”) of the Company.

We, Kaushal Dave & Associates, Chartered Accountants (Firm Registration Number:143936W), statutory auditors of the Company, hereby confirm that the enclosed **Annexure A**, prepared by the Company and initiated by us for identification purpose (“**Statement**”) for the Issue, provides the possible special tax benefits available to the Company, its material subsidiary Spunweb India Private Limited and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, and Income tax Rules, 1962, as amended (hereinafter referred to as “**Direct Tax Laws**”), and indirect tax laws i.e., Central Goods and Service Act, 2017, Integrated Goods and Service Act, 2017, respective state Goods and Service Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975, Foreign trade (Development and Regulation) Act 1992 read with Foreign Trade Policy, as amended, read with the rules, circulars and notifications issued in connection thereto) (hereinafter referred to as “**Indirect Tax Laws**”), presently in force in India, available to the Company, its material subsidiaries and its shareholders. Several of these benefits are dependent on the Company, its material subsidiary Spunweb India Private Limited or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in **Annexure A** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A** have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

1. the Company or its shareholders will continue to obtain these benefits in the future; or
2. the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
3. the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company.

We have conducted our review in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this statement we have complied with the Code of Ethics issued by the ICAI.

We hereby consent to be named an “expert” under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We have carried out our work on the basis of Restated Financial Statements and other documents, public domain and information made available to us by the Company, which has formed substantial basis for this Statement.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We hereby consent to our name and the aforementioned details being included in the Issue Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law.

This certificate may be relied on by the BRLM, their affiliates and legal counsel in relation to the Issue and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Issue.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations to the BRLM and the Company until the equity shares allotted in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal advisor appointed with respect to Issue can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Issue Documents.

For
Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

Kaushal V. Dave
(Partner)
Membership No.: 174550
UDIN: 25174550BMLMQR9776
Date: January 28, 2025
Place: Rajkot

ANNEXURE A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

I. Special Direct tax benefits available to the Company

There are no special tax benefits available to the company under Direct Tax laws

II. Special Indirect tax benefits available to the Company

There are no special tax benefits available to the company under Indirect Tax laws

III. Special Direct tax benefits available to the material subsidiary

There are no special tax benefits available to the material subsidiary under Direct Tax laws

IV. Special Indirect tax benefits available to the material subsidiary

There are no special tax benefits available to the material subsidiary under Indirect Tax laws

V. Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders

Notes:

- (i) The above Statement of Tax benefits sets out the special tax benefits available to the Company, and its shareholders under the tax laws mentioned above.
- (ii) The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- (iii) This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- (iv) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- (v) This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.

For and on behalf of
Spunweb Nonwoven Limited

Jay Dilipbhai Kagathara
Chairman & Managing Director
Date: January 28, 2025
Place: Rajkot

SECTION VIII – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

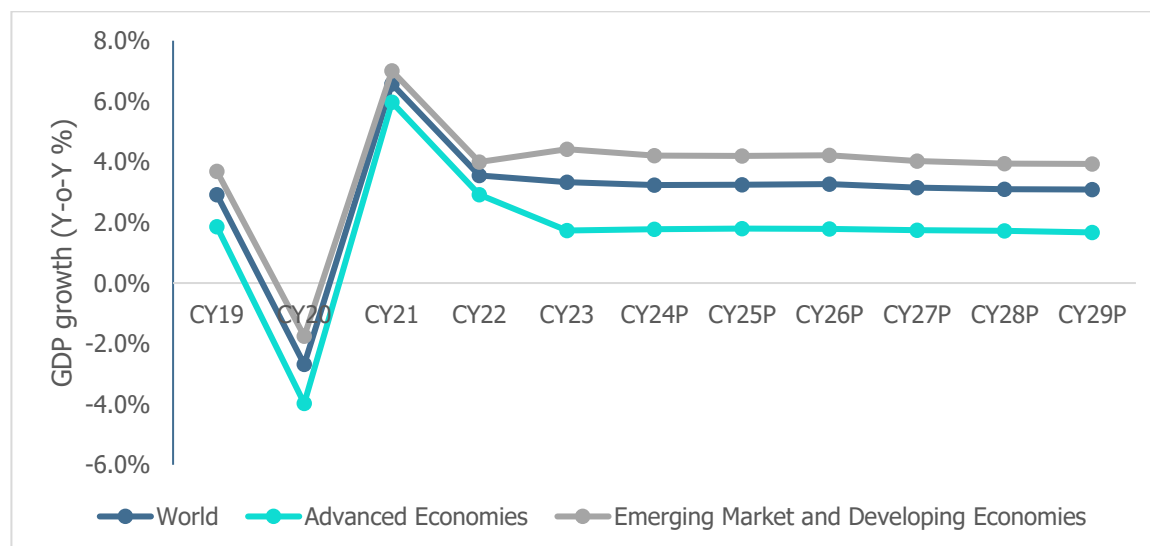
Unless otherwise indicated, the information in this section is obtained or extracted from the report dated January 24, 2025, titled “Industry Research Report on Nonwoven Fabric Industry” prepared and issued by CARE Advisory Research and Training Limited (“CareEdge Report”). The Report has been exclusively paid for by us for the purposes of this Issue and is available on the website of the Company at www.spunweb.com. It is hereby clarified that the information in this section is only an extract of the CareEdge Report and does not comprise the entire CareEdge Report. All information in the CareEdge Report that is considered material by us for the purposes of this Issue has been included in this section, and none of this information has been further modified by us in any manner, except for the limited purpose of presentation or ensuring continuity. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For further details, kindly refer chapter “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the industry report which has been commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risk” on page 47 of this Draft Red Herring Prospectus.

Economic Outlook

Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall and remain at 3.2% in both CY24 and CY25. The global real GDP growth outlook shows signs of improvement as cyclical imbalances ease, aligning economic activity with potential output in major economies. While global disinflation progresses, risks remain, particularly from financial market volatility and geopolitical tensions that could disrupt trade and increase commodity prices. Nonetheless, stronger public investment in advanced economies aimed at infrastructure and the green transition may stimulate private sector investment and bolster global demand. Additionally, accelerating structural reforms in both advanced and emerging markets could enhance productivity and support medium-term growth.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.4	3.0	5.3	4.8	4.5	4.1	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.5	4.6	4.4	3.6	3.5	3.5
Brazil	-3.3	4.8	3.0	2.9	3.0	2.2	2.3	2.4	2.5	2.5
Euro Area	-6.1	6.2	3.3	0.4	0.8	1.2	1.5	1.4	1.3	1.2
United States	-2.2	6.1	2.5	2.9	2.8	2.2	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, increasing to 1.8% in CY24 and staying same for next 2 years.

The **United States** is expected to grow to 2.8% in CY24, followed by a slight slowdown to 2.2% in CY25. Growth outlook for the United States has improved due to strong consumption and non-residential investment, driven by rising real wages and wealth effects. However, growth is expected to decelerate as fiscal policies tighten and the labour market cools, leading to a gradual closure of the output gap.

The **Euro Area's** growth is anticipated to rebound from its sluggish growth in CY23 to 0.8% in CY24 and further to 1.2% in CY25. This recovery is driven by better export performance, as well as, a stronger domestic demand. The gradual loosening of the monetary policy is expected to boost investment and the rise of real wages is anticipated to improve the consumption patterns.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.3% in CY24 to 5% in CY25. **China's** trajectory reflects a gradual slowdown, transitioning from 4.8% in CY24 to 4.5% in CY25 due to low consumer confidence and ongoing real estate sector challenges. However, better than expected net exports have ensured that the slowdown in growth is marginal. In contrast, **India's** growth remains robust, with anticipated rates of 7% in CY24 and 6.5% in CY25. This moderation in GDP growth is expected as the surge in pent-up demand from the pandemic wanes. The economy is transitioning towards its potential, reflecting a more sustainable pace of growth as it adjusts to post-pandemic realities.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25, an important concern for Indonesia is the trade fragmentation. **Saudi Arabia's** growth in CY24 is predicted to see a revamp in the growth rate to 1.5% on account of the extension of oil production cuts taking place in the country. Going forward, GDP is expected to grow at 4.6% in CY25. On the other hand, **Brazil's** growth is projected to be 3% in CY24 due to robust private consumption and investment driven by a strong labour market and effective government transfers. However, due to the anticipated tightening of the labour market and ongoing restrictive monetary policy, growth is expected to slowdown in CY25 to 2.2%.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.2 trillion by CY27 and USD 6.3 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

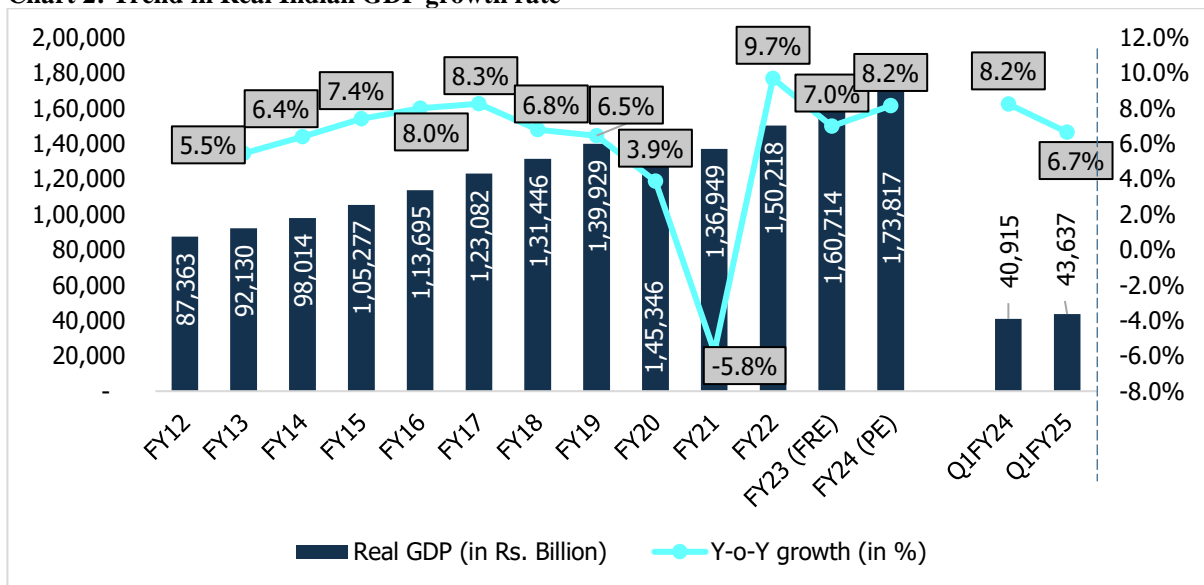
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.9% share in the global economy, with China (~18.7%) on the top followed by the United States (~15.1%).

Indian Economic Outlook

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Chart 2: Trend in Real Indian GDP growth rate



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

In Q1FY25, real GDP grew by 6.7% y-o-y, hitting a 15-month low, as compared to 8.2% y-o-y in the previous quarter. Private consumption, a key driver of the GDP, showed resilience increasing by 7.45% while government spending contracted by 0.24%. This growth was largely driven by elections and extreme summer conditions, which impacted economic activities across several sectors.

GDP Growth Outlook

- Driven by strong government capital expenditure, recovery in industrial activity, improved rural demand, and robust export performance, the economy continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity in India faced a setback in Q25 due to sector-specific slowdowns and monsoon-related disruptions. However, signs of recovery are visible, with industrial performance expected to improve in the second half of the year, driven by seasonal corrections, government spending, and the normalization of key sectors like cement, iron, steel, mining, and electricity.

- The domestic economic activity has shown signs of recovery after the slowdown in Q2 (5.4% growth), driven by strong festive demand and an uptick in rural activity. Healthy kharif crop production, higher reservoir levels, and better rabi sowing are providing a strong foundation for agricultural growth. Industrial activity is expected to normalize post-monsoon disruptions, with growth supported by government capital expenditure and improvements in cement, iron, steel, mining, and electricity sectors. The services sector continues to grow robustly, with the PMI for services at 58.4 in November, indicating continued expansion. Merchandise exports grew by 17.2% in October, and services exports maintained double-digit growth, supporting the external sector.
- Investment activity is expected to pick up which will be driven by higher government capital expenditure and a recovery in industrial sectors like cement, iron, and steel. Strong export growth in both merchandise and services is also likely to support investment.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its December 2024 monetary policy, has projected real GDP growth at 6.6% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q3FY25P	Q4FY25P	Q1FY26P	Q2FY26P
6.6%	6.8%	7.2%	6.9%	7.3%

Note: P-Projected; Source: Reserve Bank of India

Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.
- In FY23, **the agriculture sector** performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion. The agriculture sector's growth slowed in FY24 to an estimated 1.4% rise for the year, down from 4.7% in FY23. The sector reached to Rs. 23.1 trillion for FY24 as per provisional estimate. In Q1FY25, the agriculture sector grew by only 2% y-o-y as compared to 3.7% in Q1FY24. Better monsoon conditions are expected to brighten outlook for the agriculture sector. Going forward, rising bank credit and increased exports will be the drivers for the agriculture sector.
- The **industrial sector** output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities. India's industrial sector experienced robust growth in FY24 supported by positive business sentiment, falling commodity prices, and government policies like production-linked incentives. The sector grew by 9.5% on y-o-y basis, reaching Rs. 48.9 trillion for FY24. In Q1FY25, the industrial sector grew by 8.3% y-o-y as compared to 6% in Q1FY24. This growth was driven mainly by sales growth in manufacturing companies, construction, and utility services. Construction grew at the highest rate of 10.5% as compared to a growth rate of 8.3% in the same quarter in previous year.
- In FY23, benefitting from the pent-up demand, the **services sector** was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y. In FY24, India's services sector growth was driven by steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall. In Q1FY25, the services sector grew by only 7.2% y-o-y as compared to 10.7% in

Q1FY24.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

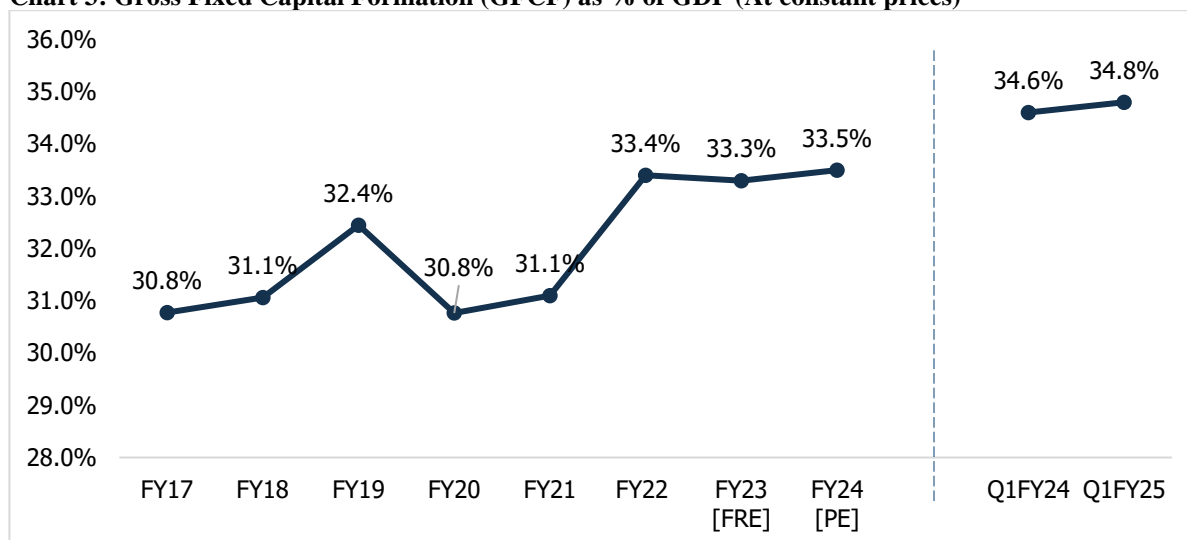
At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)	Q1FY24	Q1FY25
Agriculture, Forestry & Fishing	2.1	6.2	4.1	3.5	4.7	1.4	3.7	2.0
Industry	5.3	-1.4	-0.9	11.6	2.1	9.5	6	8.3
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1	7.0	7.2
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9	5.0	7.0
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5	3.2	10.4
Construction	6.5	1.6	-5.7	14.8	9.4	9.9	8.6	10.5
Services	7.2	6.4	-8.2	8.8	10.0	7.6	10.7	7.2
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4	9.7	5.7
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4	12.6	7.1
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8	8.3	9.5
GVA at Basic Price	5.8	3.9	-4.2	8.8	6.7	7.2	8.3	6.8

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF) is a measure of the net increase in physical assets. In FY23, the ratio of investment (GFCF) to GDP remained flat, as compared to FY22, at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24. In Q1FY25, GFCF as a proportion in GDP, reached 34.8% as compared to 34.6% in Q1FY24 mainly reflecting growth in private investment.

Chart 3: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices)



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE – First Advance Estimate; Source: MOSPI

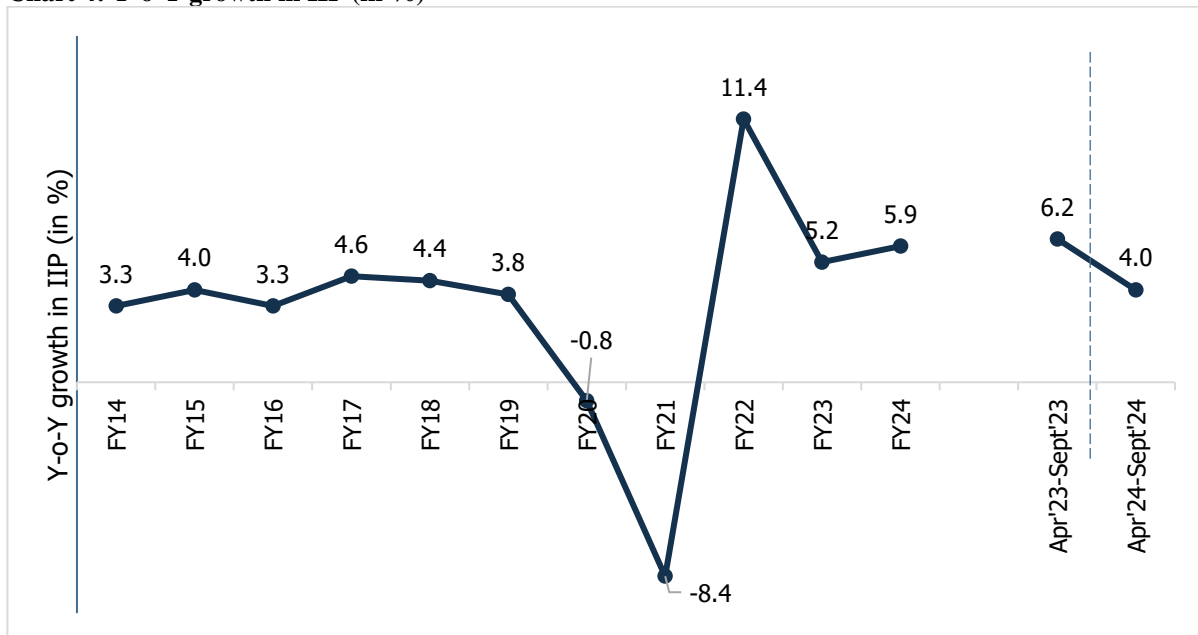
Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

Industrial Growth

Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities. During FY24, the industrial output recorded a growth of 5.9% y-o-y supported by growth in manufacturing and power generation sectors. The period April 2024 – September 2024, industrial output grew by 4.0% compared to the 6.2% growth in the corresponding period last year. For the month of September 2024, the IIP growth increased by 3.1% as compared to the last year's IIP growth of 6.4%. This increase was on account of all the used based segments witnessing a growth in their Y-o-Y growth in September 2024 compared to August 2023. The manufacturing sector also grew modestly in September 2024 by 3.9% as compared to a growth of 5.1% in September 2023. Within the growth in manufacturing, the top three positive contributors were Manufacture of basic metals, Manufacture of electrical equipment, and Manufacture of coke and refined petroleum products. So far in the current fiscal, the government's strong infrastructure spending and rising private investment are evident, though consumer non-durables production has declined. Urban demand drives consumption, while rural demand improves, highlighting the importance of sustained consumption and investment for industrial performance.

Chart 4: Y-o-Y growth in IIP (in %)

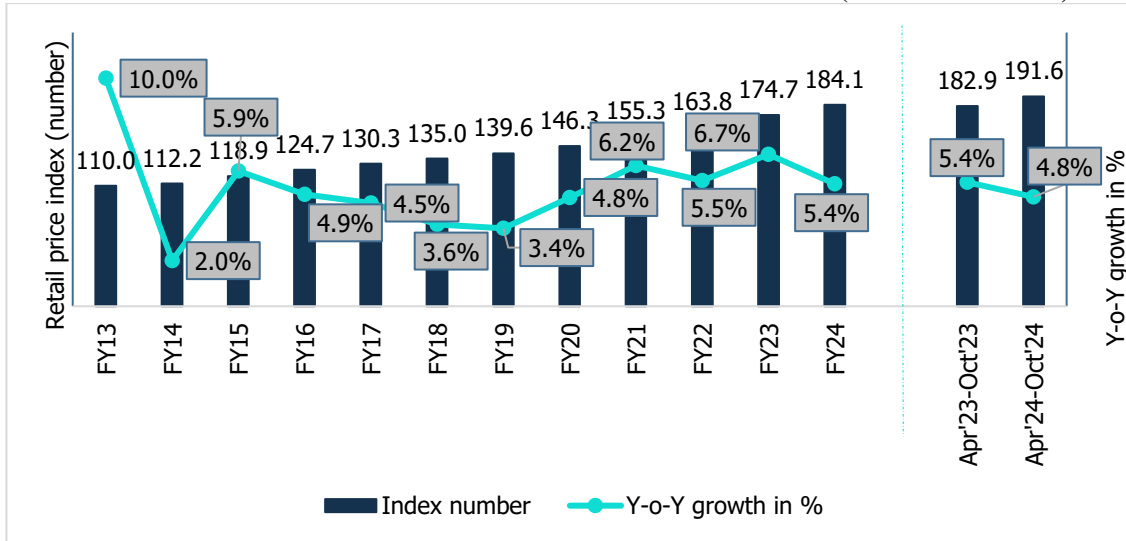


Source: MOSPI

Consumer Price Index

India's consumer price index (CPI) tracks retail price inflation in the economy. During FY23, CPI remained elevated at an average of 6.7%, above the RBI's tolerance level. In FY24, the Consumer Price Index (CPI) showed fluctuations, starting with a moderation to 4.3% in May 2023, followed by a spike to 7.4% in July 2023 due to rising food prices. Overall, inflation moderated to 5.4% for the year, remaining within the RBI's target range of 2% to 6%, despite volatility in food prices throughout the months. High inflation in specific food items poses inflation risk, even though an improvement in south-west monsoon and better kharif sowing are improving the food inflation outlook. The numbers for April 2024-October 2024 show a decline in inflation growth y-o-y to 4.8% as compared to inflation growth y-o-y of 5.4% in April 2023-October 2023 period. For October 2024, CPI inflation stood at 6.2% which has been the highest retail inflation since December 2023. There was a decline in inflation observed among the subgroups pulses & products, eggs, sugar & confectionery and spices subgroup.

Chart 5: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

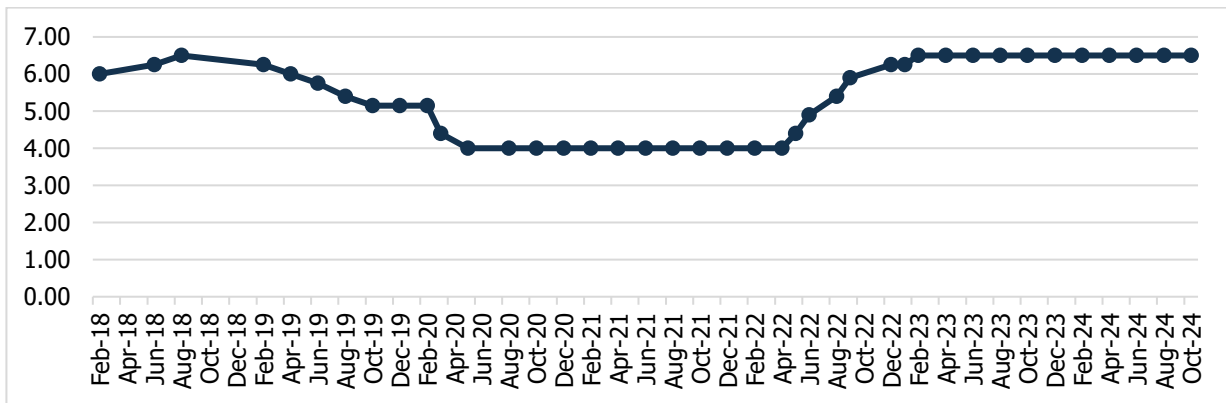


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in October 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.1%, Q3FY25 at 4.8%, Q4FY25 at 4.2%, and Q1FY26 at 4.3%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the October 2024 meeting of the Monetary Policy Committee.

Chart 6: RBI historical Repo Rate



Source: RBI

Further, the central bank changed its stance to neutral. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food prices due to adverse weather conditions pose a risk to the path of disinflation. Core inflation has likely reached its lowest point, and fuel prices are contracting. Domestic growth remains strong, driven by private consumption and investment, allowing the MPC to focus on bringing inflation down to the 4% target. As a result, the MPC decided to adopt a 'neutral' stance, monitoring inflation while supporting growth.

Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively

better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

India's strategic positioning as a manufacturing hub, bolstered by government initiatives, a skilled workforce, and a burgeoning startup ecosystem, enhances this outlook. Ongoing reforms and a focus on innovation position the country to capitalize on emerging opportunities, strengthening its role in the global manufacturing landscape. Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

Fabric Industry

The fabric industry is a vital segment of the global textile sector, encompassing the production, manufacturing, and distribution of various types of fabrics used in diverse applications. From apparel and fashion to home furnishings, industrial products, medical supplies, and more. The fabric industry plays a crucial role in supplying essential materials to numerous sectors. The industry comprises a wide range of materials, including natural fabrics like cotton, silk, and wool, as well as synthetic fabrics such as polyester, nylon, and spandex. Additionally, the non-woven fabric sector is gaining prominence due to its applications in hygiene products, healthcare, agriculture and industrial uses.

The fabric industry is integral to both everyday consumer goods and specialized industrial applications, making it a cornerstone of the global economy. As consumer preferences shift toward sustainable and innovative fabrics, the industry is evolving to meet new challenges and opportunities.

Types of Fabrics

Natural Fabrics

The fabric industry includes a rich variety of **natural fabrics** such as cotton, silk, and wool, each with unique properties and applications.

- **Cotton** is widely used in apparel, home textiles, and medical supplies due to its softness, breathability, and absorbent qualities. In the Cotton Marketing Year from August 1, 2023, to July 31, 2024, global cotton production reached 24,615 thousand tonnes. Major producers include China, India, the U.S., Brazil, and Pakistan, with India being a key player as one of the largest producers, consumers, and exporters. Cotton supports the livelihood of approximately 5.8 million farmers and 40-50 million people involved in cotton processing and trade-related activities.
- **Silk** is renowned for its luxurious texture and sheen, making it a popular choice in high-end fashion, accessories, and home décor. India is the second-largest producer and the largest consumer of silk globally, and the only country that produces all four major commercial varieties: Mulberry, Tropical & Oak Tasar, Muga, and Eri.
- **Wool** valued for its warmth and insulation, is widely used in winter clothing and blankets. Key regions like Kashmir, Ludhiana, and Panipat account for 80% of India's woollen production, blending traditional handloom techniques with modern manufacturing. Although smaller than the cotton and synthetic textile sectors, wool production benefits from government initiatives like the Integrated Wool Development Programme (IWDP) and Pashmina Brand Promotion. The Wool Research Association (WRA) supports industry growth through research, development, and skill-building, helping to enhance global recognition of Indian wool products.

Synthetic Fabrics

Synthetic fabrics like polyester, nylon, and spandex have become increasingly popular for their durability, versatility, and lower production costs compared to natural fabrics. Turkey has emerged as India's leading export destination for synthetic yarn, with total global exports amounting to Rs. 111,531 million.

- **Polyester** is prized for its wrinkle resistance, quick-drying nature, and durability, making it a key material in clothing, furnishings, and industrial textiles.
- **Nylon** is known for its strength and elasticity, commonly used in activewear, outdoor gear, and industrial applications.
- **Spandex** is highly elastic and essential in making stretchable garments, including sportswear and undergarments.

Non-Woven Fabrics

The non-woven fabric sector is thriving due to its applications in hygiene (diapers, sanitary products, wipes), healthcare (gowns, masks, bandages), industry (geotextiles, filtration, insulation), and consumer goods (reusable bags, cleaning products). It also supports agriculture (crop covers), environmental protection (spill containment), and advanced sectors like construction and aerospace, valued for its lightweight and versatile properties.

- **Non-woven fabrics** are produced by bonding fibers mechanically, thermally, or chemically, rather than weaving or knitting.
- These fabrics are essential in the production of disposable hygiene products like diapers, sanitary pads, and wipes, as well as medical items such as surgical gowns, face masks, and wound dressings.
- Industrial applications include filtration, automotive interiors, and geotextiles, with the sector experiencing growth driven by increasing demand for hygiene products and medical advancements.

Non-Woven Fabric Market

Non-woven fabric is a unique textile material that is distinct from traditional fabrics, as it is produced without the typical weaving or knitting processes that interlace yarns. Instead, fibers are bonded together through mechanical, thermal, or chemical methods to create the fabric. The absence of weaving or knitting results in fabrics that are lightweight, versatile, and often produced at lower costs. This innovative approach to fabric production makes non-woven materials highly adaptable, allowing manufacturers to tailor specific properties based on the intended application. Non-woven fabric is categorized based on various bonding patterns and conveying methods.

The future of the technical textile and non-woven fabric industries is closely intertwined, driven by shared growth opportunities across sectors like healthcare, hygiene, agriculture, automotive, infrastructure, and filtration. Rising demand for medical textiles, sanitary products, and eco-friendly packaging fuels non-woven fabric usage, while technical textiles contribute through innovations like geotextiles, advanced filtration media, and defense applications. Both industries benefit from sustainability trends and government support, such as India's National Technical Textiles Mission, promoting domestic production and R&D. With increasing applications and technological advancements, they are poised for significant growth and mutual expansion.

Unique Properties and Versatility of Non-woven Fabric

Due to its manufacturing technique, non-woven fabrics possess several unique properties:

- **Durability and Strength:** These fabrics can be designed to withstand varying levels of stress, depending on their use. Some are lightweight and disposable, while others are made to last for longer periods.
- **Flexibility:** Non-woven materials can be created in different thicknesses and densities, offering flexibility in design and functionality.
- **Cost-Effectiveness:** The production process often requires fewer resources and is less time-consuming than woven or knitted fabrics, making non-woven materials more economical to produce.

The versatility of non-woven fabrics makes them indispensable in creating both single-use products like diapers and sanitary pads, as well as long-lasting industrial materials, including geotextiles and filtration systems. This adaptability continues to drive growth in the non-woven fabric market globally.

Types of Non-Woven Fabric

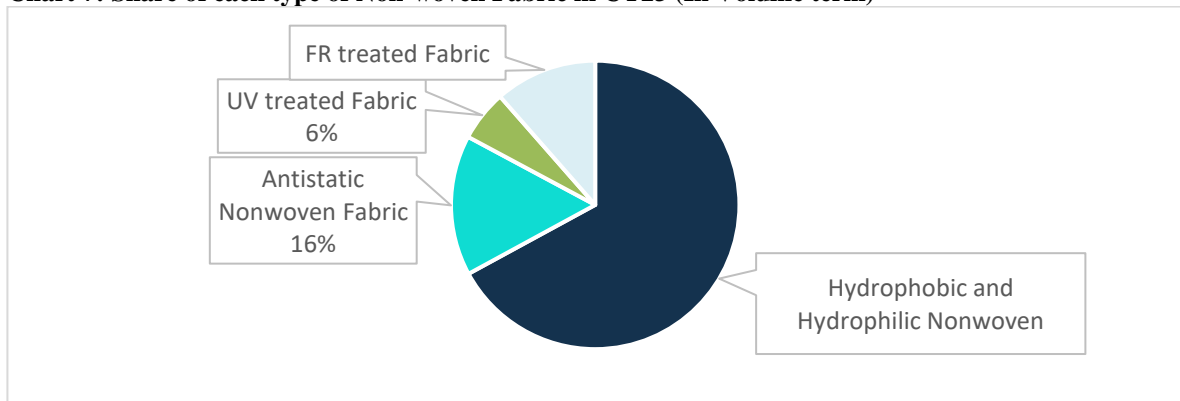
Types	Description
Spunbond Nonwoven Fabric	Spunbond nonwoven fabric is made by extruding thermoplastic polymers such as polypropylene into continuous filaments. These filaments are then laid down randomly and bonded through heat, chemical, or mechanical processes. Known for its lightweight, durability, and water-resistant properties, spunbond fabric is also breathable, making it a popular choice for hygiene products like diapers and sanitary napkins, as well as for agricultural covers, medical gowns, filtration materials, and reusable shopping bags.
Spunlace Nonwoven Fabric	Spunlace nonwoven fabric is produced by entangling fibers using high-pressure water jets, forming a strong, flexible, and soft material without using adhesives or thermal bonding. The fabric is known for its soft texture, high absorbency, and strong tear resistance, making it suitable for wet wipes, cosmetic pads, medical dressings, disposable towels, and cleaning cloths.
Melt blown Nonwoven Fabric	Meltblown nonwoven fabric is created by extruding molten polymer through fine nozzles, with high-velocity hot air converting it into short, fine fibers that bond naturally. This method produces fabric with extremely fine fiber diameter, high filtration efficiency, and a lightweight structure. Meltblown fabric is widely used in face masks (such as N95 and surgical masks), air and liquid filtration systems, insulation materials, and oil-absorbing mats.
Air-Laid Nonwoven Fabric	Air-laid nonwoven fabric is manufactured by dispersing short fibers (often wood pulp or synthetic) into an air stream to form a uniform web that is bonded using adhesive, thermal, or mechanical methods. This type of fabric is highly absorbent, bulky, and soft, making it ideal for absorbent cores in diapers, sanitary napkins, kitchen towels, and tabletop covers.
Wet-Laid Nonwoven Fabric	Wet-laid nonwoven fabric involves suspending fibers in water to create a slurry, which is spread onto a moving belt where water is drained and the web is bonded through heat or chemicals. This results in a smooth, uniform fabric with high strength. Wet-laid fabrics are commonly used for applications like tea bags, coffee filters, medical packaging, and specialty papers.
Stitch Bond Nonwoven Fabric	Stitch bond nonwoven fabric is created by stitching fibers or filaments together using a warp-knit stitching process, eliminating the need for adhesives or heat bonding. This process produces a durable, flexible fabric that is resistant to wear and tear. Stitch bond fabrics are used in upholstery, roofing underlays, mattress pads, and insulation materials, valued for their strength and versatility.

Types of Spunbond Fabrics

Types	Description
Hydrophobic and Hydrophilic Nonwoven Fabric	Hydrophilic non-woven fabrics are specifically engineered to absorb moisture, making them ideal for products where moisture control is critical. These fabrics work by drawing moisture away from the skin, ensuring users remain dry and comfortable. They are often used in hygiene products like diapers, wipes, and sanitary napkins, where moisture absorption is essential for user comfort.
	On the other hand, hydrophobic non-woven fabrics repel water and are designed to prevent moisture from penetrating the material. This makes them perfect for applications requiring water resistance, such as protective coverings, outdoor textiles, or medical barriers.
	Both hydrophilic and hydrophobic fabrics serve distinct functions based on their ability to manage moisture, providing versatility in various industries like healthcare, hygiene, and industrial applications.

Types	Description
Antistatic Nonwoven Fabric	<p>Antistatic nonwoven fabric is a highly specialized material developed to prevent static electricity buildup, which can lead to electrical discharges and dust accumulation. These issues can negatively impact product performance, safety, and operational efficiency. The fabric's antistatic properties mitigate such risks, ensuring a safer and cleaner environment, particularly in sensitive applications.</p> <p>This fabric is widely used in industries where static control is critical, such as electronics, medical & healthcare, and cleanrooms. In these settings, static discharge can disrupt the performance of electronic devices or compromise sterile environments. By using antistatic nonwoven fabric, manufacturers can protect sensitive equipment, enhance product reliability, and maintain safety standards in environments that demand cleanliness and controlled conditions.</p> <p>Antistatic nonwoven fabric is crucial in medical and healthcare segment, used in surgical drapes and uniforms to control static discharge. It ensures safety and sterility in sensitive environments like operation theaters.</p> <p>Its versatility allows for widespread use across various sectors, offering both functional benefits and comfort, outperforming regular fabrics in industrial and technical applications.</p>
UV treated Fabric	<p>UV-treated nonwoven fabric is specifically engineered to withstand the damaging effects of ultraviolet (UV) rays through the addition of specialized UV stabilizers or absorbers. These agents act as protective shields, preventing the fabric from breaking down, fading, or losing its structural integrity when exposed to sunlight. Without this protection, UV rays can cause materials to degrade over time, leading to discoloration, reduced strength, and brittleness. The durability and resistance to UV radiation make UV-treated nonwoven fabrics highly suitable for outdoor applications.</p> <p>In agriculture, for example, they are commonly used in crop covers, greenhouses, and landscaping to protect plants while maintaining material integrity. Similarly, in construction, they are employed as geotextiles, roof coverings, and outdoor barriers that require long-term exposure to the elements.</p> <p>By resisting the harmful effects of the sun, UV-treated nonwoven fabrics ensure extended product lifespan, making them more cost-effective and reliable for industries that depend on outdoor usage.</p>
FR treated Fabric	<p>FR-treated (fire-resistant) fabric is specifically designed with flame-retardant properties, making it an ideal choice for protective clothing and gear aimed at preventing fire-related accidents. This specialized fabric undergoes treatment processes that enhance its resistance to ignition and slow the spread of flames, significantly improving safety for individuals working in high-risk environments such as construction sites, electrical plants, and emergency services. The incorporation of FR-treated fabric in personal protective equipment (PPE) helps ensure that wearers are safeguarded against fire hazards, providing peace of mind and compliance with safety regulations.</p> <p>In addition to protective clothing, FR-treated fabric finds extensive use in various industries where fire safety regulations are paramount. For instance, in the furniture industry, it is often used in upholstery, drapery, and bedding to reduce the risk of fire incidents in residential and commercial settings. The aviation sector also employs FR-treated fabrics for cabin interiors, ensuring passenger safety in case of emergencies.</p> <p>Furthermore, this fabric meets stringent fire protection standards, making it essential for applications where durability and safety are critical. Its ability to provide both protection and comfort ensures that FR-treated fabric remains a vital component in safeguarding lives and property across diverse sectors.</p>

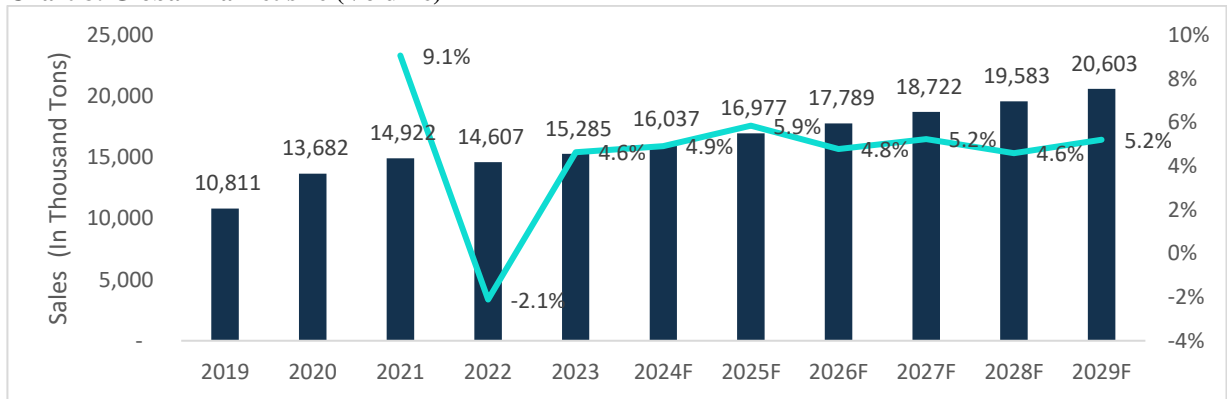
Chart 7: Share of each type of Non-woven Fabric in CY23 (In Volume term)



Source: MAIA Research

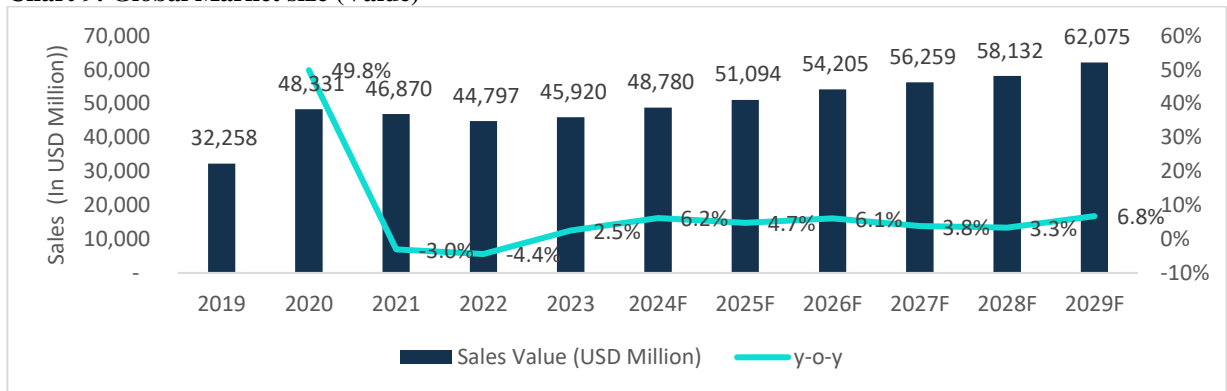
Hydrophobic and hydrophilic nonwoven fabrics represent 67% of the total non-woven fabric market due to their extensive use in hygiene products, medical textiles, and filtration applications, for their moisture management properties. Antistatic fabrics make up 16% of the market, driven by their importance in sectors where static electricity is a concern, such as electronics and clean rooms, as they help prevent static charge buildup and protect sensitive equipment. UV-treated fabrics constitute 6% of the market, driven by their use in outdoor and agricultural applications for durability against sunlight, while fire-retardant (FR) treated fabrics, comprising 11%, cater to industries such as construction, automotive, and defense, requiring enhanced flame resistance.

Chart 8: Global Market size (Volume)



Source: MAIA Research
Note: F: Forecast

Chart 9: Global Market size (Value)

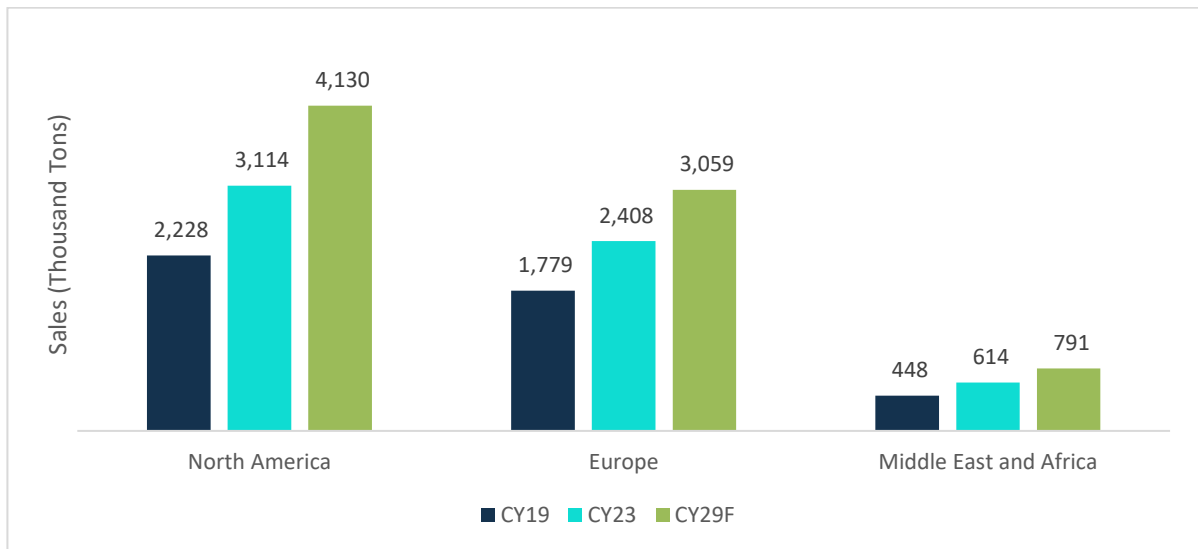


Source: MAIA Research
Note: F: Forecast

The global consumption of non-woven fabric increased from 10,811 Thousand Tons in CY19 to 15,285 Thousand Tons in CY23 at a CAGR of 9.0%, driven by rising demand across industries such as healthcare, hygiene, and packaging. The COVID-19 pandemic significantly boosted the use of non-woven fabrics in medical supplies like masks, gowns, and PPE kits, while growing hygiene awareness fueled demand for diapers, wipes, and sanitary products. Additionally, the expansion of sustainable packaging solutions and advancements in technology contributed to this growth. In terms of revenue, sales rose significantly from USD 32,258 million in CY19 to USD 45,920 million in CY23. This growth reflects market's expansion and increasing acceptance of these materials in applications ranging from hygiene products to medical textiles and beyond.

By 2029, global consumption is expected to reach 20,603 Thousand Tons, propelled by increasing demand for eco-friendly and biodegradable non-woven fabrics, continued growth in healthcare and hygiene sectors, and the expansion of infrastructure projects utilizing geotextiles. Technological innovations enabling efficient production and the shift towards sustainability will further drive market growth across various industries.

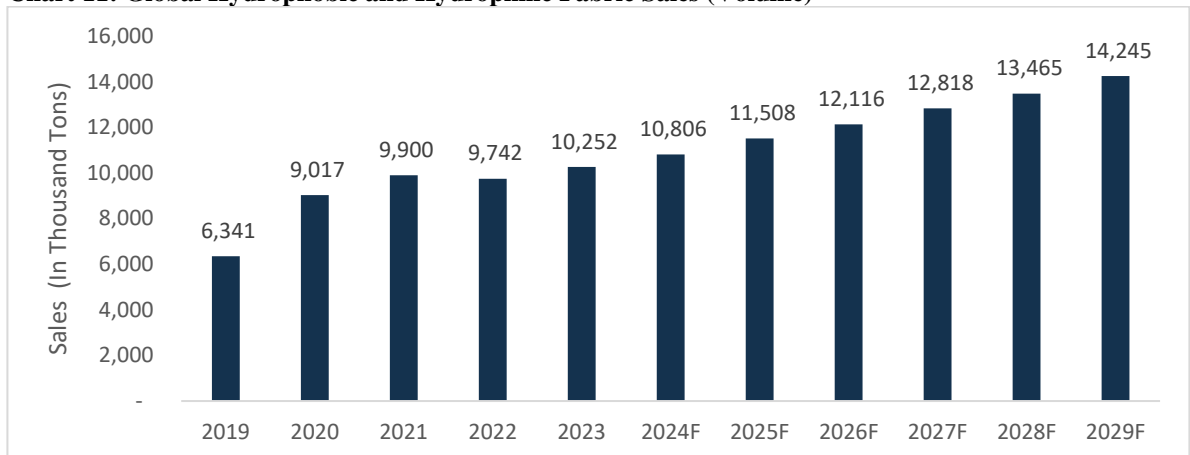
Chart 10: Trend in Market size in Key continents (Volume)



Source: MAIA Research
 Note: F: Forecast

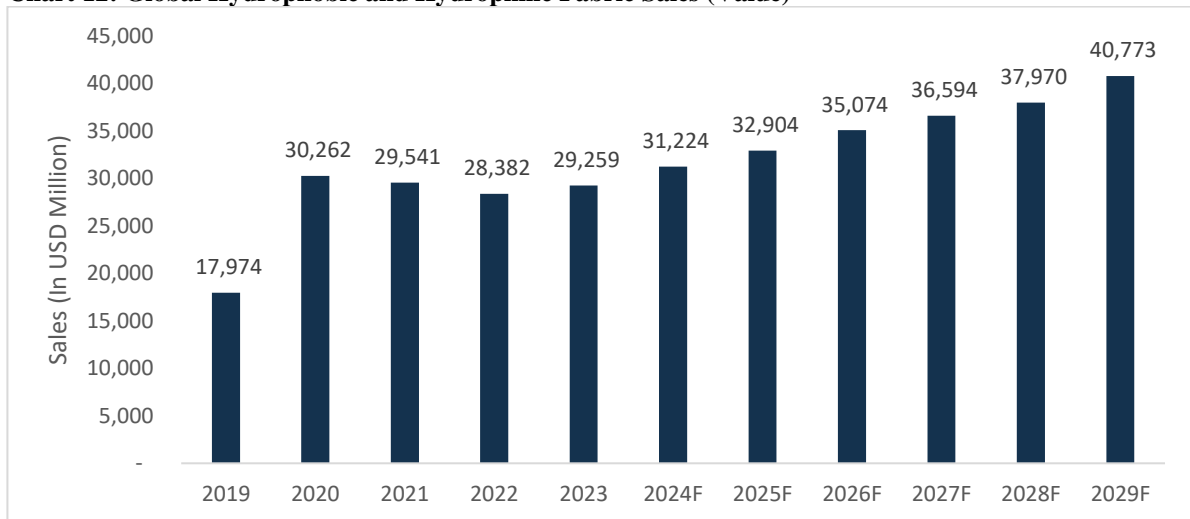
Hydrophobic and Hydrophilic Non-woven Fabric

Chart 11: Global Hydrophobic and Hydrophilic Fabric Sales (Volume)



Source: MAIA Research
 Note: F: Forecast

Chart 12: Global Hydrophobic and Hydrophilic Fabric Sales (Value)



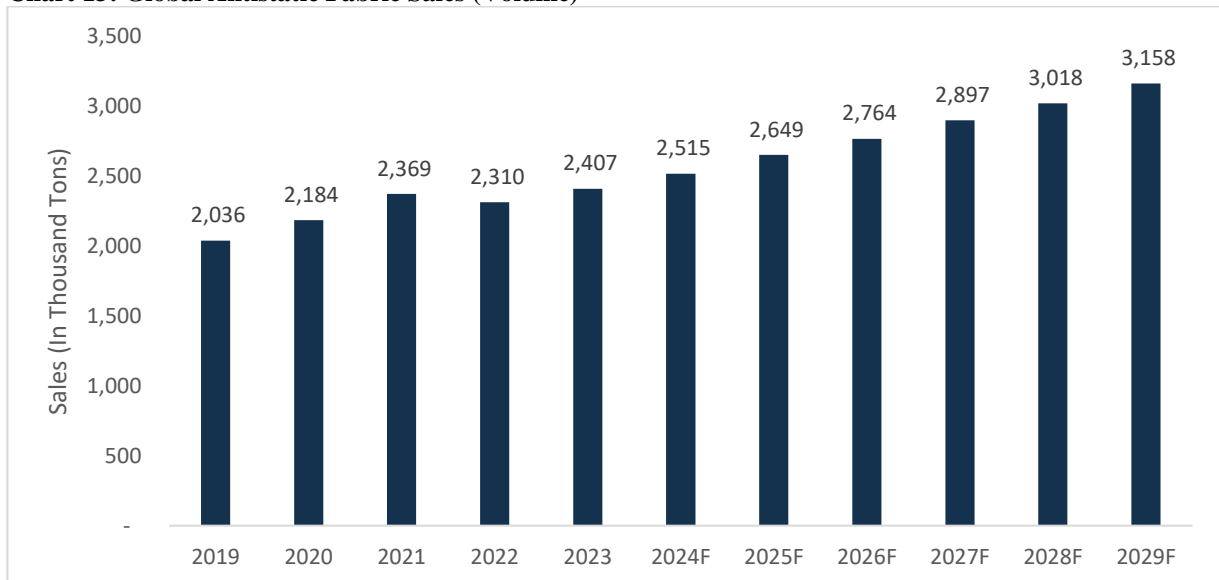
Source: MAIA Research
 Note: F: Forecast

Hydrophobic and hydrophilic non-woven fabrics are the most widely used globally, making up over 67% of the market in CY23. Their consumption grew from 6,341 Thousand Tons in CY19 to 10,252 Thousand Tons in CY23, with a CAGR of 12.8%. In CY23, global sales of hydrophobic and hydrophilic non-woven fabrics amounted to USD 29,259 million, and this figure is expected to rise to USD 40,773 million by CY29, reflecting a CAGR of approximately 5.7%.

This dominance is expected to persist through CY29 due to their broad use in key industries like healthcare, hygiene, and packaging. By 2029, global consumption is projected to reach 14,245 Thousand Tons, driven by the growing demand for disposable products such as diapers, wipes, sanitary napkins, and medical gear, particularly in emerging markets. The fabrics' ability to repel or absorb moisture makes them essential in ensuring comfort and moisture control, solidifying their continued market leadership.

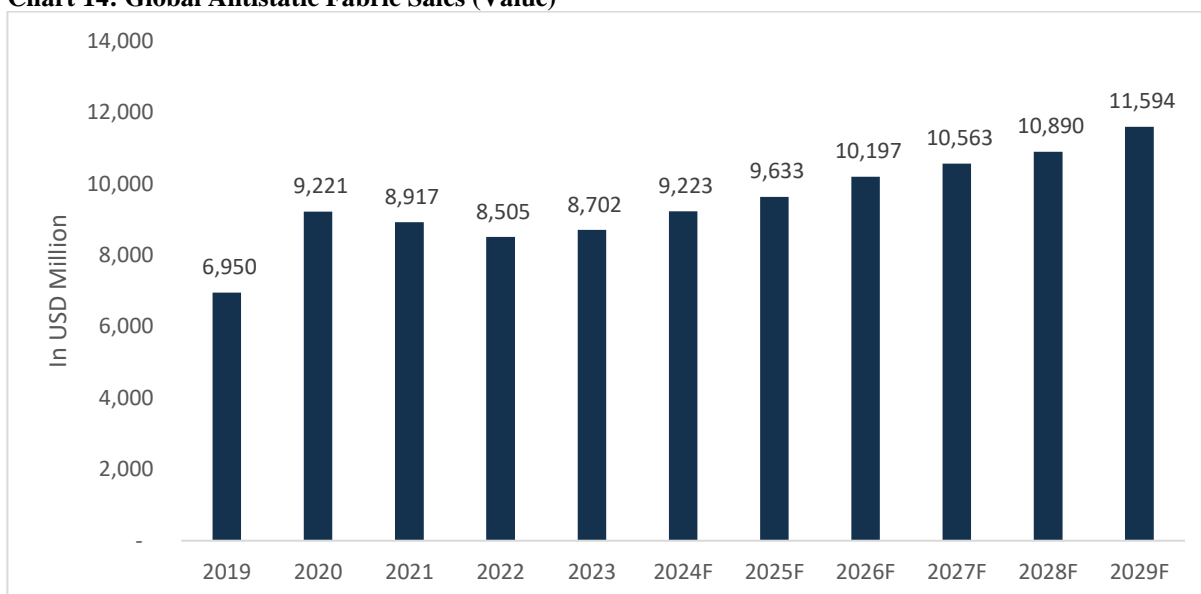
Antistatic Non-woven Fabric

Chart 13: Global Antistatic Fabric Sales (Volume)



Source: MAIA Research
 Note: F: Forecast

Chart 14: Global Antistatic Fabric Sales (Value)



Source: MAIA Research

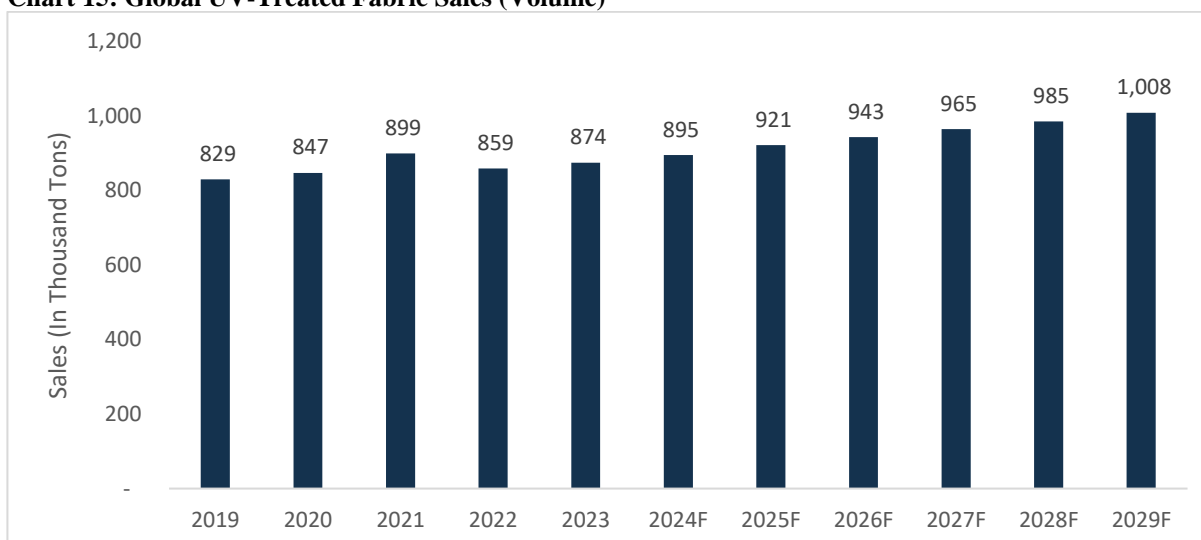
Note: F: Forecast

Antistatic non-woven fabrics are among the most widely utilized globally, representing over 15% of the market in CY23. Their consumption has increased from 2,036 Thousand Tons in CY19 to 2,407 Thousand Tons in CY23, with a CAGR of 4.3%. In CY23, global sales of antistatic non-woven fabrics reached USD 8,702 million, with expectations for this figure to grow to USD 11,594 million by CY29, indicating a CAGR of approximately 4.9%.

This market share is anticipated to remain stable through CY29 due to the rising demand for antistatic materials in various applications, particularly in the electronics and automotive sectors, where static control is crucial. By 2029, global consumption is projected to reach 3,158 Thousand Tons, driven by advancements in technology, increasing awareness of static-related issues, and a growing emphasis on product safety and performance across industries.

UV-treated fabric

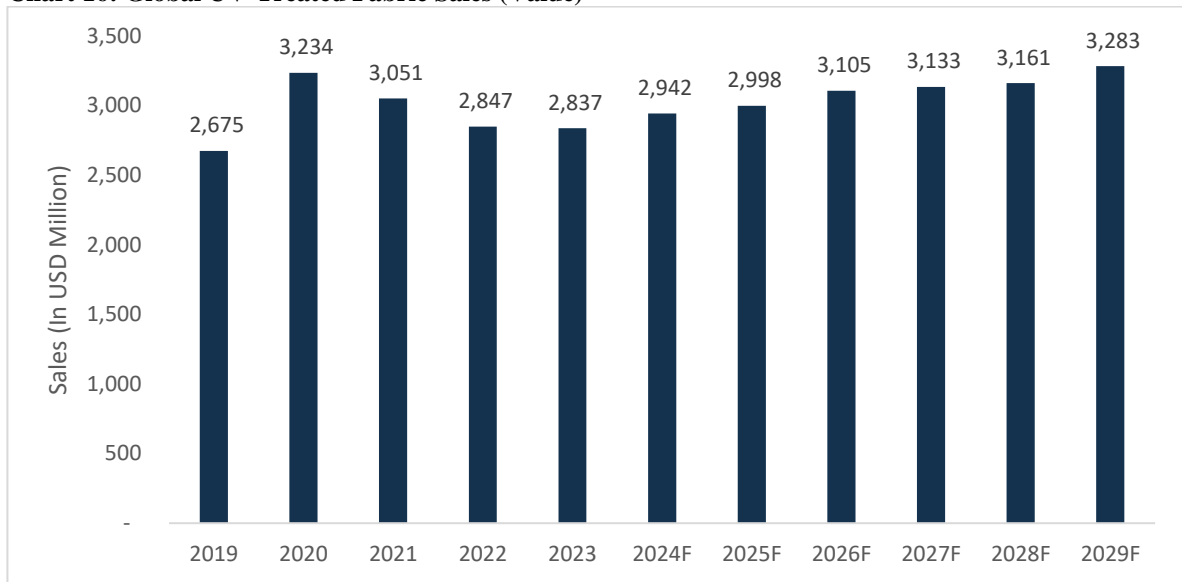
Chart 15: Global UV-Treated Fabric Sales (Volume)



Source: MAIA Research

Note: F: Forecast

Chart 16: Global UV-Treated Fabric Sales (Value)



Source: MAIA Research

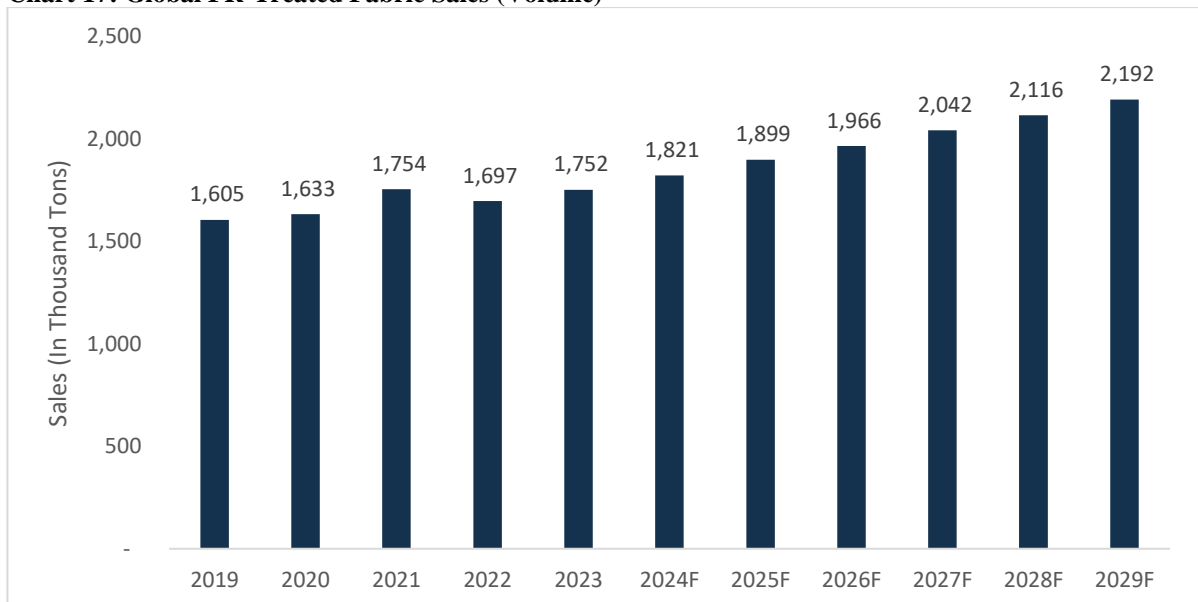
Note: F: Forecast

UV-treated non-woven fabrics account for just over 5% of the market in CY23. Their consumption has risen from 829 Thousand Tons in CY19 to 874 Thousand Tons in CY23, reflecting a modest CAGR of 1.3%. In CY23, global sales of UV-treated non-woven fabrics reached USD 2,837 million, with projections indicating growth to USD 3,283 million by CY29, representing a CAGR of approximately 2.5%.

However, this market share is expected to decline slightly by CY29 due to increasing competition from advanced non-woven fabrics that offer superior properties and functionalities. By 2029, global consumption is projected to reach 1,008 Thousand Tons, driven by the growing demand for UV-resistant materials in various applications, such as outdoor textiles and packaging solutions, where protection from UV exposure is essential.

FR-treated fabric

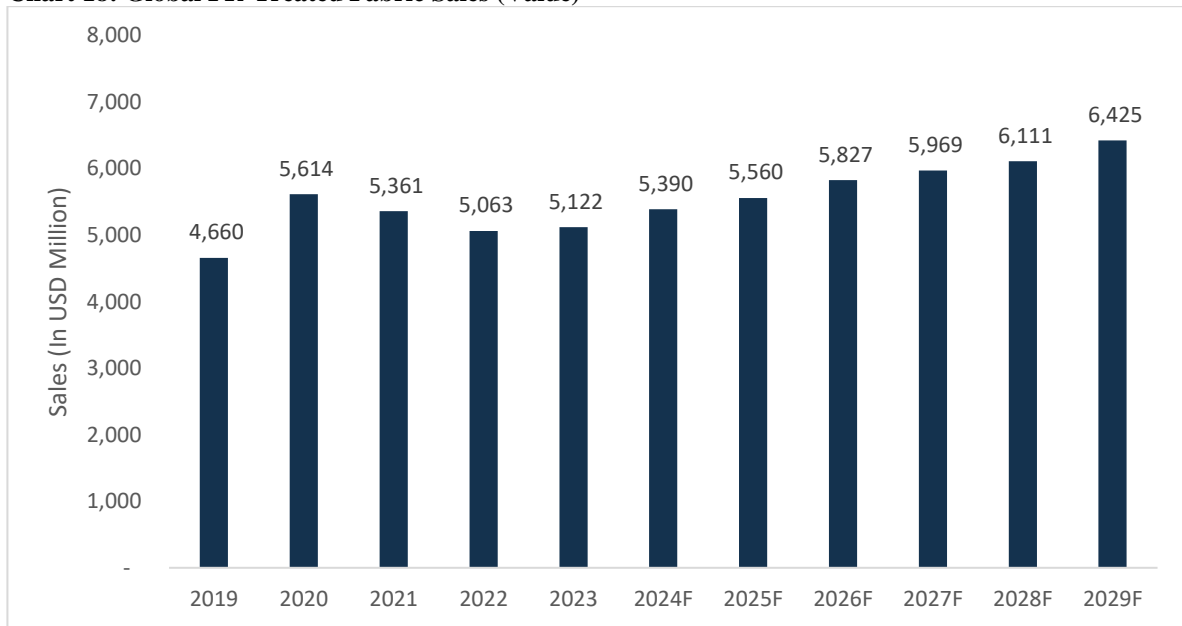
Chart 17: Global FR-Treated Fabric Sales (Volume)



Source: MAIA Research

Note: F: Forecast

Chart 18: Global FR-Treated Fabric Sales (Value)



Source: MAIA Research

Note: F: Forecast

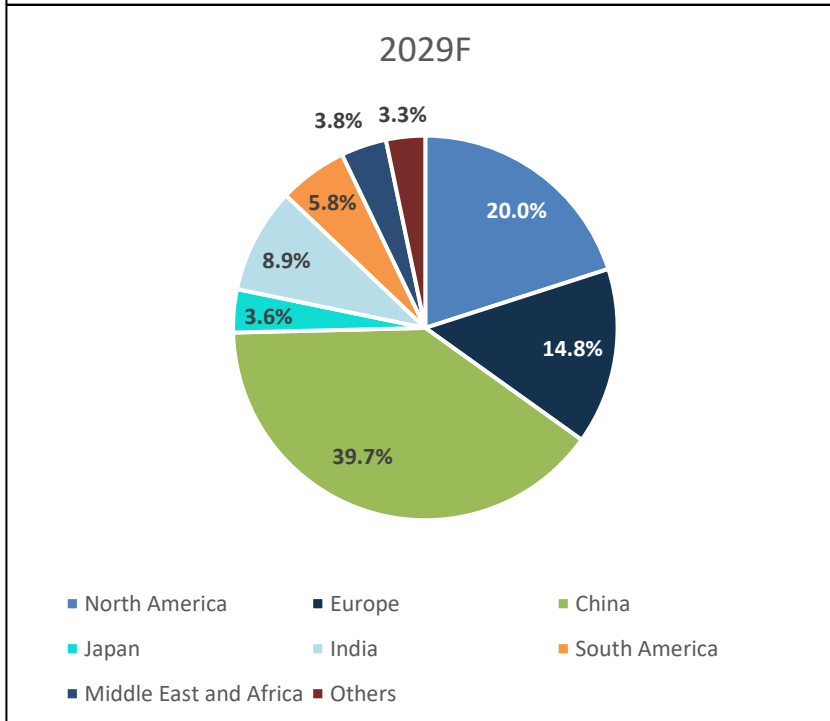
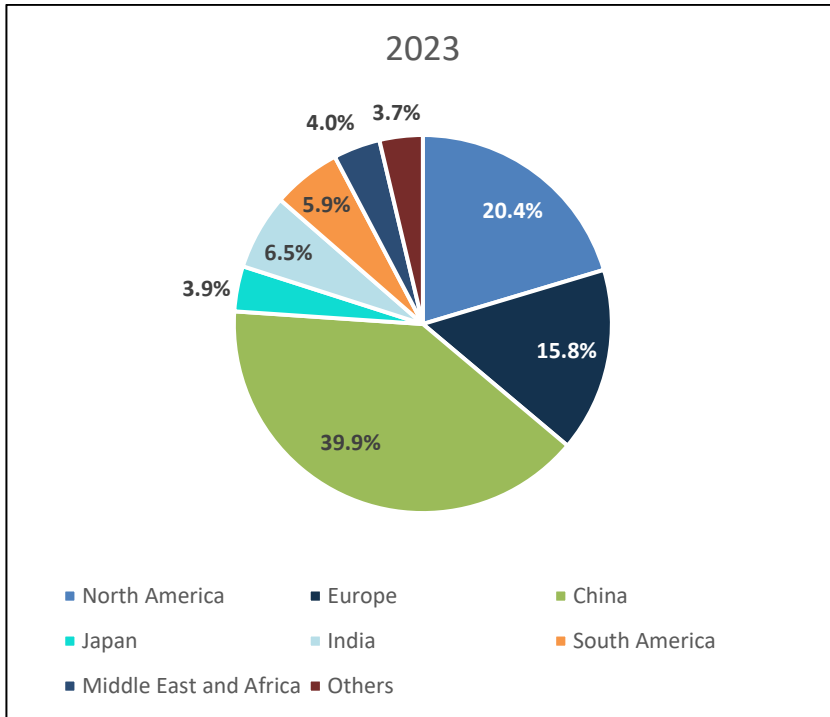
FR-treated non-woven fabrics account for over 11% of the market in CY23. Their consumption has risen from 1,605 Thousand Tons in CY19 to 1,752 Thousand Tons in CY23, reflecting a modest CAGR of 2.2%. In CY23, global sales of FR-treated non-woven fabrics reached USD 5,122 million, with projections indicating growth to USD 6,425 million by CY29, representing a CAGR of approximately 3.9%.

However, this market share is anticipated to experience a slight decline by CY29 due to the rising competition from advanced non-woven fabrics that provide enhanced properties and functionalities. By 2029, global consumption is projected to reach 2,192 Thousand Tons, fueled by the increasing demand for fire-resistant (FR) materials across various applications, such as protective clothing for industries like firefighting, oil and gas, and manufacturing. Additionally, the construction sector is also expected to drive demand for FR-treated non-woven fabrics in products like insulation, wall coverings, and upholstery, where fire safety standards are critical. The ongoing emphasis on safety regulations and standards in these sectors will further bolster the need for high-performance, FR-resistant materials, supporting market growth in the coming years.

Global Consumption- By Region (In Thousand Tons)

Chart 19: Global Consumption comparison

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Source: MAIA Research
 Note: F: Forecast

Global consumption of non-woven fabric across major economies is expected to remain relatively stable by CY29 compared to CY23. However, India's market share is projected to grow from 6.5% in CY23 to 8.9% by CY29. This increase is driven by rapid industrialization, growing demand for hygiene products, government initiatives promoting healthcare and sanitation, and the expansion of sectors like automotive, agriculture, and packaging.

India's rapidly expanding middle class, coupled with rising disposable incomes and urbanization, is significantly driving the demand for disposable and healthcare-related non-woven products. As more consumers gain access to improved living standards, there is a growing emphasis on hygiene, health, and convenience. This trend is

particularly evident in the increasing consumption of products such as sanitary napkins, diapers, and medical textiles, which leverage the benefits of non-woven fabrics. The focus on health and hygiene is further amplified by government initiatives promoting better sanitary practices, which are encouraging households to opt for disposable products.

Globally, it is noteworthy that China, Europe, and North America collectively account for over 75% of the total consumption of non-woven fabrics. These regions have established robust manufacturing and distribution networks, contributing to their dominant market share. China, in particular, has emerged as a powerhouse in non-woven fabric production, catering to both domestic and international markets. While India is poised for growth in this sector, the competitive landscape remains influenced by these key players.

Non-Woven Market segmentation

The non-woven fabric market is segmented into distinct categories based on various criteria, with the most prominent being the manufacturing processes utilized. This segmentation plays a crucial role in addressing the diverse needs of multiple industries, including healthcare, automotive, agriculture, and construction. By classifying non-woven fabrics into categories such as dry-laid and spun-laid, manufacturers can tailor their products to meet specific performance characteristics, enabling a wide array of applications that fulfil different consumer and industrial requirements.

This structured segmentation reflects the ongoing advancements in non-woven technology, allowing for innovation in materials and production techniques. As industries evolve and new challenges arise, the non-woven fabric market adapts to meet these demands, leading to the development of specialized products that enhance functionality, durability, and cost-effectiveness. This flexibility not only supports the growth of established markets but also fosters opportunities in emerging sectors, ensuring that non-woven fabrics remain integral to a broad range of applications. The dynamic nature of this market segmentation underscores the importance of continuous research and development efforts aimed at refining the properties and uses of non-woven materials, thereby solidifying their position in various industrial landscapes.

Non-woven fabrics are categorized into three main groups:

1. **By Raw Material** - Fabrics are categorized based on how the fibers are formed, either through melting (thermoplastic polymers like polypropylene) or carding (aligning and layering natural or synthetic fibers).
2. **By Laying System**: - This refers to how fibers are arranged to form the web. The main systems include Wet-Laid (fibers suspended in water and drained to create the web), Air-Laid (using air to form the web), and Spun-Laid (extruded polymer filaments laid directly).
3. **By Bonding Technology**: - After forming the web, bonding is done through methods like chemical bonding (adhesive agents), thermal bonding (heat application), or water jet bonding (entangling fibers using high-pressure water jets).

Market Overview by Technology used in Manufacturing Process

1. Dry-Laid Non-Woven Fabrics:

Dry-laid non-woven fabrics are produced by laying down fibers in a random manner and then bonding them together using mechanical or thermal processes. This method allows for the creation of fabrics that can vary in density and weight, providing versatility in product design. One of the significant advantages of dry-laid fabrics is their ability to be manufactured using a wide range of fiber types, including natural fibers like cotton and synthetic fibers such as polyester.

Due to their unique properties, dry-laid non-woven fabrics are commonly used in applications requiring high absorbency and softness, such as hygiene products (e.g., baby diapers, feminine hygiene products) and medical applications (e.g., surgical gowns, drapes). The random fiber arrangement also enhances the fabric's breathability and fluid management, making it suitable for products that need to wick moisture away from the skin. Additionally, dry-laid non-woven fabrics are often more cost-effective due to simpler production processes, which can help reduce manufacturing costs. Dry-laid fabrics are known for their versatility and are widely used in applications such as:

- **Hygiene products:** Diapers, sanitary napkins, and wipes
- **Medical textiles:** Surgical gowns, masks, and drapes
- **Home furnishings:** Mattress covers, tablecloths, and insulation
- **Filtration:** Air and liquid filters

This process provides flexibility in fiber choice and results in fabrics that are soft, absorbent, and breathable.

2. **Spun-Laid Non-Woven Fabrics:**

In contrast, spun-laid non-woven fabrics are created by spinning fibers into a web and then bonding them using thermal processes. This manufacturing technique results in fabrics that are generally stronger and more durable than their dry-laid counterparts. Spun-laid non-woven fabrics are characterized by their uniform fiber distribution and higher tensile strength, making them ideal for applications that require robustness and longevity. Spunbond fabric technology involves extruding and layering polymer filaments, bonded to form a durable, versatile nonwoven fabric. The number of beams in production lines determines the fabric's complexity; more beams allow for enhanced strength, uniformity, and multi-layered functionality. Advanced setups enable combinations like SMS fabrics, ideal for hygiene, healthcare, and filtration due to superior durability and performance.

These fabrics are widely used in various industries, including automotive (for sound insulation and interior components), construction (for geotextiles and roofing materials), and agricultural (for crop covers and ground covers). The ability of spun-laid fabrics to be engineered for specific performance characteristics, such as water resistance and UV stability, further broadens their range of applications. As a result, spun-laid non-woven fabrics are often preferred for demanding environments where performance and durability are critical.

Spunbond technology involves the continuous extrusion of polymer filaments, which are then laid down in a random pattern and thermally bonded. This process not only ensures a consistent fabric structure but also enhances the fabric's performance characteristics. Spunbond fabrics can be produced in a variety of weights and can be engineered to possess specific attributes, such as enhanced breathability, water resistance, and UV stability, which further broadens their range of applications. Spunbond is a popular technology, where the filaments are thermally bonded. Spunbond fabric is made up of Polypropylene (PP) fabric. These fabrics are valued for their strength and durability, making them suitable for:

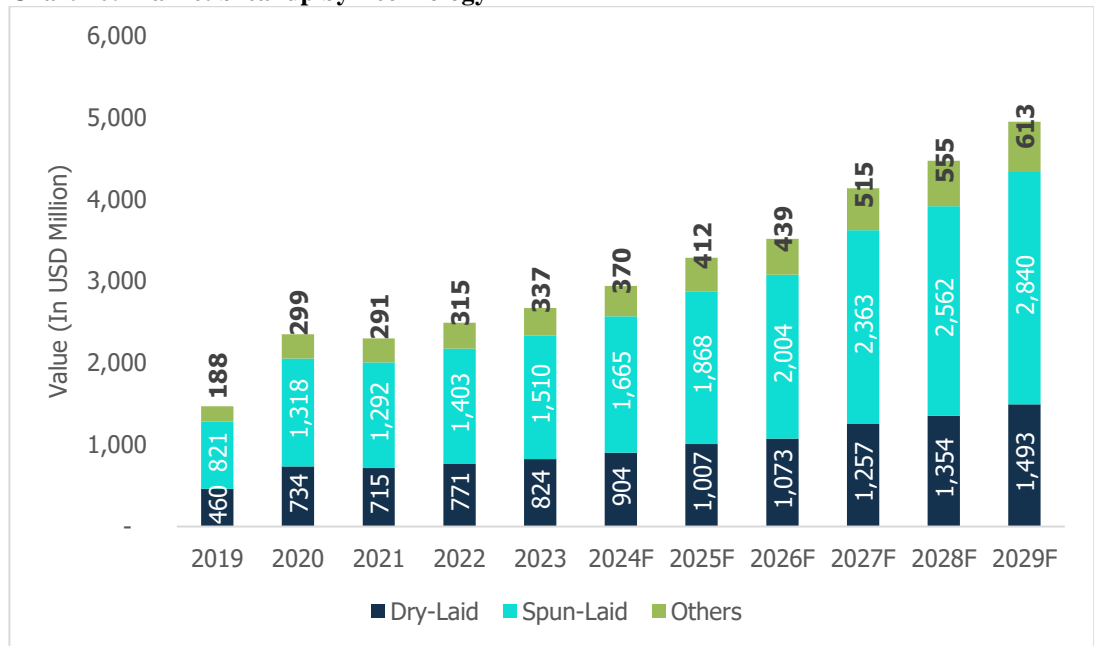
- **Medical and hygiene products:** Disposable masks, gowns, and covers
- **Agriculture:** Crop covers, weed control fabrics
- **Construction:** Geotextiles, roofing materials
- **Packaging and industrial uses:** Shopping bags, protective packaging

Spunbond, are known for their lightweight, strength, and resistance to wear and tear, making them ideal for applications requiring durability and high performance. In this technology, the number of beams—single, double, or triple—determines the layers of fabric produced during the manufacturing process.

- **Single-beam Spunbond:** This process involves a single spinneret beam to produce one layer of non-woven fabric. It is suitable for lightweight fabrics and offers cost-effective production for applications like disposable products, hygiene products, or packaging materials.
- **Double-beam Spunbond:** Utilizing two spinneret beams, this process creates a two-layer fabric, which enhances durability, strength, and thickness. Double-beam spunbond fabrics are often used in medical textiles, geotextiles, and filtration materials, where higher performance is required.
- **Triple-beam Spunbond:** With three spinneret beams, this process produces a multi-layered fabric with superior strength, filtration efficiency, and durability. It is used for heavy-duty applications, such as industrial products, roofing materials, and automotive textiles.

Together, these two segmentation processes, dry-laid and spun-laid, serve as the foundation of the non-woven fabric industry, catering to a wide range of industries and specific needs.

Chart 20: Market breakup by Technology



Source: MAIA Research
 Note: F: Forecast

Spun-laid based fabric is highly used due to its cost-effectiveness, high production efficiency, and versatility across various industries such as hygiene, medical, and construction. It offers superior strength, durability, and uniformity, making it ideal for applications like diapers, wipes, medical gowns, and geotextiles. In CY23, it accounted for over 56% of the global non-woven fabric market, and this dominance is expected to continue through CY29 due to its widespread adoption and growing demand in sectors that require reliable and high-performance non-woven materials.

Market Overview by End User Industry

The non-woven fabric market is segmented by end-user industries, each with unique applications and demands. Here's an overview of the major industries:

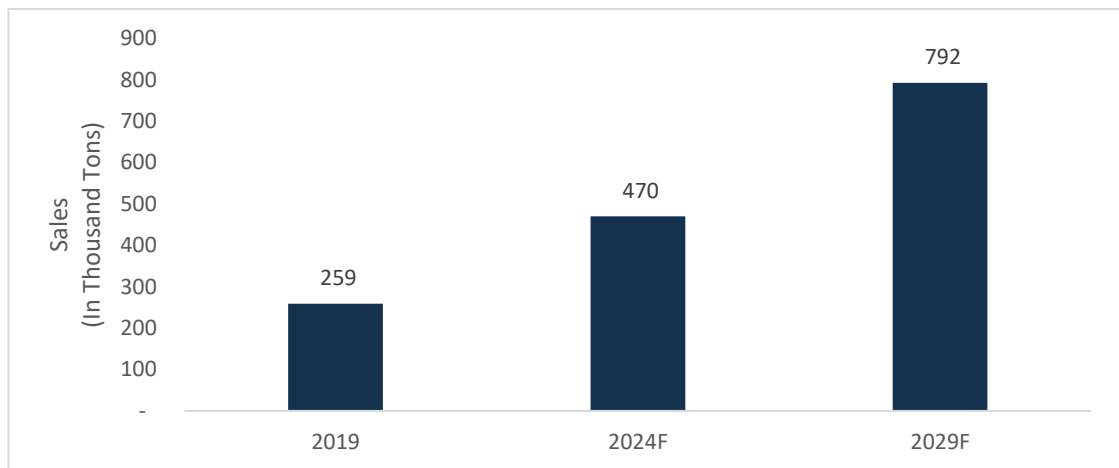
1. **Health & Hygiene:** The health and hygiene sector represent a major consumer of non-woven fabrics, fueled by an increasing global awareness of hygiene and safety standards. As individuals and organizations prioritize cleanliness and protective measures, the demand for effective hygiene products has surged. Non-woven fabrics are uniquely suited for this sector due to their excellent absorbency, softness, and ability to create protective barriers.

In personal care, non-woven fabrics are widely used in products such as diapers, sanitary pads, adult incontinence products, puppy pads, under pads and wipes. These applications benefit from the materials' comfort and moisture-wicking properties, ensuring users remain dry and comfortable while effectively managing fluid absorption. In medical settings, non-woven fabrics are integral to producing surgical gowns, masks, drapes, and other disposable items that enhance safety and prevent contamination. Their lightweight nature, combined with strong barrier properties, makes them essential for maintaining sterile environments in hospitals and clinics.

As public awareness continues to grow regarding health risks and the importance of hygiene, the reliance on non-woven fabrics in health and hygiene applications is expected to expand, driving further innovation and market growth in this critical sector. Non-woven are widely used in products such as:

- **Diapers**
- **Adult incontinence products**
- **Sanitary napkins**
- **Wipes**

Chart 21: Domestic Consumption by Health & Hygiene industry (Volume)



Source: MAIA Research

Note: F: Forecast

These fabrics offer softness, absorbency, and breathability, making them ideal for skin contact products. The increasing demand for disposable hygiene products continues to drive growth in this sector.

2. **Medical:** Non-woven fabrics play an essential role in the medical industry due to their sterilizable, disposable, and protective qualities. They meet strict hygiene standards, making them ideal for medical applications like surgical gowns, masks, and drapes. Their ability to be sterilized ensures safe usage in infection-controlled environments, while their disposable nature reduces cross-contamination risks, enhancing patient safety.

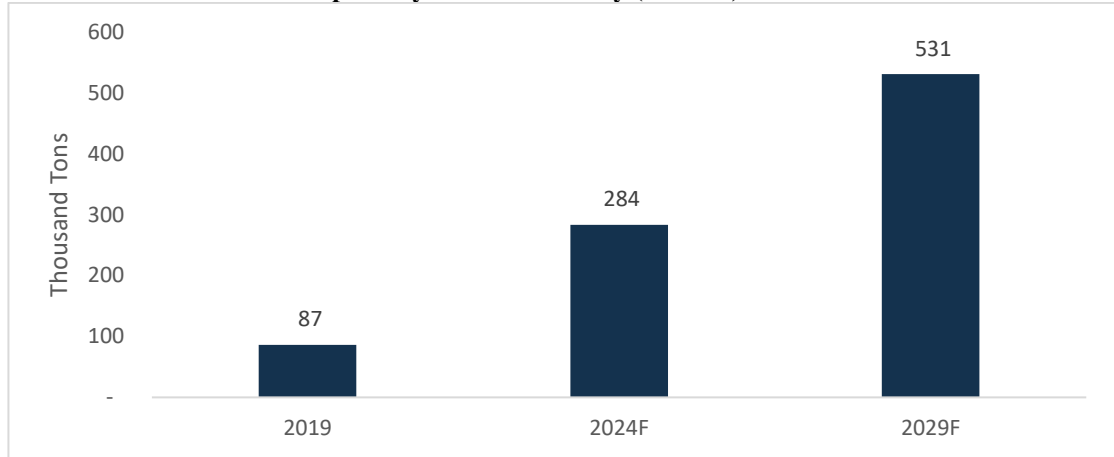
The Indian government has boosted healthcare efforts through initiatives like the National Health Mission, increasing primary healthcare spending from 51.3% in 2014-15 to 55.9% in 2019-20. India's healthcare network and infrastructure are set to grow, while pharmaceutical exports are expected to rise by 8% during FY24 and FY25, as the industry expanded from USD 34.7 billion in FY17 to USD 50 billion in FY23. As the healthcare sector continues to evolve, the demand for innovative non-woven fabric solutions is likely to grow, further cementing their importance in the medical industry. Key applications include:

- **Surgical gowns and drapes**
- **Face masks and respirators**
- **Surgical caps and shoe covers**
- **Wound care products**

Additionally, non-woven fabrics provide effective barrier protection against fluids, bacteria, and other contaminants. This protective quality is essential for medical professionals, as it safeguards both healthcare providers and patients from potential infections during surgical procedures or routine examinations.

Their use in infection control and patient care is crucial, especially in hospitals and clinics, where they provide an effective barrier against contamination.

Chart 22: Domestic Consumption by Medical industry (Volume)



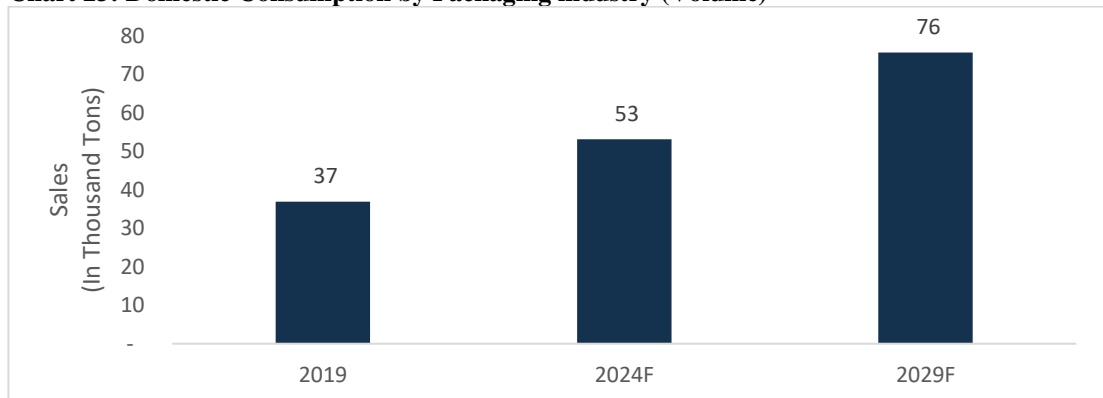
Source: MAIA Research
Note: F: Forecast

3. **Packaging:** Non-woven fabrics are gaining popularity in the packaging industry due to their durability, flexibility, and lightweight properties, making them an ideal alternative to traditional materials. These fabrics provide strong protection while reducing environmental impact, ensuring reliable performance during transportation and handling. With the packaging industry valued at USD 99 billion in CY23 and projected to reach USD 170-180 billion by CY29 (CAGR of 9.5%), this growth is expected to benefit the non-woven fabric sector. Their versatility allows for customizable packaging solutions across various products, from consumer goods to industrial items, with options in thickness and texture to meet specific needs.

Furthermore, the lightweight nature of non-woven fabrics contributes to reduced shipping costs and lower carbon emissions during transportation. As industries increasingly prioritize sustainability, the use of non-woven materials in packaging aligns with eco-friendly practices, especially since many non-woven fabrics are made from recyclable or biodegradable materials. This combination of durability, flexibility, and lightweight properties positions non-woven fabrics as a valuable asset in the packaging industry, helping companies to enhance their product presentation while also addressing environmental concerns. Common uses include:

- **Reusable shopping bags**
- **Protective packaging materials**
- **Agricultural packaging**

Chart 23: Domestic Consumption by Packaging industry (Volume)



Source: MAIA Research
Note: F: Forecast

4. **Agriculture:** According to the Economic Survey, the agriculture sector in India has recorded an average annual growth rate of 4.18% over the past five years ending FY24. It remains a vital part of the economy, supporting 42.3% of the population and contributing 18.2% to the GDP at current prices. Given this, the use of non-woven fabrics in agriculture is set to remain high. These fabrics play a key role in boosting crop yields and protecting plants from environmental stress, supporting sustainable farming practices. They are commonly used as crop covers, helping regulate temperature and humidity while shielding crops from harsh weather conditions like frost, hail, and extreme sunlight. These fabrics serve multiple purposes, significantly contributing to sustainable farming practices. One of their primary applications is as crop covers, which protect plants from harsh weather conditions such as frost, hail, and excessive sunlight. By creating a microclimate around the crops, non-woven fabrics help maintain optimal temperature and humidity levels, promoting healthy growth and enhancing yield.

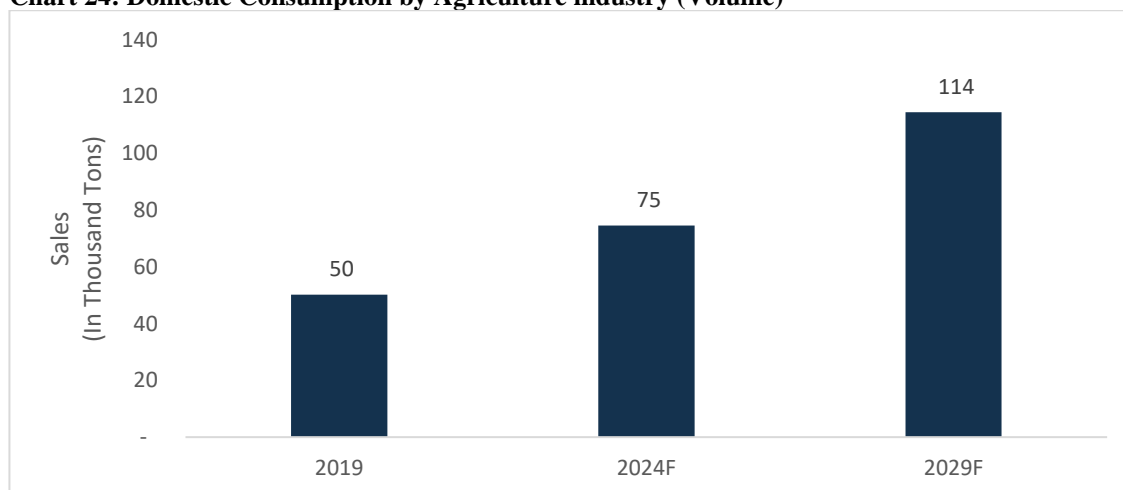
Additionally, non-woven fabrics are effective in weed control. They can be used as mulch mats that suppress weed growth while allowing water and nutrients to penetrate the soil. This reduces the need for chemical herbicides, aligning with organic farming practices and contributing to soil health. Moreover, non-woven fabrics are often utilized in seedling trays and bags, providing a suitable environment for germination and root development. Their breathable nature ensures proper air circulation and moisture retention, crucial for young plants.

Furthermore, non-woven fabrics aid in soil erosion control and water conservation. They can be used as geotextiles in erosion control blankets or as ground covers that stabilize soil and reduce runoff. By retaining moisture in the soil, these fabrics help to minimize irrigation needs, promoting water conservation in agricultural practices. Overall, the use of non-woven fabrics in agriculture not only boosts productivity but also supports eco-friendly farming methods, making them an invaluable resource for modern agriculture. Their applications include:

- **Crop covers**
- **Weed control fabrics**
- **Greenhouse shading**
- **Root bags and Plant covers**
- **Frost protection**

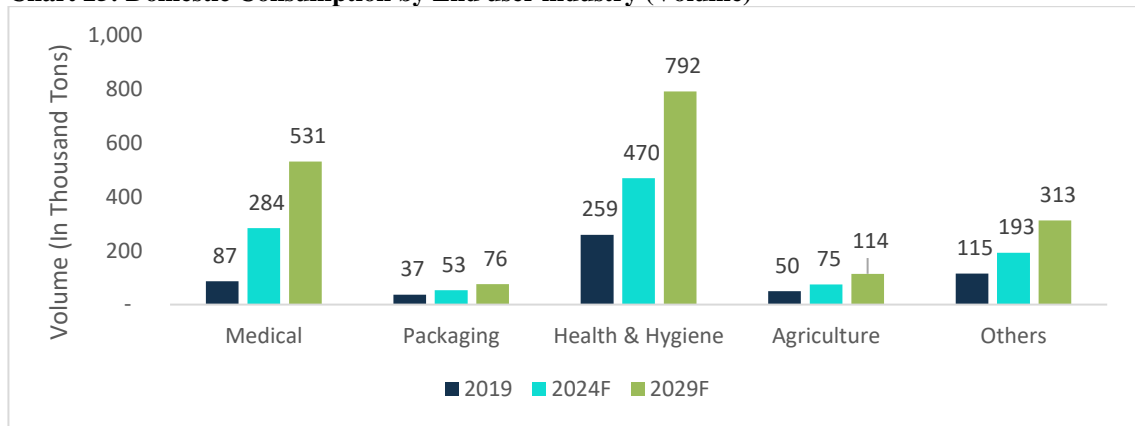
These fabrics help regulate temperature, protect crops from pests, and improve soil moisture retention, contributing to improved agricultural productivity and efficiency.

Chart 24: Domestic Consumption by Agriculture industry (Volume)



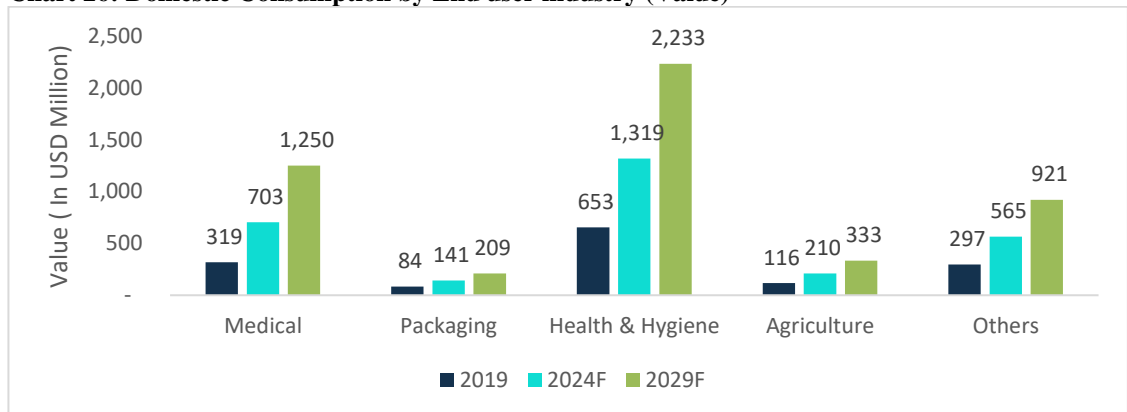
Source: MAIA Research
 Note: F: Forecast

Chart 25: Domestic Consumption by End user industry (Volume)



Source: MAIA Research
Note: F: Forecast

Chart 26: Domestic Consumption by End user industry (Value)



Source: MAIA Research
Note: F: Forecast

The Health & Hygiene industry is the largest consumer of non-woven fabrics, holding a 43.7% market share in CY23. Rising global consumer expectations for safety and quality in personal hygiene products have led manufacturers in this sector to increasingly use high-quality non-woven fabrics. These materials enhance both product safety and comfort, making them highly favoured by consumers. The growing demand for high-purity, high-performance non-woven fabrics, particularly in the medical and healthcare fields, continues to be a major driver of market expansion, as these fabrics meet stringent safety and performance standards.

Meanwhile, the Medical industry consumed 87 Thousand Tons of non-woven fabric in CY19, accounting for 15.8% of the total volume. By CY23, this share rose to 26.3%, and it is expected to further grow to 531 Thousand Tons, representing 29.1% of consumption by CY29. This substantial increase is driven by the growing demand for disposable medical products like masks, gowns, and protective gear, especially post-COVID-19. Enhanced hygiene standards and the expansion of healthcare infrastructure have also accelerated the use of non-woven fabrics in medical applications due to their versatility and cost-effectiveness.

The Agriculture and Packaging industries are relatively small consumers of non-woven fabrics, with market shares of 7.0% and 5.0% in CY23, respectively. However, by CY29, these shares are projected to decline to 6.3% and 4.1%. This decrease is primarily driven by the growing adoption of advanced materials and sustainable practices within these sectors. In agriculture, innovative alternatives like biodegradable plastics are gaining traction, reducing reliance on non-woven fabrics. Similarly, the packaging industry is shifting towards more eco-friendly options, as consumers increasingly prioritize sustainability. As a result, non-woven fabrics may face challenges in maintaining their market presence in these industries moving forward.

The usage of non-woven fabric is anticipated to rise across all industries due to its numerous advantages for users, coupled with advancements in technology and cost reduction. These benefits create a win-win situation, making non-woven fabrics increasingly appealing for a variety of applications.

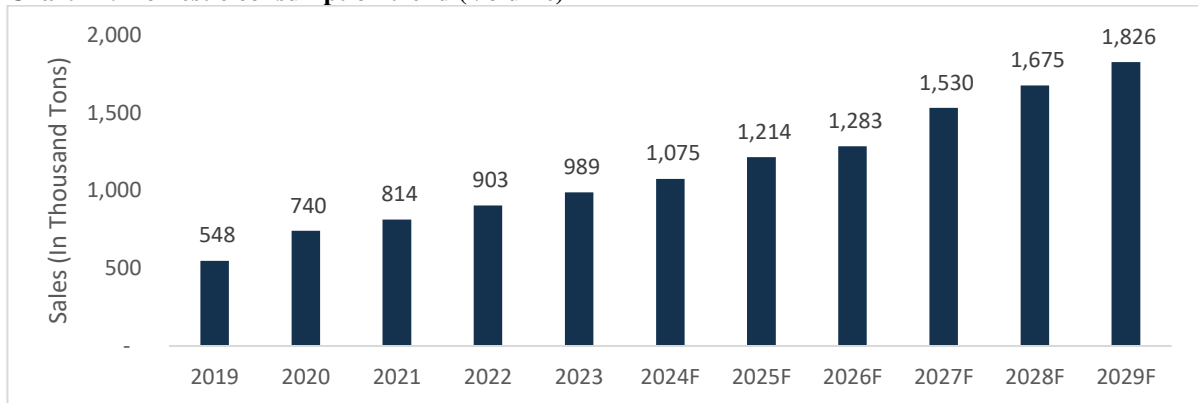
Indian Non-Woven Fabric Market

The Indian non-woven fabric market has seen significant growth in recent years, driven by rising demand from industries such as healthcare, hygiene, agriculture, automotive and packaging. Increased awareness of hygiene, particularly post-COVID, has accelerated the use of non-woven fabrics in medical textiles, masks, and hygiene products like diapers and sanitary pads. Additionally, government initiatives supporting domestic manufacturing and the push for eco-friendly alternatives to plastics have further fueled market expansion. The rise of urbanization and higher disposable incomes have also contributed to the growing demand for non-woven fabrics across various applications.

Key industries like agriculture and packaging are leveraging non-woven fabrics for their strength, durability, and cost-effectiveness. In agriculture, non-woven fabrics are used for crop protection, weed control, and soil stabilization, while the packaging industry is adopting them as sustainable solutions for reusable shopping bags and protective packaging. Spunbond technology, known for its versatility and cost-efficiency, remains dominant in India, with polypropylene (PP) being the most widely used material due to its favorable properties for multiple applications.

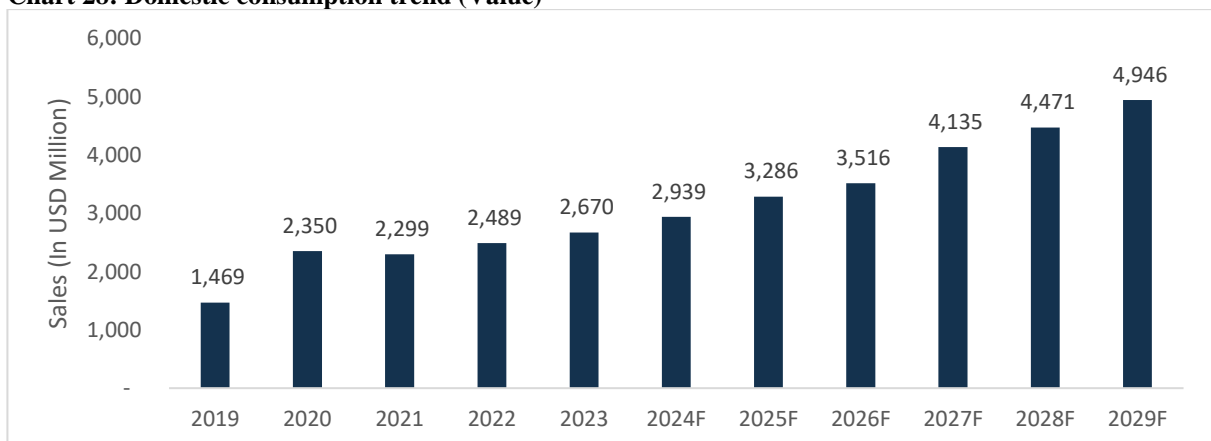
Domestic Non-woven fabric consumption trend

Chart 27: Domestic consumption trend (Volume)



Source: MAIA Research
Note: F: Forecast

Chart 28: Domestic consumption trend (Value)



Source: MAIA Research

Note: F: Forecast

Domestic consumption of non-woven fabric in India experienced a significant increase, rising from 548 thousand tons in CY19 to 989 thousand tons in CY23, which represents a robust CAGR of 15.9%. Concurrently, revenue from this sector grew from USD 1,469 million in CY19 to USD 2,670 million in CY23, reflecting a CAGR of 16.1%. This rapid growth can be attributed to increasing demand across key industries such as healthcare, hygiene, packaging, and automotive. The widespread adoption of non-woven fabrics for disposable hygiene products like diapers, sanitary pads, and medical supplies has played a pivotal role in this expansion. Government initiatives such as the Swachh Bharat Mission, which emphasized improved sanitation and hygiene, also significantly boosted demand for non-woven materials. Additionally, the rise of e-commerce and modernization of retail packaging further contributed to the increased consumption of non-woven fabrics.

Looking ahead, domestic consumption of non-woven fabric is projected to grow at a CAGR of 11.2% from CY24 to CY29. This sustained growth is expected to be driven by the expansion of healthcare infrastructure, rising awareness about personal hygiene, and the increasing use of non-woven fabrics in industrial applications like automotive, agriculture, and construction. As India's economy continues to grow and urbanize, the demand for high-performance, cost-effective materials like non-woven fabrics is anticipated to strengthen further, positioning India as a key player in the global non-woven fabric market.

Growth Drivers in Non-Woven Industry

The Indian non-woven industry is experiencing robust growth, driven by several key factors:

- 1. Rising Demand for Hygiene Products:** The demand for hygiene-related products has surged in India, especially in the wake of the COVID-19 pandemic. Increasing awareness around personal hygiene and health safety has led to a sharp rise in the consumption of non-woven products such as baby diapers, adult incontinence products, sanitary napkins and pads, and wipes. The medical sector has also seen an uptick in the use of non-woven fabrics for disposable items such as surgical masks, gowns, drapes, and caps, which are critical for infection control. As more consumers shift towards disposable and single-use hygiene products due to health concerns, the non-woven fabric industry is expected to continue growing.
- 2. Government Initiatives and Support:** India's government has introduced initiatives like "**Make in India**" to boost domestic manufacturing and reduce dependence on imports, providing incentives for industries, including the non-woven sector. The government's focus on infrastructure development, rural healthcare, and sanitation has further driven demand for non-woven products in various applications. Moreover, the increasing regulatory push for eco-friendly materials is encouraging the replacement of single-use plastics with sustainable non-woven fabric alternatives, particularly in packaging and consumer goods. This shift is not only helping companies comply with regulations but is also promoting the adoption of non-woven fabrics across multiple sectors.
- 3. Growth in Agriculture and Infrastructure:** The agriculture and infrastructure sectors are key drivers of the non-woven fabric market in India. In agriculture, non-woven fabrics are used in applications such as crop covers, weed control mats, and greenhouse insulation, offering protection against extreme weather, pests, and improving water retention. With agriculture being a critical part of India's economy, the use of non-woven fabrics in modern farming techniques is growing. In the infrastructure domain, non-woven geotextiles are used in road construction, erosion control, drainage systems, and landfills. The government's increased spending on infrastructure projects, including roads, railways, and housing, is boosting the demand for non-woven geotextiles, which are valued for their strength, durability, and cost-effectiveness.
- 4. Technological Advancements:** Technological innovations in non-woven fabric production, such as **spunbond** and **spunlace** technologies, have significantly improved the quality, efficiency, and variety of non-woven fabrics available. These advancements allow manufacturers to produce fabrics with specialized properties like softness, strength, absorbency, and flame retardancy, catering to diverse industries such as automotive, medical, and packaging. As production processes become more automated and efficient, non-woven fabrics are being increasingly used as cost-effective alternatives to

traditional textiles and plastics. This technological progress has broadened the scope of applications for non-wovens, making them more adaptable to the evolving needs of industries while ensuring higher productivity and lower production costs.

These factors, along with rising disposable incomes and urbanization, are expected to continue driving the growth of the non-woven industry in India.

Challenges faced by Non-Woven Industry

1. **Raw Material Dependency:** A significant portion of raw materials used in the non-woven industry, particularly **polypropylene (PP)**, is imported. Fluctuating global prices and dependency on imports make it difficult for manufacturers to maintain stable production costs. Additionally, disruptions in the global supply chain, as seen during the COVID-19 pandemic, can create shortages or delays, further impacting production and pricing.
2. **Environmental Concerns:** Although non-woven fabrics offer eco-friendly alternatives to some materials, many non-woven products are still derived from petrochemical sources like polypropylene. The lack of biodegradable or sustainable alternatives poses environmental challenges, particularly as governments worldwide tighten regulations on plastic usage. Manufacturers face increasing pressure to develop and adopt greener production processes, which can involve high research and development costs.
3. **High Competition and Fragmented Market:** The Indian non-woven industry is highly fragmented, with a large number of small and medium-sized enterprises (SMEs) competing with bigger players. Intense competition often leads to price wars, reducing profit margins for many companies. Smaller firms, in particular, struggle with scaling up and investing in advanced technologies to stay competitive against larger, more established players.
4. **Technological Gaps and Lack of Skilled Labor:** While technological advancements like spunbond and spunlace are driving growth, many Indian manufacturers still lag behind in adopting advanced technologies. Limited access to the latest machinery and expertise results in suboptimal production efficiency and product quality. Additionally, a shortage of skilled labor in handling advanced technologies and operating modern machinery is a significant hurdle for many companies looking to upgrade their operations.
5. **Lack of Awareness and Acceptance in Some Sectors:** In certain industries, especially agriculture and construction, the awareness and adoption of non-woven fabrics are still limited. Traditional materials such as plastics, jute, and cotton continue to dominate, and the advantages of non-woven fabrics are not always fully recognized. This slow acceptance hinders the growth potential of non-woven products in sectors that could benefit from their use.
6. **Regulatory and Compliance Issues:** Navigating regulatory frameworks and compliance requirements, particularly related to environmental sustainability, is another challenge for the non-woven industry. Stricter environmental laws, such as bans on single-use plastics, are pushing the industry to innovate and find alternatives. Compliance with these evolving regulations can be costly and requires significant investment in R&D and production process upgrades.

Government Initiatives & Regulations

Regulations:

The **Indian non-woven industry** is governed by several regulations and standards aimed at ensuring product quality, safety, environmental sustainability, and consumer protection. Here are some key government regulations and frameworks impacting the industry:

1. **Bureau of Indian Standards (BIS):** The BIS is responsible for establishing quality standards for non-woven fabrics in India. It sets guidelines for various properties such as tensile strength, absorbency, and

- durability, ensuring that products meet the required safety and quality benchmarks. Compliance with BIS standards is crucial for manufacturers, as it enhances product credibility and consumer trust.
2. **Plastic Waste Management Rules:** With growing concerns over plastic pollution, the Indian government has introduced regulations to manage plastic waste effectively. The **Plastic Waste Management Rules, 2016**, and subsequent amendments emphasize reducing single-use plastics and promoting biodegradable alternatives. Non-woven fabrics, especially those made from eco-friendly materials, can offer a sustainable alternative, encouraging manufacturers to focus on producing environmentally friendly products.
 3. **The Environmental Protection Act:** Under the **Environmental Protection Act, 1986**, the production processes in the non-woven industry must comply with environmental regulations aimed at minimizing pollution and managing waste. Manufacturers are required to implement measures for waste management, emissions control, and resource conservation. This act encourages the adoption of cleaner technologies and sustainable practices in non-woven fabric production.
 4. **Textile Committee Act:** The **Textile Committee Act, 1963**, establishes a framework for promoting the development of the textile industry in India, including non-woven fabrics. The committee works to ensure the quality of textiles and promotes research and development in the sector. It also provides guidelines for the testing and certification of textiles, which is essential for ensuring compliance with quality standards.
 5. **Consumer Protection Act:** The **Consumer Protection Act, 2019**, is crucial for safeguarding consumer rights and ensuring that non-woven products meet safety and quality standards. This act mandates clear labeling, quality assurance, and the provision of accurate information about products, empowering consumers to make informed choices and holding manufacturers accountable for their products.
 6. **Trade and Import Regulations:** The government regulates imports and exports of non-woven materials through various trade policies and customs regulations. This includes duties, tariffs, anti-dumping measures and compliance with international standards. Regulations are designed to protect domestic manufacturers and ensure that imported non-woven fabrics meet the same quality and safety standards as locally produced goods.

Government Initiatives

1. **Make in India:**

The "Make in India" initiative, launched by the Government of India, aims to boost domestic manufacturing and attract investment, significantly impacting the non-woven fabric industry. By creating a supportive environment for local production, the initiative encourages companies to develop, manufacture, and assemble products within India, fostering job creation and skill enhancement. The government's shift from a regulatory to a collaborative role enables partnerships with industries, driving economic development and innovation.

Through this initiative, India has opened key sectors to foreign direct investment (FDI), promoting transparency and reducing bureaucratic hurdles. Measures focused on improving the ease of doing business, including IT-driven applications and streamlined licensing processes, have been implemented to enhance operational efficiency. For the non-woven fabric industry, these reforms are crucial in advancing sustainable manufacturing practices, technological growth, and overall competitiveness in the global market.

2. **Capital subsidy for investing in technical textiles:**

The government has announced a 15% capital subsidy for investments in technical textiles under the Amended Technology Upgradation Fund Scheme (ATUFS). Under this scheme, the introduction of a technology mission for technical textiles with an outlay of Rs 200 crore, allocating Rs 25 crore for each center of excellence. Additionally, SITRA (South India Textile Research Association) is collaborating

with the Defense Research and Development Organization (DRDO) and the Indian Space Research Organization (ISRO) to develop advanced products in technical textiles, encouraging spinning mills to explore this promising sector for new opportunities.

3. Government Initiatives for Sustainable Development

To position India as a global leader in technical textiles, the government launched the National Technical Textiles Mission (NTTM) with an outlay of INR 14.80 billion for FY 2020-21 to 2023-24. Technical textiles, used in diverse fields from agriculture to high-end applications like bulletproof jackets and space gear, are a growing segment. The NTTM focuses on four key areas: Research and Innovation, Promotion and Market Development, Export Promotion, and Education and Skill Development. Additionally, various government initiatives promote sustainable development in textiles, particularly non-woven fabrics, emphasizing biodegradable materials and eco-friendly production methods.

4. SAMARTH Scheme

The Samarth scheme is a flagship skill development initiative launched by the Government of India to enhance capacity building in the textile sector. With an estimated budget of INR 13 billion, the scheme aimed to train 1 million individuals over three years (2017-20). It encourages participation from various stakeholders, including the textile industry, institutions, state governments, NGOs, companies, and startups. As of August 2021, the government reported that 1,565 artisans had benefited from training provided in 63 Samarth Training Centres, highlighting its impact on upskilling workers in the textile sector.

Industry Outlook

The overall forecast for the non-woven industry is optimistic, with global sales projected to grow at a CAGR of 5.1% from CY2024-29, characterized by robust growth driven by diverse applications across various sectors, including healthcare, hygiene, medical, automotive, construction, and agriculture. As global consumer demand for high-quality, safe, and environmentally friendly products rises, the non-woven fabric market is expected to expand significantly. Technological advancements, such as improved manufacturing processes and innovative material formulations, are enhancing the performance and versatility of non-woven fabrics. The surge in disposable products within healthcare and hygiene particularly in response to health crises like the COVID-19 pandemic—is further boosting market demand. Additionally, sustainability trends are encouraging the development of biodegradable and recyclable non-woven options, aligning with global efforts to minimize environmental impact.

Despite these positive trends, a significant challenge facing the industry is the high level of product homogeneity. Many manufacturers produce non-woven products that share similar performance characteristics, appearances, and purposes, which can hinder market growth and brand loyalty.

However, on the opportunity front, technological advancements are enhancing the functionality and performance of non-woven fabrics, paving the way for new growth avenues within the industry. The market remains highly competitive, with established players benefiting from advantages in production scale, financial resources, brand recognition, and market share. New entrants who cannot innovate and differentiate their offerings may struggle to succeed in this fierce competitive landscape, underscoring the need for continuous improvement and adaptation to stay relevant in the evolving market.

In summary, the non-woven industry is poised for sustained growth due to a confluence of factors. Increasing consumer expectations for high-quality products that prioritize safety and performance are driving demand across various sectors, particularly in healthcare and hygiene. Technological innovations in manufacturing processes and material science are enhancing the capabilities of non-woven fabrics, making them more versatile and effective for diverse applications.

Furthermore, the industry's shift towards sustainable materials aligns with global efforts to reduce environmental impact, appealing to eco-conscious consumers and businesses alike. As a result, non-woven fabrics are becoming an essential part of the global textile landscape, embodying the overarching trends toward quality, safety, and

environmental responsibility that define modern consumer behavior and industry practices. This positioning not only underscores the industry's relevance but also highlights its potential for future expansion as it adapts to evolving market demands.

Peer Comparison

Major Players

The following players in the Non-woven fabric industry segment have been considered for competitive analysis:

Table 4: Peer Analysis

Name of the Company	Business Overview
Spunweb Nonwoven Limited (SNL)	<p>Spunweb Nonwoven Private Limited, established in 2015, is a specialised in the manufacturing and supply of nonwoven fabrics, including Polypropylene Spun Nonwoven Fabric, Laminated Nonwoven Fabric, and UV Treated Nonwoven Fabric. These fabrics are widely utilized in applications such as door mats, bags, carpets, and tarpaulins. The company operates advanced testing facilities, including Universal Tensile Testing and Rewet Properties Testing, to maintain product quality. Spunweb exports its products to North America, Europe, and the Middle East. Over two-thirds of its revenue comes from fabric demand in the hygiene sector, with the remainder derived from applications in medical, packaging, agriculture, and construction industries.</p> <p>SNL is one of the largest manufacturers in spunbond non-woven fabric industry in india, with an installed production capacity of 32,640 MT as of FY24.</p>
Fiberweb India Limited	<p>Fiberweb (India) Ltd., established in 1985, initially specialized in the manufacturing and export of injection-moulded, blow-moulded, and roto-moulded products, along with garbage bags and carrier bags, using German machinery. To align with growing global demand for non-woven fabrics and mitigate business risks, the company diversified into the non-woven fabric segment in the early 1990s. Fiberweb set up its unit for Spun Bond Nonwoven Fabrics, becoming the first company of its kind in India. Since commissioning the plant in 1996, the company has consistently delivered roll goods to customers worldwide, including several Fortune 500 companies.</p>
Sidwin Fabric Private Limited	<p>SIDWIN Fabric Private Limited, established in 2011, is a manufacturer, supplier, and exporter of PP Spun Bond Nonwoven Fabric. The company's product range includes Nonwoven Fabric Rolls, Nonwoven Fabric Sheets, Hydrophilic Nonwoven Fabric, Agriculture Nonwoven Fabric, and more, all produced using high-quality raw materials.</p> <p>Sidwin focuses on meeting market demands with trust, integrity, transparency, and technical expertise. By adopting the latest industry trends and leveraging modern facilities, the company has the capability to produce nonwoven fabrics in various patterns as per customer requirements. Its products find diverse applications in agriculture, medical, health and hygiene, packaging, footwear, garments, mattresses, and furniture sectors.</p>
Eximius Innovative Private Limited	<p>Eximius Innovative Pvt. Ltd. manufactures PP Spun Bond Non-Woven Fabric in various colors and GSM, tailored to customer requirements. The non-woven fabric is produced directly from fibers without involving weaving, knitting, or tufting processes. The product range includes Spun Bond Non-Woven Fabric (SSMMS, SSS, SS, S), Hydrophilic Fabric, and Ultra Soft & High Loft Fabric, among others.</p>

Source: Based on information available on public domain

Peer Comparison

Table 5: Comparison of Revenue from Operations (In INR Million)

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	1,272.82	1,118.26	1,147.42	1,480.3
Sidwin Fabrics Private Limited	869.6	713.7	579.2	-
Eximius Innovative Private Limited	-	235.87	508.6	554.9
Fiberweb India Limited	1,074.5	953.9	661.1	859.9

Source: Audited financial statements, MCA

Note:

1. Annual report for Sidwin Fabrics Private Limited is not available for FY24 on MCA
2. Eximius Innovative Private Limited reported no revenue in FY21, as the company began its operations in February 2020 and, according to MCA filings, had no revenue from operations during that financial year.

Table 6: Comparison of EBITDA (In INR Million)

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	60.8	45.6	95.1	145.3
Sidwin Fabrics Private Limited	90.7	48.8	62.9	-
Eximius Innovative Private Limited	(0.8)	19.3	53.2	75.0
Fiberweb India Limited	224.1	149.6	11.8	114.7

Source: Audited financial statements, MCA

Table 7: Comparison of EBITDA Margin

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	4.8%	4.1%	8.3%	9.8%
Sidwin Fabrics Private Limited	10.4%	6.8%	10.9%	-
Eximius Innovative Private Limited	-	8.2%	10.5%	13.5%
Fiberweb India Limited	20.9%	15.7%	1.8%	13.3%

Source: Audited financial statements, MCA

Table 8: Comparison of PAT (In INR Million)

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	41.8	34.4	11.8	59.7
Sidwin Fabrics Private Limited	57.4	19.1	5.8	-
Eximius Innovative Private Limited	(0.6)	(1.3)	16.4	46.8
Fiberweb India Limited	143.7	113.4	(2.9)	72.7

Source: Audited financial statements, MCA

Table 9: Comparison of PAT Margin

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	3.3%	3.1%	1.0%	4.0%
Sidwin Fabrics Private Limited	6.6%	2.7%	1.0%	-
Eximius Innovative Private Limited	-	-0.6%	3.2%	8.4%
Fiberweb India Limited	13.4%	11.9%	-0.5%	8.5%

Source: Audited financial statements, MCA

Table 10: Comparison of ROCE

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	10.5%	3.3%	5.1%	10.5%
Sidwin Fabrics Private Limited	25.3%	5.1%	4.5%	-
Eximius Innovative Private Limited	-0.6%	5.2%	23.0%	19.8%
Fiberweb India Limited	9.9%	8.3%	-0.7%	4.4%

Source: Audited financial statements, MCA

Table 11: Comparison of Total Debt (Short-Term & Long-Term Borrowings-In INR Million)

Peers	FY21	FY22	FY23	FY24
Spunweb Nonwoven Private Limited	240.4	558.2	541.3	483.7
Sidwin Fabrics Private Limited	212.5	419.1	420.4	-
Eximius Innovative Private Limited	94.8	151.8	145.9	227.5
Fiberweb India Limited	-	-	63.4	68.7

Source: Audited financial statements, MCA

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OUR BUSINESS

Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to the Company, along with our subsidiary, Spunweb India Private Limited, on a consolidated basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 30, 138, 228, and 259, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to “Definitions and Abbreviations” on page 1 for certain terms used in this section. The industry information contained in this section is derived from the report titled “Industry Research Report on Nonwoven Fabric Industry” January 2025 (the “CareEdge Report”) prepared and released by CARE Advisory Research and Training Limited. The CareEdge Report has been commissioned by us in connection with the Issue. Neither we, nor the BRLM, nor any other person connected with the Issue has independently verified this information. Some of the information set out in this section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, prospective Investors should read this entire Draft Red Herring Prospectus. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 30, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 228, and 259 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

We, along with our wholly owned subsidiary, Spunweb India Private Limited (“SIPL”), are engaged in the business of manufacturing of polypropylene spunbond nonwoven fabrics primarily used in industries such as hygiene, healthcare, packaging, agriculture and others (including roofing & construction, industrial and home furnishing). We are one of the largest manufacturers in spunbond nonwoven fabric industry in India, with an installed production capacity of 32,640 MT as of FY24 (*Source: CareEdge Report*). Our product portfolio consists of hydrophobic nonwoven fabric, hydrophilic nonwoven fabric, super soft nonwoven fabric, UV treated fabric, antistatic nonwoven fabric and FR treated fabric in the width of 1.6m, 2.6m and 3.2m with the range of 7 to 150 grams per square metre (“GSM”). These products are available in more than 20 colours and they can be customized in colour with value-added services such as varied coatings, slitting, printing, sheet cutting and wider-width fabrics. We are also engaged in supply of various types of nonwoven fabric bags. Our Company is ISO 9001:2015 certified which ensures the products manufactured by us are reliable and consistent in quality.

Our customers include manufacturers of hygiene products viz. diapers, sanitary pads and under pads, manufacturers of healthcare products viz., face masks, PPE kits, surgical gowns and other medical disposable products. Our customers also include manufacturers of packaging products viz. shopping bags, grocery bags, suit cover bags and manufacturers of agricultural products viz. fruit cover and crop cover. Some of our customers include names such as RGI Meditech Private Limited, Millenium Babycare Limited, Sekhani Industries Private Limited, Myra Hygiene Products Private Limited, Rotech Healthcare Private Limited, Poligof Micro Hygiene (India) Private Limited, Salus Products Private Limited, Kwalitex Healthcare Private Limited, JDS Nonwoven, Vyom Nonwoven, among others.

We manufacture, market and sell our products in domestic as well as international markets. In domestic market, we have catered to more than 280, 400, 450, and 500 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024. In the international market, we have catered to more than 10, 15, 20, and 20 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024, respectively, who are based in countries such as the United States of America, United Arab Emirates, Italy, Egypt, Saudi Arabia, Sri Lanka, Nepal, Kenya and Nigeria.

Our registered office and corporate office are located in Rajkot, Gujarat. Our manufacturing facility is located at Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Wankaner, Rajkot – 363 621, Gujarat with an installed capacity of 20,400 metric ton per annum (“MTPA”) operated in three production lines. The total area of our manufacturing facility is 18,197 square meters, which is owned by our Company. The manufacturing facility of SIPL is located at Survey No.119p1, N.H.27, Nr. Wankaner Boundary, Rangpar, Jalida, Wankaner, Rajkot - 363621, Gujarat with an installed capacity of 12,240 MTPA operated in two production lines. The total area of SIPL facility is 15,580 square meters, which is owned by SIPL.

We are an environmentally conscious Company committed to sustainability and the use of renewable resources. As on the date of DRHP, we have installed rooftop solar projects with a total capacity of 1.1 Megawatt (“MW”) and 0.43 MW at the manufacturing facilities of our Company and SIPL, respectively. During April 01,2024 to December 31, 2024, ~ 11.77% and ~6.45% of the energy requirements of our Company and SIPL, respectively, were sourced from renewable resources, i.e. the rooftop solar power plant. The first and second rooftop solar power plant of our Company became operational in Fiscal 2022 and Fiscal 2024, respectively. The rooftop solar power plant of SIPL became operational in the Fiscal 2025.

Our Board of Directors comprises both management executives and independent directors, each contributing substantial business expertise. Our Promoters, Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara, have been instrumental in expanding our business operations. Their experience and efforts have enabled us to implement an efficient manufacturing process and build strong customer relationships coupled with a diversified product portfolio. Our General Manager – Operations, Yashpalsinh Ghanshyamsinh Dasondi, has an experience of over eighteen years in production of nonwoven fabrics, and our Chief Financial Officer, Abhaykumar Narshibhai Fadadu, has an experienced over nine years the experience in the field of accountancy.

Our restated consolidated total income for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 were ₹15,755.56 lakhs, ₹15,424.12 lakhs, ₹11,768.01 lakhs and ₹11,803.17 lakhs, respectively. Our restated consolidated EBITDA for the nine months period ended December 31, 2024, Fiscals 2024, 2023 and 2022 were ₹2,057.07 lakhs, ₹1,500.52 lakhs, ₹1,080.16 lakhs and ₹638.89 lakhs, respectively. Our restated consolidated profit after tax for the nine months period ended December 31,2024, Fiscals 2024, 2023 and 2022 were ₹1,002.61 lakhs, ₹544.18 lakhs, ₹112.68 lakhs and ₹333.07 lakhs, respectively.

FINANCIAL OVERVIEW

Sr No.	Particulars ⁽¹⁾	As on December 31, 2024 (Amount in ₹ lakhs)	% of total income*	Fiscal 2024 (Amount in ₹ lakhs)	% of total income*	Fiscal 2023 (Amount in ₹ lakhs)	% of total income*	Fiscal2022 (Amount in ₹ lakhs)	% of total income*
A.	Revenue from operations	15,710.05	99.71%	14,861.14	96.35%	11,591.82	98.50%	11,382.15	96.43%
B.	Other Income	45.51	0.29%	562.98	3.65%	176.19	1.50%	421.02	3.57%
C.	Total Income [A+B]	15,755.56	100.00%	15,424.12	100.00%	11,768.01	100.00%	11,803.17	100.00%
D.	EBITDA ⁽²⁾	2,093.58	13.29%	2,063.49	13.38%	1,256.35	10.68%	1,059.91	8.98%
E.	PAT	729.35	4.63%	544.18	3.53%	112.68	0.96%	333.07	2.82%
F.	Adjusted Networth ⁽³⁾	4,019.29	-	2,509.11	-	2,015.17	-	1,875.00	-
G.	Total Debt ⁽⁴⁾	10,043.81	-	4,832.97	-	4,950.40	-	5,582.73	-
H.	Debt to Equity Ratio ⁽⁵⁾	2.50	-	1.93	-	2.46	-	2.98	-
I.	ROCE (%) ⁽⁶⁾	20.52%	-	21.85%	-	10.24%	-	16.70%	-
J.	ROE (%) ⁽⁷⁾	22.34%	-	24.06%	-	5.79%	-	19.53%	-

Notes:

- As per the restated consolidated financial statements
- EBITDA has been calculated as a sum of profit before tax, finance costs and depreciation and amortization
- Adjusted Networth is calculated as a sum of Equity Share Capital and Reserves and Surplus (excluding deferred tax assets, intangible assets and preliminary & pre-operative expenses) as per the restated consolidated financial statements.

4. Total debt is calculated as long-term borrowings plus short-term borrowings (including current maturities of long-term borrowings).
5. Debt to Equity Ratio is calculated as Total Debt (short-term borrowings plus long-term borrowings) divided by Adjusted Networth as per the restated consolidated financial statements.
6. ROCE is calculated as Earnings Before Interest and Tax divided by Average Capital Employed. Average Capital Employed is calculated by dividing the sum of closing capital employed of the current fiscal year and closing capital employed of the previous fiscal year by 2. Capital employed is calculated as a sum of adjusted net worth and Long- Term Borrowings. Capital Employed for FY 2021 is taken from the audited financial statements.
7. ROE is calculated as Restated profit for the year divided by average adjusted net worth, where average adjusted net worth is calculated by dividing sum of closing net worth of the current fiscal year and closing net worth of the previous fiscal year by 2. Net Worth of FY 2021 is taken from audited financial statements

OUR STRENGTHS

One of the largest manufacturers of spunbond nonwoven fabrics in India

We are one of the largest manufacturers in spunbond nonwoven fabric industry in India, with an installed production capacity of 32,640 MT as of FY24 (*Source: CareEdge Report*). Our Company has strong capabilities in manufacturing nonwoven fabrics, using advanced spunbond technology to deliver high-quality, innovative products across diverse industries. We have invested in a wide range of advanced machines, enabling us to efficiently cater to various customer requirements. Our manufacturing facilities are equipped with five production lines, each dedicated to manufacture products for specific industries which ensure consistent, efficient output and seamless integration across all stages of the production process.

One of our key strengths lies in our specialized machines, such as the 1.6m PP SS, which is specifically tailored for treading and packaging with an annual installed capacity of 2,500 MT. Another machine, with 2.6m PP SS, has annual installed capacity of 4,200 MT, manufacture products for applications in home furnishings, construction, and roofing. We also operate two advanced 3.2m PP SS machines with annual installed capacity of 5,900 MT and 8,040 MT, respectively, for packaging, commercial, agricultural, and medical applications. We also have one 3.2m PP SSS machine with an online detection system, having annual installed capacity of 12,000 MT, which is exclusively used to produce fabrics consumed in healthcare and hygiene sector for products such as diapers, sanitary pads, napkins and other personal care items.

By operating multiple production lines simultaneously, we ensure maximum output while maintaining quality of products. Our ability to seamlessly integrate these specialized machines across various applications allows us to provide tailored solutions to a wide range of industries such as hygiene, medical, packaging and agriculture.

Tailored spunbond nonwoven fabric manufacturing for industry specific needs

Our Company is a comprehensive solution provider for all types of PP spunbond nonwoven fabrics manufactured using advanced spunbond technology. Our spunbond technology also enables us to consistently deliver quality products across a diverse range of nonwoven fabrics that cater to various industries such as healthcare and hygiene, packaging, agriculture, roofing & construction, industrial and home furnishing, which allows us to offer customized, quality fabric solutions tailored to the unique requirements of each industry. In the healthcare and hygiene industry, our products are used in the production of sanitary pads, diapers, and other hygiene products, meeting the increasing demand for personal care solutions. In the medical industry, our nonwoven fabrics are integral to the manufacturing of masks, surgical caps and protective suits, supporting the global healthcare system in maintaining hygiene and safety. We also serve the packaging industry by providing eco-friendly nonwoven fabrics for shopping bags and wrappers, contributing to the growing emphasis on reusable packaging solutions. Our fabrics also play a crucial role in agriculture and they are used for fruit, vegetable and crop cover for protection , supporting environmentally friendly farming practices. This extensive product portfolio enables us to serve multiple high-growth industries with diversified revenue streams and sustained long-term growth.

Long standing association with different consumers in diverse industries and geographies

We have established long-standing relationships with our customers over the year by delivering quality and customized products as per their requirements. Few of the customers include names such as Uniclan Healthcare Private Limited (operating under the brands name “Wowper” and “Wowpad”), Millenium Babycare Limited (operating under the brand name “Bumtum”), Myra Hygiene Products Private Limited (operating under the brand name “Luvlap”, “Karein” and “Evereve”), and RGI Meditech Private Limited (operating under the brand name

“Dignity” and “Romsons”). We have catered to more than 280, 410, 460, and 500 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024. In domestic market, we have catered to more than 280, 400, 450, and 500 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024. In the international market, we have catered to more than 10, 15, 20, and 20 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024, respectively, who are based in countries such as the United States of America, United Arab Emirates, Italy, Egypt, Saudi Arabia, Sri Lanka, Nepal, Kenya, and Nigeria. Our long-term association with key customers also offers competitive advantages such as stable revenue, improved customer loyalty and a competitive edge in the market. Our diversified customer base across diverse geographies has also helped us to hedge against customer concentration risk thereby aiding in reducing our dependence on a single group of geographies and helps in mitigating the effect of economic and industry-specific challenges.

Advanced spunbond technology along with cleanroom technology for manufacturing process

We are using SS and SSS advanced spunbond technology in manufacturing nonwoven fabrics. SS refers to two-layer spunbond nonwoven fabric in which the upper and lower layers are manufactured using spunbond technology. SSS refers to a three-layer spunbond nonwoven fabric where three separate layers are formed through application of spunbond technology during the manufacturing process. Spunbond technology is an efficient process for producing nonwoven fabrics that are strong, lightweight and cost-effective. It allows for customization in colours and weight while ensuring good breathability. We also use advanced cleanroom HVAC systems which demonstrate our commitment towards quality adherence and innovation. These systems are designed to maintain the required temperature for our manufacturing process. By adhering to strict quality requirements and utilizing modern cleanroom technology, we enhance the accuracy and reliability of our products while minimizing the risk of contamination. Our HVAC systems protect the integrity of our processes which leads to production of better-quality products. These cleanroom systems are energy-efficient, which helps us lower operating costs and meet our environmental goals. Our focus on maintaining a clean and controlled workspace reflects our dedication to excellence, innovation, and customer satisfaction. To prevent any bacteria or unwanted organisms from entering the production area, we use features such as insect killer lights, traps for unwanted species and epoxy-coated floors. Cleanroom technology is primarily used in the production of healthcare and hygiene products ensuring that our offerings are contamination-free and adhere to all relevant quality standards. All these technological advancements help us to deliver quality products to our customers and enhance the reliability of our products.

Experienced Promoters supported by a strong management and execution team

Our Chairman and Managing Director, Jay Dilipbhai Kagathara, also one of our Promoters, has over nine years of experience in the field of manufacturing PP spunbond nonwoven fabrics. He has been associated with our Company since 2015. He plays an active role in overall management and oversees the procurement of raw materials, manufacturing processes and interface with the domestic customers for the organization. Our Whole-Time Director, Kishan Dilipbhai Kagathara, also one of our Promoter holds a bachelors of technology degree in Mechanical Engineering from Symbiosis International University, Pune and a master of business administration in Global Business from Coventry University, London. He has been associated with the Company since 2022 and actively contributes to the international sales and marketing initiatives of our Company. For further details of our Promoters’ experience and background, please refer the chapter titled “*Our Promoter and Promoter Group*” on page 221 this Draft Red Herring Prospectus.

Through their growth-focused approach combined with commercial expertise, our Promoters have helped us grow our business over the years. Our Promoters are aided by a team of skilled and experienced personnel for efficient management of our business operations. The experience and knowledge of the nonwoven industry possessed by our Promoters and management team allows us to capitalize on present and future market opportunities. Our management team has achieved consistent business growth and financial performance which led to the growth of our total revenue from operation from ₹11,382.15 lakhs in Fiscal 2022 to ₹14,861.14 lakhs in Fiscal 2024 representing a CAGR of 14.27% and further to ₹15,710.05 lakhs for the nine months period ended December 31, 2024.

Ensuring consistency in quality and service standards

We believe in providing quality products to our customers. We ensure that stringent quality standards are followed

in our manufacturing unit so that our products meet the customer's requirements. Our products pass through various types of testing and quality checks to meet all the quality requirements. We have an advanced in-house testing laboratory which consists of different testing machines such as rewet testing machine, liquid strike through testing machine, run-off testing machine, material flow index ("*MFI*") testing machine, hydrostatic head testing machine, air permeability testing machine, GSM testing machine, martindale abrasion testing machine and universal tensile strength testing machine. This laboratory is operated by skilled operators under strict supervision ensuring consistent quality and service standards. From raw materials to finished goods, our products pass through quality checks at each stage to ensure that no defective products reach the customer and reduce process rejection. Our Company focuses on consistently delivering qualitative products, thereby building customer loyalty for our product.

Consistent financial performance

Our Company commenced business operations in 2015 and since then, the Company has demonstrated consistent growth in terms of revenues and profitability. Our revenue from operations has grown from ₹11,382.15 lakhs in Fiscal 2022 to ₹14,861.14 lakhs in Fiscal 2024, registering a CAGR of 14.27% in the last three years, our EBITDA has grown from ₹638.89 lakhs in Fiscal 2022 to ₹1,500.51 lakhs in Fiscal 2024 registering a CAGR of 53.25% in the last three years and our PAT has grown from ₹333.07 lakhs in Fiscal 2022 to ₹544.18 lakhs in Fiscal 2024, registering a CAGR of 27.82%. During nine months period ended December 31, 2024, our revenue from operations, EBITDA and profit after tax further increased to ₹15,710.05 lakhs, ₹2,048.07 lakhs and ₹729.35 lakhs, respectively. This growth is attributed to an increase in sales of high margin products and introduction of new products.

OUR STRATEGIES

Expand our presence across end-user industries, diversify our customer base and geographical reach

The overall forecast for the non-woven industry is optimistic, with global sales projected to grow at a CAGR of 5.1% from CY2024-29, characterized by robust growth driven by diverse applications across various sectors, including healthcare, hygiene, medical, automotive, construction, and agriculture. As global consumer demand for high-quality, safe and environmentally friendly products rises, the non-woven fabric market is expected to expand significantly. Technological advancements, such as improved manufacturing processes and innovative material formulations, are enhancing the performance and versatility of non-woven fabrics. The surge in disposable products within healthcare and hygiene—particularly in response to health crises like the COVID-19 pandemic - is further boosting market demand. Additionally, sustainability trends are encouraging the development of biodegradable and recyclable non-woven options, aligning with global efforts to minimize environmental impact. Looking ahead, domestic consumption of non-woven fabric is projected to grow at a CAGR of 11.2% from CY24 to CY29 (*Source: CareEdge Research Report*)

Our strategy for expanding the manufacturing of nonwoven fabrics focuses on broadening our presence across diverse industries and geographies while continuing to deliver quality products. We have successfully penetrated multiple industries including healthcare and hygiene, packaging, agriculture, roofing & construction, industrial and home furnishing. Our advanced SS and SSS spunbond technology has enabled us to offer strong, lightweight, and cost-effective materials tailored to the unique needs of these industries. Geographically, we have established a strong presence in key markets across Asia-Pacific, the United States of America, Europe, the Middle East & Africa ensuring our products reach a broad customer base in both developed and emerging economies.

Revenue from export of our products consisted 13.47%, 6.59%, 3.56% and 5.22% of our total revenue from operations for the nine months period ended December 31, 2024 financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively. In international market, we have catered to more than 20, 20, 15 and 10 customers for the nine months period ended December 31, 2024 and financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively, who are based in countries such as the United States of America, United Arab Emirates, Italy, Egypt, Saudi Arabia, Sri Lanka, Nepal, Kenya, and Nigeria.

For the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, our revenue from top one (1), top five (5) and top ten (10) customers are as follows:

(₹ in lakhs)

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	Revenue from top one (1) customer	1,391.54	628.28	778.43	1,934.59
2.	Revenue from top five (5) customers	3,844.94	2,599.74	2,070.38	4,607.00
3.	Revenue from top ten (10) customers	5,255.22	4,375.04	3,122.58	6,539.31

Note : We are unable to disclose the names of individual customers since this information is commercially sensitive to our business

Following is the contribution of our top one (1), top five (5) and top ten (10) customers in our total revenue from operations:

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total revenue from top one (1) customer	8.93%	4.25%	6.78%	17.30%
2.	% of total revenue from top five (5) customers	24.66%	17.57%	18.04%	41.20%
3.	% of total revenue from top ten (10) customers	33.71%	29.57%	27.21%	58.48%

For the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, our domestic revenue and export revenue are as follows:

(₹ in lakhs)

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	Revenue from sales of product in India	13,490.52	13,823.23	11,065.48	10,598.96
2.	Revenue from sales of product outside India	2,099.70	974.77	408.70	583.62
	Total revenue from operations	15,590.22	14,798.00	11,474.18	11,182.58

Following is the contribution of domestic sales and export sales in our total revenue from operations:

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total revenue from sales of product in India	86.53%	93.41%	96.44%	94.78%
2.	% of total revenue from sales of product outside India	13.47%	6.59%	3.56%	5.22%
	% of total revenue	100.00%	100.00%	100.00%	100.00%

Following is the country-wise revenue from operations during nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Sr No.	Name of Country/ SEZ/Deemed Export	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	India	13,490.52	13,823.23	11,065.48	10,598.96
2.	Nepal	229.47	120.51	26.57	112.35
3.	UAE	178.55	132.51	11.06	40.88
4.	Kenya	97.28	106.82	-	-
5.	Italy	7.04	10.73	-	111.53
6.	USA	73.08	16.56	-	-
7.	Sri Lanka	10.70	-	5.78	11.07
8.	Saudi Arabia	17.95	-	-	-

Sr No.	Name of Country/ SEZ/Deemed Export	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
9.	Egypt	14.87	-	-	-
10.	Nigeria	-	-	9.41	-
11.	China	-	-	-	0.81
12.	SEZ Exports	-	-	0.16	-
13.	Deemed Export	1,470.74	587.64	355.72	306.99
	Total	15,590.22	14,798.00	11,474.18	11,182.58

Following is the contribution of each country in our total revenue from operations:

Sr No.	Name of Country	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	India	86.53%	93.41%	96.44%	94.78%
2.	Nepal	1.47%	0.81%	0.23%	1.00%
3.	UAE	1.15%	0.90%	0.10%	0.37%
4.	Kenya	0.62%	0.72%	-	-
5.	Italy	0.05%	0.07%	-	1.00%
6.	USA	0.47%	0.11%	-	-
7.	Sri Lanka	0.07%	-	0.05%	0.10%
8.	Saudi Arabia	0.12%	-	-	-
9.	Egypt	0.10%	-	-	-
10.	Nigeria	-	-	0.08%	-
11.	China	-	-	-	0.01%
12.	SEZ Exports	-	-	-	-
13.	Deemed Export	9.43%	3.97%	3.10%	2.75%
	Total	100.00%	100.00%	100.00%	100.00%

Over the years, we have actively participated in numerous international trade shows, exhibitions and industry conferences to enhance our visibility. These events have provided opportunities to showcase our capabilities, stay aligned with industry trends and connect with potential clients. By participating in prominent trade shows in industries such as hygiene and healthcare, packaging, agriculture, roofing & construction, industrial and home furnishing and our involvement in industry-specific conferences has allowed us to gain insights into emerging technologies and market demands, reinforcing our commitment to continuous improvement.

We plan to increase our participation in global trade exhibitions, particularly in high-growth markets such as Asia-Pacific and the United States of America. These regions present significant opportunities for expansion and our goal is to leverage these platforms to establish stronger relationships with local customers. Through increased global visibility and participation in key industry events, we aim to diversify our customer base, extend our geographical reach and drive long-term growth.

Continue to expand our product portfolio

We intend to continue to strengthen our position in the spunbond nonwoven fabric manufacturing industry by focusing on diversifying and expanding our product portfolio across multiple industries. Leveraging our competencies in manufacturing spunbond nonwoven fabrics, we plan to enhance our existing product offerings by providing various types of lamination coatings for the different industries in which our products are used. We also intend to enter the roofing and construction industries for specialized products such as house wraps and roof underlayment.

For the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, our revenue from operations from various types of products are as follows:

					(₹ in lakhs)
Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	Hydrophobic nonwoven fabric	7,464.19	6,457.99	4,887.61	5,704.00
2.	Hydrophilic nonwoven fabric	1,307.63	1,147.80	754.03	421.43
3.	Super soft nonwoven fabric	4,052.39	4,524.27	3,188.51	3,484.09
4.	UV treated fabric	420.03	415.27	294.35	27.52
5.	Antistatic nonwoven fabric	86.68	234.77	416.59	1,224.06
6.	FR treated fabric	2,259.30	2,017.90	1,933.09	321.48
	Total revenue from operations	15,590.22	14,798.00	11,474.18	11,182.58

Following is the contribution of various types of products in our total revenue from operations:

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total revenue from sales of hydrophobic nonwoven fabric	47.88%	43.64%	42.60%	51.01%
2.	% of total revenue from sales of hydrophilic nonwoven fabric	8.39%	7.76%	6.57%	3.77%
3.	% of total revenue from sales of super soft nonwoven fabric	25.99%	30.57%	27.79%	31.16%
4.	% of total revenue from sales of UV treated fabric	2.69%	2.81%	2.57%	0.25%
5.	% of total revenue from sales of antistatic nonwoven fabric	0.56%	1.59%	3.63%	10.95%
6.	% of total revenue from sales of FR treated fabric	14.49%	13.64%	16.85%	2.87%
	% of total revenue	100.00%	100.00%	100.00%	100.00%

We also intend to expand our product portfolio in the agricultural industry. Spunbond nonwoven fabrics are recognized in agriculture for their lightweight, breathable and protective properties. They offer solutions such as crop cover and fruit cover that safeguard crops from environmental stressors and improve yield quality. Their versatility and cost-effectiveness make them an essential tool for modern agricultural practices, contributing to increased productivity and sustainable farming outcomes.

With an increasing focus on technical farming practices and crop protection, our products will address the evolving needs of the agricultural market, driving both growth and innovation. We are strategically positioning ourselves to enter the medical industry with high-quality disposable products such as face masks, PPE kits and surgical gowns.

Optimizing utilisation of the installed capacity at our existing facilities

Currently, we, along with our subsidiary, operates two manufacturing facilities located in Rajkot, Gujarat. Our manufacturing facility is located at Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Wankaner, Rajkot – 363 621, Gujarat with three operational production lines and aggregate installed capacity of 20,400 metric ton per annum (“MTPA”). Our subsidiary, SIPL, operates a manufacturing facility located at Survey No.119p1, N.H.27, Nr. Wankaner Boundary, Rangpar, Jalida, Wankaner, Rajkot - 363621, Gujarat with two operational production lines and aggregate installed capacity of 12,240 MTPA. Our capacity utilisation for nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 were 52.28%, 52.83%, 34.37% and 87.51%, respectively. Capacity utilisation for subsidiary SIPL for the nine months period ended December 31, 2024, fiscal 2024, fiscal 2023 and fiscal 2022 were 41.27%, 27.20%, 37.14% and 87.90%, respectively. For further information, see “Capacity and Capacity Utilisation” on page 178.

To support our growth strategy and demand for our products, we intend to capitalize on the unutilised capacity of production lines of products at our manufacturing facilities which would enhance our presence in the spunbond nonwoven fabrics industry and expand our current product portfolio. This would help us to offer new customized

products and capture new customers operating in various industries such as hygiene and healthcare, packaging, agriculture, roofing & construction, industrial and home furnishing.

Leveraging of our marketing skills and relationships

Our strategy for expanding our customer base in the spunbond nonwoven fabrics industry focuses on leveraging our marketing expertise, industry relationships and comprehensive understanding of the industry in which we operate. Our marketing efforts are driven by the consistent efforts of our Promoters and marketing team who oversee the marketing and sales of our products and possess a deep understanding of our customers’ requirements and the customization they need. One of our Promoters, Kishan Dilipbhai Kagathara, plays a pivotal role in driving our efforts to identify and connect with potential customers across various industries. Our marketing team utilizes a multi-channel approach, combining online platforms, search engines and offline visits to engage prospects and provide product samples. We also utilize B2B platforms and actively participate in industry tradeshows and exhibitions to source potential customers. Our promoters’ network and strong relationships with existing customers also play a vital role in obtaining referrals which helps expand our reach. We continuously strive to strengthen our international presence by connecting with potential customers in different countries, offering samples and gathering feedback to convert them into long-term customers. This comprehensive marketing approach positions us for sustained growth in the spunbond nonwoven fabric industry.

Effective working capital management to utilise the existing unutilized production capacity and increase financial efficiency

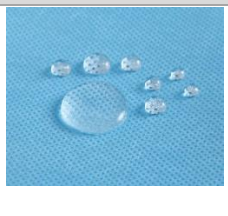


Effective management of our working capital is essential to ensure seamless operations and sustain growth in the competitive industry in which we operate. To optimize financial efficiency, we maintain banking relationships with HDFC Bank Limited which supports us in managing working capital through cash credit and bank guarantees. Historically, we have met our funding requirements by way of unsecured loans from our promoters and working capital loans from the bank. Our net working capital requirements i.e., total current assets less total current liabilities as on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 were ₹ 5,305.81 lakhs, ₹2,021.86 lakhs, ₹1,688.93 lakhs and ₹1,871.83 lakhs, respectively.

As we grow, we require additional working capital to utilize the existing unutilized capacity and to support the scaling of operations. Increased working capital will enable us to procure larger quantities of raw materials and optimize production schedules. It will also allow us to finance higher levels of finished goods inventory to meet growing demand, thereby improving inventory turnover and minimizing stockouts. We can also negotiate favourable payment terms with the suppliers which will allow us for better cash flow management and increased flexibility in meeting production requirements. By managing cash flow efficiently, we aim to maintain a strong financial position, enabling continued growth and resilience in the market.

To support the continued growth of our business, we intend to utilize a portion of the net proceeds from the Issue towards financing our working capital requirements. This will enable us to expand our production capabilities and accept larger orders. For further details, please refer "Objects of the Issue" on page 112 of this Draft Red Herring Prospectus.

PRODUCT PORTFOLIO AND APPLICATION OF OUR PRODUCTS IN MAJOR INDUSTRIES

The table below sets forth details of our products and certain applications industries of these products:

Types of Fabrics	Product Images	Application of our products in major industries	
Hydrophobic Fabric (GSM range of 7 to 150)		Packaging:  Suit Cover	 Shopping Bags

Types of Fabrics	Product Images	Application of our products in major industries
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Shoe Cover Bag



Grocery Bags

Spa & Beauty:



Spa Bedsheet



Salon Apron

Furniture & Mattress:



Pocket Spring for mattress



Sofa Upholstery

Medical:



Disposable Bed sheets



Disposable Caps



Disposable Mask

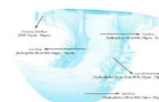


Lab Apron

Hygiene:

Hydrophilic Fabric

(GSM range 8 to 70)



Diaper top sheet



Sanitary Pad –
Topsheet



Underpad - Topsheet

Types of Fabrics	Product Images	Application of our products in major industries
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UV-Treated Fabric
(GSM range of 7 to 150)



Agriculture:



Crop Cover

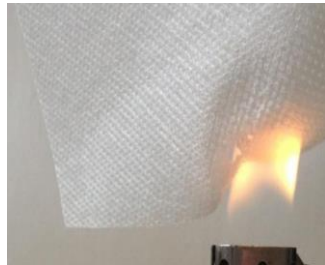


Frost Cover



Fruit Cover

FR-Treated Fabric
(GSM range 7 to 150)



Aviation:



Pillow Covers



Head Rest

Construction:



House Fabric for Construction

Anti-static Fabric
(GSM range of 7.5 to 70)



Medical products:



Surgical Caps



Surgical Mask



Surgical Gown

Types of Fabrics	Product Images	Application of our products in major industries
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Hygiene:

Supersoft Fabric
(GSM range of 10 to 50)



Adult Diaper



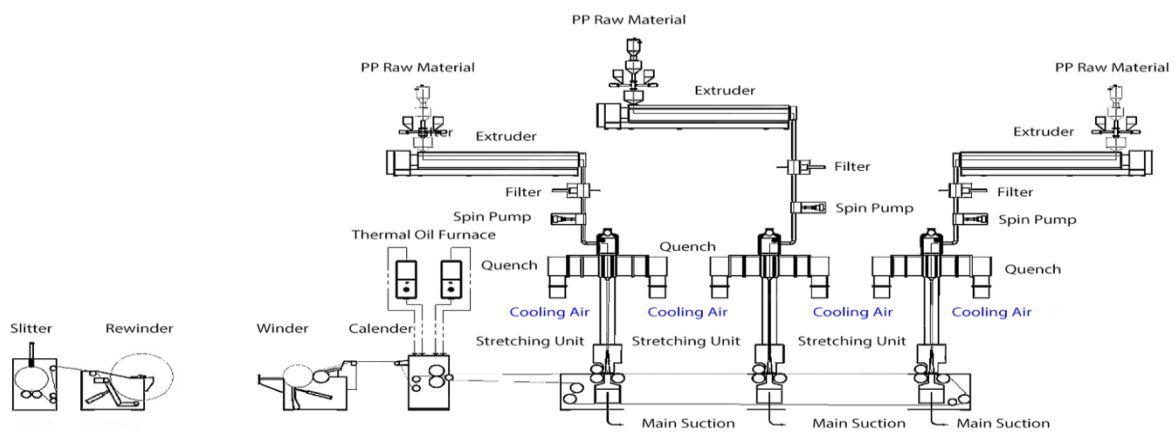
Baby Diaper



Sanitary Pad

MANUFACTURING PROCESS

Set forth below is a diagrammatic representation of the manufacturing process of our products:



The process of manufacturing spunbond nonwoven fabrics are as follows:

1) Raw material:

- **Polypropylene granules:** The primary raw material used in the production of spunbond nonwoven fabrics is polypropylene (PP), which is in the form of granules. These granules serve as the base material for extrusion into filaments.
- **Masterbatch:** A concentrated mixture of additives that are added to the PP to enhance the final product's properties such as colour.
- **Additives in granules form:** Additives are used in granule form to improve the characteristics of the nonwoven fabrics. These additives enhance the product's properties such as UV resistance or flame retardancy.

2) Extruding:

- **Suction & mixing of raw material:** The PP along with the masterbatch and additives are first sucked from the storage hopper to the main hopper and mixed thoroughly to ensure a homogeneous blend of the materials.
- **Extruding process:** The mixed raw materials are then heated in an extruder to melt to turn into a liquid polymer melt, which then passed from filters to spinneret where it forms continuous filaments.

- 3) **Metering/ Melt pumping:**
 - **Filtering process of the melt:** After the polymer is melted, it is filtered through a mesh to remove any impurities or contaminants that could affect the quality of the filaments.
 - **Metering process of the melt:** The melt is then metered at a uniform rate using a melt pump to ensure consistency and the desired uniformity of the polymer melt as it moves into the spinning process.
- 4) **Spinning:**
 - **Spinning process of the melt:** The filtered and metered melt is fed into a spinneret where it is extruded into fine filaments. These filaments are cooled immediately after extrusion, and they form the fiber that will later be bonded together to create the nonwoven fabric.
- 5) **Quenching:**
 - **To cool down the filament coming from the spinneret:** After the fine filament are extruded from the spinneret, they are still hot. To solidify the filaments and prevent them from sticking, they are rapidly cooled using a quenching process. This is typically done by passing the filaments through a cooling chamber with air circulation.
- 6) **Drawing:**
 - **To stretch the filament according to required parameters:** The filaments are drawn to improve their orientation and to adjust their thickness, strength and uniformity. The drawing process ensures that the filaments have the necessary mechanical properties for the fabric.
 - **Generate web:** The extruded filaments are laid down onto a conveyor belt. The web of filaments forms the basic structure of the nonwoven fabric.
- 7) **Calendaring:**
 - **To bond the filament by applying heat and pressure:** After collecting filament on the belt, the filament layers from all the beams pass through a set of calendaring rollers. These rollers have engraved designs on them, which decide the bonding ratio and pattern on the fabric. These rollers apply heat and pressure to bond the filaments together, creating the desired texture and fabric strength. This bonding process is essential to holding the filaments in place and ensuring the nonwoven fabric's integrity.
- 8) **Winding:**
 - **To collect the produced nonwoven fabric:** The bonded nonwoven fabric is wound onto large rolls. These rolls are the finished product. The fabric at this stage is still in an uncut form, ready for further processing or use.
- 9) **Slitting:**
 - **To slit the final product from the master roll according to the requirement:** Once the fabric is wound onto master rolls, it may be slit into specific widths according to customer requirements or end-use applications. The slitting process is important to provide nonwoven fabrics in various widths for industrial applications.

PLANT & MACHINERIES AND TECHNOLOGIES

Our manufacturing facilities are equipped with all the required machineries to achieve targeted production. As on the date of the Draft Red Herring Prospectus, the plant & machineries and equipment includes 3.2m SSS PP spunbond nonwoven production line with online hydrophilic machine, 3.2m SS PP spunbond nonwoven production line with online hydrophilic machine, 3.2m SS PP spunbond nonwoven production line machine, 2.6m SS PP spunbond nonwoven production line machine, 1.6m SS PP double beam production line machine along with the production lines our laboratory has, rewet testing machine, liquid strike through testing machine, run-off testing machine, material flow index (MFI) testing machine, hydrostatic head testing machine, air permeability testing machine, martindale abrasion testing machine and universal tensile strength testing machine, GSM testing Machine

The following pictures depict certain plant and machineries deployed in our manufacturing facility:



SSS production line



SSS production line



SS production line



Online detection system



Online detection system



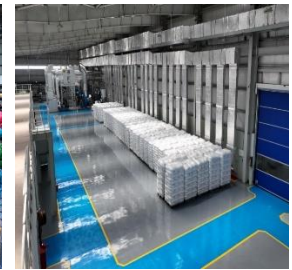
SS production line



SS production line



SS production line



RAW MATERIALS AND SUPPLIERS

The primary raw materials used in our manufacturing process of spunbond nonwoven fabric are polypropylene granules (“PP Granules”), master batch and other additives to make fabric softer, UV treated and FR treated. We also use special chemicals to produce hydrophilic and antistatic treatments. We source raw materials from our diversified supplier base who are in located in India, USA, Singapore and middle-eastern countries.

Following are the purchase of raw materials for the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022:

Sr No.	Name of raw materials	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	(₹ in lakhs)
					FY 2021-22
1.	Polypropylene	11,360.70	11,420.30	8,032.42	9,066.34
2.	Masterbatch	523.40	475.27	380.63	275.39
3.	Packing Material and others	955.26	512.28	320.48	231.73
	Total purchases of raw materials	12,839.36	12,407.86	8,733.53	9,573.46

Following is the contribution of each raw materials in our total purchase of raw materials:

Sr No.	Name of raw materials	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total purchases of polypropylene	88.48%	92.04%	91.97%	94.70%
2.	% of total purchases of masterbatch	4.08%	3.83%	4.36%	2.88%
3.	% of total purchases of packing Material and others	7.44%	4.13%	3.67%	2.42%
	Total purchases of raw materials	100.00%	100.00%	100.00%	100.00%

For the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, our purchase from top one (1), top five (5) and top ten (10) suppliers are as follows:

(₹ in lakhs)

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	Purchases from top one (1) supplier	3,645.51	4,757.51	1,960.43	6,095.66
2.	Purchases from top five (5) suppliers	8,515.85	9,914.15	7,697.47	8,372.44
3.	Purchases from top ten (10) suppliers	10,457.90	11,125.64	8,328.57	9,111.39

Note: We are unable to disclose the names of individual suppliers since this information is commercially sensitive to our business.

Following is the contribution of our top one (1), top five (5) and top ten (10) suppliers in our total purchases during respective period:

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total purchases from top one (1) supplier	28.39%	38.34%	22.45%	63.67%
2.	% of total purchases from top five (5) suppliers	66.33%	79.90%	88.14%	87.45%
3.	% of total purchases from top ten (10) suppliers	81.45%	89.67%	95.36%	95.17%

For the nine months period ended December 31, 2024, financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, our domestic purchases and import purchases are as follows:

(₹ in lakhs)

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	Purchase of raw materials from domestic suppliers	7,174.61	4,439.57	5,069.43	8,441.09
2.	Purchase of raw materials from international suppliers	5,664.75	7,968.29	3,664.10	1,132.45
	Total purchase of raw materials	12,839.36	12,407.86	8,733.53	9,573.46

Following is the contribution of domestic purchases and import purchases in our total purchases during respective period:

Sr No.	Particulars	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	% of total purchases from domestic purchases	55.88%	35.78%	58.05%	88.17%
2.	% of total purchases from import purchases	44.12%	64.22%	41.95%	11.83%
	% of total purchases of raw materials	100.00%	100.00%	100.00%	100.00%

Following is the country-wise purchases of raw materials during nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

Sr No.	Name of Country	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	India	7,174.61	4,439.57	5,069.43	8,441.01
2.	Singapore	5,588.63	7,927.03	3,563.64	1,116.02
3.	USA	5.73	3.76	73.90	16.43
4.	Germany	70.38	37.50	26.55	-
	Total	12,839.36	12,407.86	8,733.53	9,573.46

Following is the contribution of each country in our total purchase of raw materials:

Sr No.	Name of Country	Nine months ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
1.	India	55.88%	35.78%	58.05%	88.17%
2.	Singapore	43.53%	63.89%	40.80%	11.66%
3.	USA	0.04%	0.03%	0.85%	0.17%
4.	Germany	0.55%	0.30%	0.30%	-
	Total	100.00%	100.00%	100.00%	100.00%

UTILITIES

We have adequate facilities and infrastructure to source and store raw materials as well as existing connections for utilities such as water and power for the existing operations.

Infrastructure facilities

Our manufacturing facility is well equipped with the required plant and machinery, computer systems, security and other facilities such as fire safety and CCTV camera. Our manufacturing facility also has an in-house testing laboratory for quality control checks and testing of raw materials as well as finished products. The existing manufacturing facilities of our Company is spread across a total land area of 18,197 square meters and the manufacturing facility of SIPL is spread across a total land area of 15,580 square meters.



Infrastructure



Storage of finished goods



Storage of finished goods



Storage of raw materials

Power:

Our manufacturing units have adequate power supply to support uninterrupted manufacturing operations. Our manufacturing units receive power from both Paschim Gujarat Vij Company Limited (PGVCL) and our own captive solar plant. We have also installed diesel generator (DG) sets across our manufacturing units as a contingency measure to mitigate production loss & heating loss due to power outages.

Water:

Our manufacturing units use ground water for our manufacturing operations.

CAPACITY AND CAPACITY UTILIZATION

The details of the installed and capacity utilization of our Company are given in the table below:

Fiscal Year/Period	Installed Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Nine months period ended December 31,2024	20,400	10,665*	52.28%*
Fiscal 2024	20,400	10,777	52.83%
Fiscal 2023	20,400	7,012	34.37%
Fiscal 2022	8,400	7,351	87.51%

**Not annualized hence not comparable*

As certified by Babulal A Ughreja, Chartered Engineer, vide his certificate dated January 09, 2025

The details of the installed and capacity utilization of our subsidiary are given in the table below:


Fiscal Year/Period	Installed Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Nine months period ended December 31,2024	12,240	5,051*	41.27%*
Fiscal 2024	12,240	3,329	27.20%
Fiscal 2023	12,240	4,546	37.14%
Fiscal 2022	4,200	3,692	87.90%

**Not annualized hence not comparable*

As certified by Babulal A Ughreja, Chartered Engineer, vide his certificate dated January 09, 2025

INTELLECTUAL PROPERTY

As on the date of this Draft Red Herring Prospectus, our Company has registered the following designs with the Patent Office, Government of India under the Designs Act, 2000:

Design No.	Design Holder	Design	Nature of Design	Class of Registration	Date of Issue	Status	Validity
373585-001	Spunweb Nonwoven Private Limited*		Design for "NON-WOVEN FABRIC"	5	March 14, 2024	Registered	Ten (10) years from date of issue which can be extended for further period of five (5) years

**Our Company is in the process of making applications to reflect a name change pursuant to the conversion of the Company from a private limited Company to a public limited Company.*

As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trade Marks Act, 1999:

Trademark No. / Application No.	Trademark Holder	Trademark	Class of Registration	Status	Validity
6025083 to 6025099	Spunweb Nonwoven Private Limited*		1 to 17	Registered	July 17, 2033
6025101, 6025102, 6025105 to 6025107	Spunweb Private Nonwoven Limited*		19 to 23	Registered	July 17, 2033
3262622, 6025108 to 6025113	Spunweb Nonwoven Private Limited*		24	Registered	May 19, 2026
3262622, 6025108 to 6025113, 6025115 to 6025124, 6025131 to 6025135	Spunweb Nonwoven Private Limited*		25 to 45	Registered	July 17, 2033
6025099	Spunweb Nonwoven Private Limited*		18	Objected	N.A.

*Our Company is in the process of making applications to reflect a name change pursuant to the conversion of the Company from a private limited Company to a public limited Company.

For further details, please refer “Government and Other Statutory Approvals” on page 282 of this Draft Red Herring Prospectus.

COLLABORATIONS

We have not entered into any technical or other collaboration or into joint venture agreements.

EXPORT & EXPORT OBLIGATION

Following are the details of exports and export obligation for the nine months period ended December 31, 2024 and for the last Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Exports:

Particulars	(₹ in lakhs)			
	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Nepal	229.47	120.51	26.57	112.35
UAE	178.55	132.51	11.06	40.88
Kenya	97.28	106.82	-	-
Italy	7.04	10.73	-	111.53
USA	73.08	16.56	-	-
Sri Lanka	10.70	-	5.78	11.07
Saudi Arabia	17.95	-	-	-
Egypt	14.87	-	-	-
Nigeria	-	-	9.41	-
China	-	-	-	0.81
SEZ Exports	-	-	0.16	-
Deemed Export	1,470.74	587.64	355.72	306.99
Total	2,099.68	974.77	408.7	583.63

Export Obligations as on December 31, 2024:

Particulars	For the Nine months period ended December 31, 2024 (₹ in lakhs)
Advance Authorisation	2,107.21
EPCG	1,524.64
Total	3,631.85

As certified by Kaushal Dave & Associates, Chartered Accountants, vide certificate dated January 28, 2025.

SIPL:

Particulars	For the Nine months period ended December 31, 2024 (₹ in lakhs)
Advance Authorisation	648.21
EPCG	125.54
Total	773.75

As certified by Kaushal Dave & Associates, Chartered Accountants, vide certificate dated January 28, 2025.

INSURANCE

Our business operations involve risks, which if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain operating risks. Our insurance policies include standard fire and special perils policy for building, furniture & fixtures, plant and machineries, office equipment, electrical installation, contractor all risk policy, vehicle insurance, Udyam Suraksha Policy for building, furniture & fixtures, electrical fittings, all type of stocks including raw materials, finished goods, stocks in process, packing materials, consumables, stores and spare items. We also maintain workmens' compensation policy that covers medical expenses of our workers for all accidents. We believe that our insurance coverage is in accordance with industry customs, including with respect to the terms of and the coverage provided by such insurance and is reasonably sufficient to cover all anticipated risks associated with our operations. However, there can be no assurance that the insurance availed by us would be adequate to cover all risks and losses. For further details, please refer "Risk Factors" on page 30 of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company has following obtained insurance policies:

Sr. No.	Nature of the Policy	Insurance Company	Policy Tenure		Premium Amount (₹ in lakhs)	Total Sum Assured (₹ in lakhs)
			Start Date	End Date		
1.	Standard fire and special perils policy	Cholamandalam MS General Insurance Company Ltd.	September 06,2024	September 05,2025	6.34	11,000.00
2.	Special contingency excluding liability (Fire/STFI/EQ/Terrorism)	National insurance company limited	August 18,2024	August 17,2025	0.30	500.00
3.	Digit Employees Compensation Insurance Policy	Go Digit General Insurance Ltd	June 12,2024	June 11,2025	1.08	302.00*

*2.00 lakhs each for 151 employees

SIPL has following insurance policies:

Sr. No.	Nature of the Policy	Insurance Company	Policy Tenure		Premium Amount (₹ in lakhs)	Total Sum Assured (₹ in lakhs)
			Start Date	End Date		
1.	Chola Laghu Udyam Suraksha	Cholamandalam MS General Insurance	August 11,2024	August 10,2025	1.70	5,000.00

Sr. No.	Nature of the Policy	Insurance Company	Policy Tenure		Premium Amount (₹ in lakhs)	Total Sum Assured (₹ in lakhs)
			Start Date	End Date		
		Company Ltd.				
2.	Digit Employees Compensation Insurance Policy	Go Digit General Insurance Ltd	August 09,2024	August 08,2025	0.40	50.00*

*for 51 employees

COMPETITION

We operate in the fabric industry wherein apart from non-woven fabrics, the industry comprises a wide range of materials, including natural fabrics like cotton, silk, and wool, as well as synthetic fabrics such as polyester, nylon, and spandex. Apart from us, some of the other prominent players operating in our industry include names such as Fiberweb India Limited, Sidwin Fabric Private Limited and Eximius Innovative Private Limited, among others. (Source: CareEdge Report)

The industry in which we operate is highly competitive and we face competition from both domestic and international manufacturers and traders. The existing players in the industry compete by providing competitive quality products. Various companies manufacture products that are similar to our products and therefore pose competition to such an extent. We believe the principal elements of competition in the technical textile industry are price, fabric quality, long-term relationships with clients and vendors, the use of advanced plant and machinery, innovative fabric designs, adaptability to market trends, timely delivery, and reliability.

SALES AND MARKETING

We have a dedicated marketing and sales team responsible for finding new customers across various industries. Our team initially searches for potential customers through online platforms and search engines and reaches out to them. Our team also conducts offline visits to explain our products and provide samples when necessary. We also utilize dedicated B2B platforms to generate potential customers. Our marketing team approaches these leads and works diligently to convert them into customers.

We actively participate in various trade shows related to nonwoven fabrics and industries where they are utilized. Based on our database, we plan visits to different countries to connect with potential leads. During these visits, we provide samples and gather necessary data to help convert these leads. A key source of new leads comes from referrals from our existing customers. Based on their strong recommendations, we offer samples and provide small lots for trial on their machines.

HUMAN RESOURCES

As of December 31, 2024, our Company had 177 employees. Details of the employees of our Company are set forth below:

Department of Company	No. of employees
Senior Management and KMP	5
Accounts	5
Production	16
Marketing & Sales	13
Human resource	2
Purchase	5
Quality control	4
Maintenance	5
Dispatch & billing	10
Workers	112
Total	177

As on December 31, 2024, SIPL had 42 employees. Details of the employees of our Company are set forth below:

Department of Company	No. of employees
Production	6
Marketing & Sales	1
Purchase	1
Quality control	2
Maintenance	1
Dispatch	2
Workers	29
Total	42

In addition to the above, we also employ contract labourers at our manufacturing facilities from time to time based on the production schedule and demand of our products. We source the required labourers for our manufacturing facilities directly as well as from local manpower suppliers depending on various factors like the location, manpower requirements, duration, etc. For the month of December 31, 2024, our Company engaged more than 35 contract labourers at the manufacturing facility.

ENVIRONMENT, HEALTH AND SAFETY

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. Our activities are subject to the various environmental laws and regulations of India including in relation to safety, health, environmental protection and labour. We have implemented work safety measures across the Company and SIPL to ensure a safe working environment such as helmet protection and fire extinguisher. Our Company is accredited with ISO 9001:2015 certification, demonstrating our adherence to quality and safety requirements.

QUALITY CONTROL

Our raw materials and finished goods are tested to ensure that the desired quality is achieved. Our manufacturing units have testing facilities to assess the quality parameters of raw-material and finished goods. Our products pass through different tests to maintain a particular standard of quality, which includes, wetback testing, liquid strike through testing, run-off testing, material flow index testing, hydrostatic head testing, air permeability testing, martindale abrasion testing, universal tensile testing and digital thickness tester etc.

The following pictures depict testing machines in our manufacturing facility:



Quality lab



Wetback tester



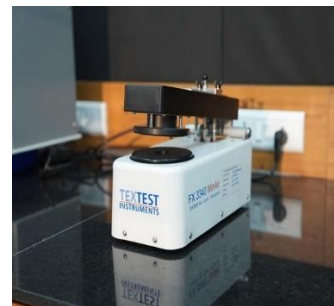
Liquid strike through tester



MFI tester



Hydrostatic head tester



Air permeability tester



Run-off tester



Martindale abrasion tester



UTS machine



Digital thickness tester

PROPERTIES

Our registered office is situated at Survey No. 109(2), NH-27, Near Wankaner Boundary Post at Jalida Village, Rangpar District, Morbi-363621. Additionally, we also have our corporate offices at Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot – 360 005, Gujarat, India. Set out below are details of our Company's properties as on the date of this Draft Red Herring Prospectus:

No.	Particulars	Address	Area (Sq. Mts.)	Owned /Leased	Name of Owner	Lease Expiry
1.	Corporate Office	Office No. 604, South Block, Twin Star, Near Nana Mava Circle, 150 Feet Ring Road, Rajkot – 360 005, Gujarat, India.	76.30	Leased	Kanani Matang	5 years commencing from September 01,2024
2.	Registered Office	Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Wankaner, Rajkot – 363 621, Gujarat, India.	18,197	Owned	Spunweb Nonwoven Limited*	-
3.	Factory					

**Formerly known as Spunweb Nonwoven Private Limited*

Set out below are details of SIPL's properties as on the date of this Draft Red Herring Prospectus:

No.	Particulars	Address	Area (Sq.mt.)	Owned /Leased	Name of Owner	Lease Expiry
1.	Registered Office	Survey No 119p1, NH 27, Nr. Wankaner boundary, Rangpar, Wankaner, Rajkot – 363 621	15,580	Owned	Spunweb India Private Limited	-
2.	Factory					

INFORMATION TECHNOLOGY

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We have implemented ERP system to facilitate our operations in various functional departments and to aid us in monitoring and decision making.

CORPORATE SOCIAL RESPONSIBILITY

We firmly believe in the importance of Corporate Social Responsibility (“**CSR**”) and as our commitment towards our duty to enhance social, economic, and environmental welfare, we will engage in diverse initiatives and programs. Our CSR policy follows the requirements of the Companies Act, 2013 and the rules framed thereunder. Our CSR activities are monitored by the CSR committee of our Board. For details of the terms of reference of CSR committee, see “*Our Management*” on page 208.

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KEY REGULATIONS AND POLICIES

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations including rules and regulations promulgated by regulatory bodies and the bye laws of the respective local authorities and publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, see '*Government and Other Statutory Approvals*' on page 282 of this Draft Red Herring Prospectus. We are required to obtain and regularly renew certain licenses/registrations/sanctions/permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

BUSINESS/ INDUSTRY SPECIFIC LAWS

The Factories Act, 1948 ("Factories Act")

The Factories Act, 1948 aims at regulating labour employed in factories. A "factory" is defined as "any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding 119 twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory.

Plastic Waste Management (PWM) Rules, 2016

The government of India, through the Ministry of Environment, Forest and Climate Change notified the new Plastic Waste Management Rules, 2016 (through a Gazette notification dated 18 March, 2016). This supersedes the Plastic Waste (Management and Handling) Rules, 2011 that governed such activities earlier. This provides the framework for how plastic waste generators, local bodies, manufacturers, importers etc., to manage plastic waste.

The Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986 ("BIS Act") was established to provide for the establishment of a bureau ("Bureau") for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. "Indian Standard" means the standard (including any

tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

ENVIRONMENT LAWS

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exists among water, air and land, and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects.

Water (Prevention & Control of Pollution) Act, 1974

The Water (Prevention & Control of Pollution) Act, 1974 ("Water Act") provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Under the provisions of Water Act, an entrepreneur running or establishing any industry or process, and discharging effluent/emitting pollutants into any water resources or on land/air and polluting thereby the environmental water/air is required to obtain consent.

Air (Prevention & Control of Pollution) Act, 1981

The Air (Prevention & Control of Pollution) Act, 1981 ("Air Act") provide for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Under the provisions of Air Act, an entrepreneur running or establishing any industry or process, and discharging effluent/emitting pollutants into air and polluting thereby the environmental air is required to obtain consent.

The Noise Pollution (Regulation and Control) Rules, 2000

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Environment Impact Assessment Notification of 2006

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT

Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP Offers an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may Offer fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh Offer of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh Offer of shares would be subject to the reporting requirements, inter-alia with respect to consideration for Offer of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through

automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (FEMA) and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 by Notification No. FEMA. 395/2019-RB dated October 17, 2019 (FEMA Rules) to prohibit, restrict, or regulate transfer by or issue security to a person resident outside India. As laid down by the FEMA Rules, no prior consents and approvals are required from the RBI for Foreign Direct Investment (FDI) under the —automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the RBI. At present, the FDI Policy does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ('FEMA Regulations') to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

Duty Drawback Scheme

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the "Drawback Rules") have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate (AIR) of duty drawback scheme or brand rate of duty drawback scheme.

The AIR of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any AIR or duty drawback rate, or where the AIR duty drawback rate notified is considered by the exporter is insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an AIR, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

Merchandise Exports from India Scheme

Pursuant to the Foreign Trade Policy (2015-2020), the Merchandise Exports from India Scheme (the "MEI Scheme") was introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to

enhance India's export competitiveness. Export of notified goods to notified markets are rewarded under the MEI Scheme. The basis for calculation of the reward under the MEI Scheme is on the Free on Board ("FOB") value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI Scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI Scheme.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

LAWS RELATED TO EMPLOYMENT OF MANPOWER

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- The Child Labour (Protection and Prohibition) Act, 1986
- The Employees Compensation Act, 1923
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Employees' State Insurance Act, 1948
- The Equal Remuneration Act, 1976
- The Maternity Benefit Act, 1961
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1936
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform all labour laws in India, the Indian Government has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, which are as follows:

(a) *The Code on Wages, 2019*

The Ministry of Law and Justice, Government of India has enacted the Code on Wages, 2019 ("Wage Code") on August 8, 2019, which seeks to amend and consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. The Wage Code will be in force from such date the Central Government by notification may appoint and is yet to be notified. The Wage Code subsumes the provisions of the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

(b) *The Code on Social Security, 2020*

The Code on Social Security, 2020 has been passed by both the houses of parliament and has received the assent of the President on September 28, 2020. However, the Code on Social Security will be in force from such date the Central Government by notification may appoint and is yet to be notified. The said Code will subsume various social security, retirement and employee benefit laws like ESI Act, EPF Act, Maternity Benefit Act, Payment of Gratuity Act, etc.

(c) *Industrial Relations Code, 2020*

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the

Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the appropriate government. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

(d) ***Occupational Safety, Health and Working Conditions Code, 2020***

The Ministry of Law and Justice, Government of India has published the Occupational Safety, Health and Working Conditions Code, 2020 (“OSH Code”) on 29th September, 2020 and the same will be in force from such date the Central Government by notification may appoint. However, the same has not been notified yet, The OSH Code aims to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment and for matters connected therewith or incidental thereto. The OSH Code has subsumed several key pieces of legislation on the working conditions of labour and consolidated it into one comprehensive act, including, inter alia, the Contract Labour (Regulation and Abolition) Act, 1970, the Factories Act, 1948, etc.

Employees State Insurance Act, 1948

Employees State Insurance Act, 1948 (“ESI Act”) as amended, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the schemes formulated there under

This Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

(e) ***The Employees Provident Fund Scheme, 1952***

As per this scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.

(f) ***The Employees’ Pension Scheme, 1995***

Employees’ Pension Scheme is a pension scheme for survivors, old aged and disabled persons. This scheme derives its financial resource by partial diversion from the provident fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33% of the employee’s pay shall be remitted by the employer to the employees’ pension fund within fifteen (15) days of the close of every month by a separate bank draft or cheque on account of the employees’ pension fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act.

(g) ***The Employees Deposit Linked Insurance Scheme, 1976***

As per this scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the EPF Act, to the insurance fund within fifteen (15) days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the EPF Act.

The Payment of Wages Act, 1936

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs. 24,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

CORPORATE AND COMMERCIAL LAWS

The Companies Act, 2013

The Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between the set of competing factors, namely, management autonomy and investor protection.

Indian Contract Act, 1872

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract is entered, executed and implemented and implications of breach of a contract. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced, as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. The Contract Act deals with the enforcement of these rights and duties upon the parties. The Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act, 1930 and the Indian Partnership Act 1932. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

Competition Act, 2002

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates ‘combinations’ in India. The Competition Act also established the Competition Commission of India (the ‘CCI’) as the authority mandated to implement the Competition Act. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Negotiable Instruments Act, 1881

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of

dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

The Arbitration and Conciliation Act, 1996

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Code proposes to establish an Insolvency Regulator (The Insolvency and Bankruptcy Board of India) to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities; these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals. The Code proposes for a fast-track insolvency resolution process for companies with smaller operations. The process will have to be completed within 90 days, which may be extended up to 45 more days if 75% of financial creditors agree. Extension shall not be given more than once.

TAX RELATED LAWS

The Income Tax Act, 1961

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all

transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

INTELLECTUAL PROPERTY LAWS

The Trade Marks Act, 1999

The Trade Marks Act, 1999 ("TM Act") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the TM Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

OTHER REGULATIONS

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

Municipality Laws

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise",

where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

Fire Prevention Laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

Professional Tax

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

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HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as “*Spunweb Nonwoven Private Limited*” as a private limited company in Rajkot, Gujarat under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated August 06, 2015, issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on July 06, 2024, and the name of our Company was changed to “*Spunweb Nonwoven Limited*”. A fresh certificate of Incorporation consequent upon conversion from a Private Limited company to Public Limited company dated September 06, 2024, was issued by the Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U17291GJ2015PLC084107.

Changes in the Registered Office

Our Company has its Registered Office at Survey No.109(2), N.H. 27, Near Wankaner Boundry Post at Jalida, Village Rangpar, Rajkot, Wankaner, 363 621, Gujarat, India. Except as disclosed below, there has been no change in the registered office of our Company since incorporation.

Effective Date	From	To	Reason
September 27, 2015	Maruti Nandan, Golden Park, Street No. 2, Plot No. 47, Nana Mava Main Road, 150 Feet Road, Rajkot - 360 005.	Survey No.109(2), N.H. 27, Near Wankaner Boundry Post At Jalida, Village Rangpar, Rajkot, Wankaner 363 621, Gujarat, India.	Administrative Convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

To carry on the business of spinners, weavers, loomers, knitters, texturisers, combers, processors, producers, hosiers, giners, embroiders, bleachers, dyers, printers, blenders, carders, doublers, importers, exporters, buyers, sellers and dealers in all kinds of nonwoven fabrics, textiles, yarns, spunbound bags, fibres and fabrics, garments whether synthetic, artificial or natural, cotton, wool, silk, jute, hemp, linen, viscose, rayon, artificial silk, nylon, polypropylene, polyester, polynosic or other synthetic and natural fibre or fibrous material or fabrics and textile substances.

Amendments to the Memorandum of Association

Except as stated below, there have been no amendments in the Memorandum of Association of our Company since the last 10 years.

Date of Shareholder's resolution	Particulars
December 1, 2015	Clause V of the Memorandum of Association was amended to reflect increase of the authorized share capital of our Company from ₹1,00,000/- (Rupees One Lakh only) consisting of 10,000 (Ten Thousand) Equity Shares of ₹10/- (Rupees Ten only) each to ₹4,00,00,000/- (Rupees Four Crores only) consisting of 40,00,000 (Forty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
March 6, 2017	Clause V of the Memorandum of Association was amended to reflect increase of the authorized share capital of our Company from ₹4,00,00,000/- (Rupees Four Crores only) consisting of 40,00,000 (Forty Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each to ₹4,50,00,000/- (Rupees Four Crores and Fifty Lakhs only) consisting of 45,00,000 (Forty-Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.

Date of Shareholder's resolution	Particulars
July 10, 2018	Clause V of the Memorandum of Association was amended to reflect increase of the authorized share capital of our Company from ₹4,50,00,000/- (Rupees Four Crores and Fifty Lakhs only) consisting of 45,00,000 (Forty-Five Lakhs) Equity Shares of ₹10/- (Rupees Ten only) each to ₹5,00,00,000/- (Rupees Five Crores only) consisting of 50,00,000 (Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
December 1, 2020	Increase of the authorized share capital of our Company from ₹5,00,00,000/- (Rupees Five Crores only) consisting of 50,00,000 (Fifty Lakhs) of ₹10/- (Rupees Ten only) each to ₹10,00,00,000/- (Rupees Ten Crores only) consisting of 1,00,00,000 (One Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each.
February 11, 2021	Clause V of the Memorandum of Association was amended to reflect increase of the authorized share capital of our Company from ₹10,00,00,000/- (Rupees Ten Crores only) consisting of 1,00,00,000 (One Crore) of ₹10/- (Rupees Ten only) each to ₹14,00,00,000/- (Rupees Fourteen Crores only) consisting of 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.
July 06, 2024	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from “Spunweb Nonwoven Private Limited” to “Spunweb Nonwoven Limited”.
December 9, 2024	Clause V of the Memorandum of Association was amended to reflect increase of the authorized share capital of our Company from ₹14,00,00,000/- (Rupees Fourteen Crores only) consisting of 1,40,00,000 (One Crore Forty Lakhs) of ₹10/- (Rupees Ten only) each to ₹25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.

Corporate profile of our Company

For details regarding the description of our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key services, entry in new geographies or exit from existing markets, major distributors and customers, segment, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management's Discussion and Analysis of Financial Position and Results of Operations*” on pages 171, 208 and 259 respectively, of this Draft Red Herring Prospectus.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Year	Achievement
2015	Incorporation of our Company as Spunweb Nonwoven Private Limited
2016	3.2 SS Spunbond nonwoven production line installed and commissioned
2018	1.6 SS Spunbond nonwoven production line installed and commissioned
2018	Received ISO 9001:2015 for manufacturer of nonwoven fabric and nonwoven converted products
2020	2.6 SS Spunbond nonwoven production line installed and commissioned
2021	Achieved annual revenue of ₹ 10,000.00 lakhs
2021	Installed 0.5 MW rooftop solar system
2022	3.2 SS Spunbond nonwoven production line installed and commissioned
2023	3.2 SSS Spunbond nonwoven production line installed and commissioned
2024	Installed 0.6 MW rooftop solar system
2024	Achieved annual revenue of ₹ 15,000.00 lakhs
2024	Installed 0.435 MW rooftop solar system

Year	Achievement
2024	1.8m lamination machine and sheet cutting machine
2024	Converted from a private limited company to a public limited company
2024	Acquisition of 100% equity share capital in Spunweb India Private Limited

Awards and Accreditations

As on the date of filing the Draft Red Herring Prospectus, there are no key awards, accreditations and recognition received by our Company:

Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships except as follow:

Sr. No	Year	Particulars	Acquisition (in %)
1.	2024	Spunweb India Private Limited	100%

Time/cost Overrun

There has been no time or cost over-run in respect of our business operations.

Capacity / Facility creation, location of plants

For details of Capacity / Facility creation, location of plants of our Company, see “*Our Business*” on page 171 of this Draft Red Herring Prospectus.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” on page 171 of this Draft Red Herring Prospectus.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation

Spunweb India Private Limited (“SIPL”)

Our Company, pursuant to a Share Sale and Transfer Agreement dated December 27, 2024 with Jay Dilipbhai Kagathara, Kishan Dilipbhai Kagathara and SIPL has acquired 1,39,90,000 equity shares of SIPL, representing 100% of the equity share capital of SIPL, a company incorporated under Companies Act, 2013, from Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara for at a price of 12.13 per equity shares aggregating to ₹16,97,54,249.

Agreements with Key Managerial Personnel, Senior Management, Director or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel, members of Senior Management or Directors or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Except as disclosed below and in “*Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. since its incorporation*” above, our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Holding company, Associate Company and Joint Ventures

As of the date of this Draft Red Herring Prospectus, our Company does not have any holding company, associate company or joint ventures.

Our Subsidiaries

Except as mentioned in the chapter titled “*Our Subsidiaries*” on page 225 of this Draft Red Herring Prospectus, our Company does not have any other Subsidiaries.

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OUR MANAGEMENT

Board of Directors

As per the Articles of Association of our Company, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Red Herring Prospectus, our Board consists of 5 (Five) Directors, of which 1 (One) Director is Chairman and Managing Director, 1 (One) Director is Whole Time Director and 3 (Three) Directors are Non-Executive Directors, of which 2 (Two) Directors are Independent Director and 1 (One) Director is a Woman Non-Executive Director. The present composition of our Board of Directors in accordance with the Companies Act, 2013.

The following table sets forth details regarding our Board of Directors as on the date of this draft Red Herring Prospectus.

Sr. No.	Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Age (years)	Other Directorships
1.	<p>Jay Dilipbhai Kagathara</p> <p>Date of Birth: June 08, 1993</p> <p>Designation: Chairman and Managing Director</p> <p>Address: A – 401, The Temple, New 150 Feet Ring Road, Nr. Arjun Party Plot, Rajkot -360 005, Gujarat.</p> <p>Occupation: Business</p> <p>Term: For a period of 5 Years w.e.f. November 29, 2024</p> <p>Period of Directorship: Since November 06, 2015</p> <p>DIN: 07335356</p>	31	<p><i>Indian Companies</i></p> <p>1. Spunweb India private Limited</p> <p>2. Spunweb Protective Fabrics Private Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
2.	<p>Kishan Dilipbhai Kagathara</p> <p>Date of Birth: June 06, 1997</p> <p>Designation: Whole Time Director</p> <p>Address: A – 401, The Temple, New 150 Feet Ring Road, Near Arjun Party Plot, Rajkot 360 005, Gujarat.</p> <p>Occupation: Business</p> <p>Term: For a period of 5 Years w.e.f. November 29, 2024</p> <p>Period of Directorship: Since September 09, 2022</p> <p>DIN: 09730384</p>	27	<p><i>Indian Companies</i></p> <p>1. Spunweb India private Limited</p> <p>2. Spunweb Protective Fabrics Private Limited</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
3.	<p>Charulata Jay Kagathara</p> <p>Date of Birth: January 29, 1993</p> <p>Designation: Non – Executive Director</p>	31	<p><i>Indian Companies</i></p> <p>1. Spunweb India private Limited</p>

Sr. No.	Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Age (years)	Other Directorships
	Address: A – 401, The Temple, New 150 Feet Ring Road, Near Arjun Party Plot, Rajkot 360005, Gujarat. Occupation: Homemaker Term: Liable to retire by rotation Period of Directorship: Since July 06, 2024 DIN: 10694605		<i>Foreign Companies</i> Nil
4.	Amul Kantibhai Kotadia Date of Birth: January 11, 1976 Designation: Independent Director Address: 8, Sardar Patel Society, Near New Best English School, Joshipara, Junagadh 362 001, Gujarat. Occupation: Assistant Professor Term: For a period of 5 Years w.e.f. November 29, 2024 Period of Directorship: Since November 29, 2024 DIN: 10805206	48	<i>Indian Companies</i> Nil <i>Foreign Companies</i> Nil
5.	Chetankumar Jayantilal Kamani Date of Birth: December 02, 1984 Designation: Independent Director Address: Flat No. 501, Siddhi Silver Flats, Ambika Township, Near Modi School, Rajkot 360 004, Gujarat. Occupation: Professional Term: For a period of 5 Years w.e.f. November 29, 2024 Period of Directorship: Since November 29, 2024 DIN: 10770099	40	<i>Indian Companies</i> Nil <i>Foreign Companies</i> Nil

Brief profile of our Directors

Jay Dilipbhai Kagathara is a Chairman, Managing Director and Promoter of our Company. He has completed Higher Secondary Education from Gujarat Secondary and Higher Secondary Education Board and has over nine years of experience in the field of manufacturing of nonwoven fabrics. He has been associated with our Company since November 2015. He plays an active role in overall management and oversees the procurement of raw materials for the organization.

Kishan Dilipbhai Kagathara is a Whole-Time Director and Promoter of our Company. He holds a Bachelor of Technology degree in Mechanical Engineering from Symbiosis International University and a Master of Business

Administration in Global Business from Coventry University. With over five years of experience in sales and marketing, he has been associated with the Company since November 2019 and actively contributes to the export, sales, and marketing departments.

Charulata Jay Kagathara is a Non-Executive Director of our Company. She holds a Bachelor of Computer Application degree from Saurashtra University. She has over six years of experience in the field of administration. She has been associated with our Company since April, 2018.

Amul Kantibhai Kotadia is an Independent Director of our Company. He holds a Bachelor of Commerce and a Master of Commerce from The Maharaja Sayajirao University of Baroda, along with a diploma in Taxation Laws & Practice Law from the same institution. Additionally, He completed his Doctor of Philosophy in Commerce from Singhania University. With over 22 years of teaching experience, he has held roles such as Assistant Professor in the Commerce Department at Shri P.K.M. College of Technology & B.Ed., Junagadh, and currently serves as an Associate Professor at Noble University, Junagadh. He has been associated with the company since November 2024.

Chetankumar Jayantilal Kamani is an Independent Director of our Company. He holds a Bachelor of Commerce degree from Saurashtra University and is a practicing Chartered Accountant with a Fellow Membership of The Institute of Chartered Accountants of India. With over 13 years of expertise in finance, treasury, statutory and internal audits, management consulting, and direct and indirect taxation, he brings extensive experience to his role. He has been associated with the company since November 2024.

Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel

Except as provided below, none of our Directors are related to each other or to any of the Key Managerial Personnel as on the date of filing this Draft Red Herring Prospectus.

Director 1	Director 2	Relationship
Jay Dilipbhai Kagathara <i>Chairman and Managing Director</i>	Kishan Dilipbhai Kagathara <i>Whole Time Director</i>	Brothers
Jay Dilipbhai Kagathara <i>Chairman and Managing Director</i>	Charulata Jay Kagathara <i>Non-Executive Director</i>	Husband-Wife

Employment or Service Agreement with our Directors

We have not entered into any service agreement or formal employment agreement with any of our Directors. The terms of appointment and remuneration of our Directors were determined by way of the respective Board and Shareholders resolution approving their appointment.

Terms of Appointment of our Chairman, Managing Director and Whole Time Director

Jay Dilipbhai Kagathara – Chairman and Managing Director

The terms and conditions of the appointment and remuneration of our Chairman and Managing Director, Jay Dilipbhai Kagathara were approved by a resolution of our Board at their meeting held on November 11, 2024, and a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on December 09, 2024, pursuant to which he is entitled to remuneration upto ₹ 60,00,000/- p.a. along with other benefits and amenities as follows.

Salary	₹5,00,000/- per month
Minimum Remuneration	Notwithstanding anything contained in aforesaid resolution, where in any financial year during the period of his office as Managing Director, the Company has no profits or its profits are inadequate, the referred remuneration shall be allowed in compliance of the provisions of Schedule V and the same shall in no event exceed the limits approved by way of resolution proposed above and in the event of continuation of inadequacy of profits for a continuous period of 3 years, the same shall be subject to review by shareholders.
Other terms	He shall not be paid any sitting fee for attending the meetings of the Board or committee thereof

Kishan Dilipbhai Kagathara - Whole Time Director

The terms and conditions of the appointment and remuneration of our Whole Time Director, Kishan Dilipbhai Kagathara were approved by a resolution of our Board at their meeting held on November 11, 2024, and a special resolution passed by our shareholders at the Extra Ordinary General Meeting held on December 09, 2024, pursuant to which he is entitled to remuneration upto ₹ 60,00,000/- p.a. along with other benefits and amenities as follows

Salary	₹5,00,000/- per month
Minimum Remuneration	Notwithstanding anything contained in aforesaid resolution, where in any financial year during the period of his office as Whole Time Director, the Company has no profits or its profits are inadequate, the referred remuneration shall be allowed in compliance of the provisions of Schedule V and the same shall in no event exceed the limits approved by way of resolution proposed above and in the event of continuation of inadequacy of profits for a continuous period of 3 years, the same shall be subject to review by shareholders.
Other terms	He shall not be paid any sitting fee for attending the meetings of the Board or committee thereof

Compensation paid to our Executive Directors

Our Chairman and Managing Director, Jay Dilipbhai Kagathara was paid a total of ₹ 17,59,000/- as compensation in Fiscal 2024.

Our Executive Director, Kishan Dilipbhai Kagathara was paid a total of ₹ 13,50,000/- as compensation for Fiscal 2024.

Compensation/ Sitting Fees paid and payable to our Non-Executive Directors

Except as disclosed below our Non-Executive Director and Independent Directors were appointed in 2024 and therefore no remuneration has been paid or is payable to our Non-executive Directors and Independent Directors for Fiscal 2024.

Sr. No.	Name of the Director	Position held	Remuneration Paid (₹)
1	Charulata Jay Kagathara	Non-Executive Director	9,09,200/-

Further, pursuant to a resolution passed by our Board on November 29, 2024, and a resolution passed by our Shareholders at the Extra Ordinary General Meeting held on December 09, 2024, our Non-Executive Independent Directors are entitled to receive Sitting fees amounting to ₹ 10,000/- per board meeting attended.

Remuneration paid or payable to our Directors from our Subsidiaries

None of the Directors of our Company have been paid or entitled to any remuneration by our Subsidiary for Fiscal 2025.

Bonus or profit-sharing plan for the Directors

As on the date of this draft red Herring Prospectus, our Company does not have any bonus or profit-sharing plan for the Directors.

Contingent and/or deferred compensation payable to our Managing Director and Whole-time Director

There is no contingent or deferred compensation accrued for Fiscal 2024 and payable at later to our Managing Director and Whole-time Director.

Shareholding of our Directors

Except as stated below, none of our Directors hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus:

Sr. no.	Name of the Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Jay Dilipbhai Kagathara	7,029,716	39.60
2.	Kishan Dilipbhai Kagathara	7,403,935	41.71
3.	Charulata Jay Kagathara	374,220	2.11

Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies act, and pursuant to a resolution of the Shareholders of our company in their Extra Ordinary general Meeting held on January 13, 2025, in accordance with section 180 (1) (c) and other applicable provisions of the Companies Act, our Board is authorised to borrow any such sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may, at any time exceed the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves not set apart for any specific purpose), subject to aggregate borrowings not exceeding ₹250.00 Cr. (Rupees Two Hundred and Fifty Crores).

Interest of Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any.

Our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them by our Company for attending meetings of our Board or committees thereof.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares.

None of our Directors have availed any loan from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in Property and Business

Except as stated in the chapter titled "*Restated Financial Information – Related Party Disclosures*" on page 224 of this Draft Red Herring Prospectus, our Directors do not have any other interest in the Business of our Company.

Interest in promotion or formation of our Company

Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara are the Promoters of the Company. For further details regarding our promoter, see "*Our Promoter and Promoter Group*" on page 221 of this Draft Red Herring Prospectus.

Confirmation

None of our Directors are or were director of any listed company whose shares have been or were suspended from being traded on any stock exchanges in India during the terms of their directorship in such companies, in the last five years preceding the date of this Draft Red Herring Prospectus.

None of our Directors are or were directors of any listed company which has been or have been delisted from any stock exchanges, during the terms of their directorship in such companies.

None of our Directors have been declared as wilful defaulters or fraudulent borrowers.

No proceedings/ investigations have been initiated by SEBI against our Company, the board of directors of which also comprise any of the Directors of our Company.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our company nor any of our Directors have been declared as fraudulent borrowers by RBI in terms of the RBI circular dated July 1, 2016.

Change in our Board during the last three years

The changes in the Board of our Company during the last three years till the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date	Reason
Keyur Dilipbhai Kagathara	September 09, 2022	Appointment as an Executive Director
Kishan Dilipbhai Kagathara	September 09, 2022	Appointment as an Executive Director
Dineshbhai Hansrajbhai Kagathara	July 01, 2023	Cessation as Director
Keyur Dilipbhai Kagathara	July 01, 2023	Cessation as an Executive Director
Charulata Jay Kagathara	July 06, 2024	Appointment as Non-Executive Director
Jay Dilipbhai Kagathara	December 09, 2024	Change in Designation from Director to Chairman and Managing Director
Kishan Dilipbhai Kagathara	December 09, 2024	Change in Designation from Executive Director to Whole Time Director
Amul Kantibhai Kotadia	December 09, 2024	Appointment as an Independent Director
Chetankumar Jayantilal Kamani	December 09, 2024	Appointment as an Independent Director

Corporate Governance

As per the Articles of Association of our Company, our Company is required to have not less than 3 (three) Directors and not more than 15 (fifteen) Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Red Herring Prospectus, our Board consists of 5 (Five) Directors, of which 1 (One) Director is Chairman and Managing Director, 1 (One) Director is Whole Time Director and 3 (Three) Directors are Non-Executive Directors, of which 2 (Two) Directors are Independent Director and 1 (One) Director is a Woman Non-Executive Director. The present composition of our Board of Directors in accordance with the Companies Act, 2013.

The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013.

Our company undertakes to take all necessary steps to continue to comply with all applicable requirements of the Companies Act and SEBI LODR Regulations, to the extent applicable.

Board Committees

Our Board has constituted the following committees in accordance with the requirements of the Companies Act, 2013:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee; and
- d) Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

a) Audit Committee

The Audit Committee was constituted on December 12, 2024. The Audit Committee is in compliance with Section 177 of the Companies Act, 2013. The Audit Committee currently consists of:

Sr. No.	Name of the Director	Designation	Type of the Member
1.	Chetankumar Jayantilal Kamani	Independent Director	Chairman
2.	Amul Kantibhai Kotadia	Independent Director	Member
3.	Kagathara Kishan Dilipbhai	Whole Time Director	Member

Further, the Company Secretary of our Company shall act as the secretary to the Audit Committee.

The terms of reference of the Audit Committee shall include the following:

1. Oversee of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document/Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence, performance and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties which includes omnibus approval for related party transactions subject to conditions as specified under the rules;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. To investigate any other matters referred to by the Board of Directors;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial information and results of operations;
- (b) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

- (c) Internal audit reports relating to internal control weaknesses; and
- (d) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- (e) Statement of deviations:
 - (1) half yearly statement of deviation(s), if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
 - (2) annual statement of funds utilized for purposes other than those stated in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on December 12, 2024. The Nomination and Remuneration Committee is in Compliance with Section 178 of the Companies Act, 2013 and the SEBI LODR Regulations. The Nomination and Remuneration Committee currently consists of:

Sr. No.	Name of the Director	Designation	Type of the Member
1.	Chetankumar Jayantilal Kamani	Independent Director	Chairman
2.	Amul Kantibhai Kotadia	Independent Director	Member
3.	Charulata Jay Kagathara	Non – Executive Director	Member

The terms of reference of the Nomination and Remuneration Committee shall include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted on December 12, 2024. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013. The Stakeholders' Relationship Committee currently consists of:

Sr. No.	Name of the Director	Designation	Type of the Member
1.	Charulata Jay Kagathara	Non – Executive Director	Chairman
2.	Jay Dilipbhai Kagathara	Chairman and Managing Director	Member
3.	Chetankumar Jayantilal Kamani	Independent Director	Member

The terms of reference of the Stakeholders' Relationship Committee shall include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted on December 12, 2024. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently consists of:

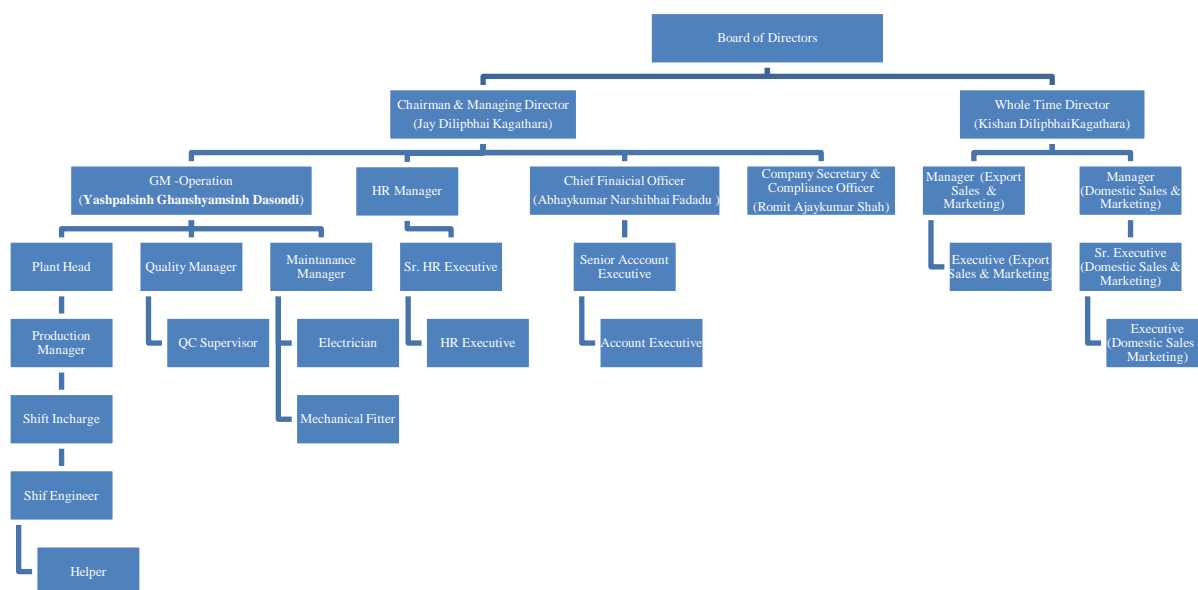
Sr. No.	Name of the Director	Designation	Type of the Member
1.	Kishan Dilipbhai Kagathara	Whole Time Director	Chairman
2.	Jay Dilipbhai Kagathara	Chairman and Managing Director	Member
3.	Chetankumar Jayantilal Kamani	Independent Director	Member

The role of the corporate Social Responsibility Committee shall be as follows:

1. To formulate, revise and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time;
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

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Management Organization Structure



Key Managerial Personnel

Other than the Chairman and Managing Director whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this draft Red Herring Prospectus are set forth below:

Abhaykumar Narshibhai Fadadu is the Chief Financial officer of our Company. He attended a Bachelor of Commerce degree from Saurashtra University. He also holds Master of Business Administration degree from Saurashtra University. He has over nine years of experience in the field of accountancy. He has been associated with our Company since August 2016. He is entitled to an aggregate compensation of ₹12,00,000/- (Rupees Twelve Lakhs only) per annum as per his terms of appointment.

Romit Ajaykumar Shah is the Company Secretary and Compliance Officer of our Company. He is associate member of the Institute of Company Secretaries of India. He holds Bachelor of Commerce degree from Saurashtra University. He is an experienced Company Secretary with expertise in legal compliance, company law, and statutory regulations. Prior to joining our Company, he was associated with Jolly Spinning Mills Private Limited as a Company Secretary and Compliance Officer. He has been associated with our Company as Company Secretary and Compliance Officer since December 2024. He has over two years of experience in the field of legal and compliance. He is entitled to an aggregate compensation of ₹9,00,000/- (Rupees Nine Lakhs only) per annum as per his terms of appointment.

Senior Management Personnel

In addition to Abhaykumar Narshibhai Fadadu, the Chief Financial Officer of our Company and Romit Ajaykumar Shah, the Company Secretary and Compliance Officer of our Company, whose details are provided above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

Yashpalsinh Ghanshyamsinh Dasondi is the General Manager – Operations of our Company. He has been associated with our Company since August 2016. He is responsible for overseeing the operations manufacturing units of our Company. He holds a Bachelor of Science degree from South Gujarat University. He also completed diploma in Plastics Testing and Conversion Technology from Central institute of Plastics Engineering and Technology. He was previously associated with Unimin India Limited, Plastiblends India Limited, K's Technical and Management Consultants and Karam Multipack Private Limited. He has over eighteen years of experience in

the field of productions of nonwoven fabrics. He was paid a remuneration of ₹12,00,000/- (Rupees Twelve Lakhs only) by our Company in Fiscal 2024. He is entitled to an aggregate compensation of ₹12,00,000/- (Rupees Twelve Lakhs only) per annum as per his terms of appointment.

Service Contracts with Directors, Key Managerial Personnel and Senior Management Personnel

Other than the statutory benefits that the Directors, Key Managerial Personnel and Senior Management Personnel are entitled to, upon their retirement as detailed in their respective appointment letters, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Interest of Key Managerial Personnel and Senior Management Personnel

Other than to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares, reimbursement of expenses incurred in the ordinary course of business, equity shares held by them and as disclosed in “*Our Management – Interest in property and business*” on page 212 of this Draft Red Herring Prospectus, none of our Key Managerial Personnel have other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Management Personnel from our Company as on the date of this Draft Red Herring Prospectus.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

Except as disclosed in “*Our Management - Relationship between our Directors and Key Managerial Personnel and Senior Management Personnel*” on page 210, none of our Key Managerial Personnel and Senior Management Personnel are related to each other as on the date of this Draft Red Herring Prospectus.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel which does not form part of his remuneration.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel

As on the date of this Draft Red Herring Prospectus, our Company does not have any bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management Personnel.

Status of Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Shareholding of Key managerial Personnel and Senior Management Personnel

Except as disclosed below and/or in this Draft Red Herring Prospectus as on the date of this Draft Red Herring Prospectus, none of our Key Managerial Personnel and Senior Management Personnel holds any Equity Shares of our Company.

Sr. No.	Name	Designation	No. of Shares held	% of pre issue capital
1.	Yashpalsinh Dasondi	Ghanshyamsinh General Manager Operations	– 2,66,277	1.50

Sr. No.	Name	Designation	No. of Shares held	% of pre issue capital
2.	Abhaykumar Narshibhai Fadadu	Chief Financial Officer	1,77,519	1.00

Changes in Key Managerial Personnel and Senior Management Personnel during the last three years

Except as disclosed below and as disclosed in “*Changes in the Board in the last three years*” on page 213 of this Draft Red Herring Prospectus, there have been no changes in the Key managerial Personnel and Senior Management Personnel in the last three years:

Name of KMP or SMP	Date	Reason
Romit Ajaykumar Shah	December 12, 2024	Appointment as Company Secretary and Compliance Officer
Abhaykumar Narshibhai Fadadu	November 29, 2024	Appointment as Chief Financial Officer

Attrition of Key Managerial Personnel

The attrition of Key Managerial Personnel is not high in our Company.

Employee Stock Options and Stock Purchase Schemes

As on the date of this Draft Red Herring Prospectus, our Company does not have any Employee Stock Options and Stock Purchase Schemes.

Payment or Benefit to Key Managerial Personnel of our Company

No non-salary related amount or benefit has been paid or given to any officers of our Company, including Key Managerial Personnel and Senior Management since its incorporation within 3 preceding years or is intended to be paid or given, as on the date of filing of this Draft Red Herring Prospectus other than in the ordinary course of their employment.

Our Chief Financial Officer and Company Secretary and Compliance Officer were appointed in 2024 and therefore no remuneration has been paid or is payable to our Chief Financial Officer and Company Secretary and Compliance Officer for Fiscal 2024.

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OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

Sr. No.	Name of the Promoters	No. of Equity Shares held	% of Pre-Issue Equity Share Capital
1.	Jay Dilipbhai Kagathara	70,29,716	39.60
2.	Kishan Dilipbhai Kagathara	74,03,935	41.71

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*", on page 92 of this Draft Red Herring Prospectus.

Details of our Individual Promoters



Jay Dilipbhai Kagathara

Jay Dilipbhai Kagathara is the Chairman, Managing Director and Promoter of our Company.

For the complete profile of Jay Dilipbhai Kagathara along with details of his educational qualifications, experience, other directorships, positions/posts held in the past and other directorships and special achievements, see the chapter titled "*Our Management*" on page 208 of this Draft Red Herring Prospectus.

Date of Birth: June 08, 1993

Permanent Account Number: CKIPK2880A



Kishan Dilipbhai Kagathara

Kishan Dilipbhai Kagathara is the Whole Time Director and Promoter of our Company.

For the complete profile of Kishan Dilipbhai Kagathara along with details of his educational qualifications, experience, other directorships, positions/posts held in the past and other directorships and special achievements, see the chapter titled "*Our Management*" on page 208 of this Draft Red Herring Prospectus.

Date of Birth: June 06, 1997

Permanent Account Number: DYMPK6968J

Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhaar Card number and Driving License number of the Promoters shall be submitted to the Designated Stock Exchange at the time of filing of this Draft Red Herring Prospectus.

Other Ventures of our Promoters

The ventures in which our Promoters are involved are as follows:

Jay Dilipbhai Kagathara

Name of the Venture	Nature of Interest
Spunweb India Private Limited	Director
Spunweb Protective Fabrics Private Limited	Director
Greevos Bio Pack LLP	Designated Partner

Kishan Dilipbhai Kagathara

Name of the Venture	Nature of Interest
Spunweb India Private Limited	Director
Spunweb Protective Fabrics Private Limited	Director
Greevos Bio Pack LLP	Designated Partner

Changes in control of our Company

Dilipbhai Hansrajbhai Kagathara and Dineshbhai Hansrajbhai Kagathara were the initial subscribers to the Memorandum of Association of our Company. Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara acquired shares through transfer and other mode of capital restructuring in past. Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara are current Promoters of the company. For details of the shareholding acquired by the current Promoters of our Company refer the capital buildup of our Promoters under chapter “*Capital Structure*” on page 92.

Interest in property, land, construction of building and supply of machinery

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of: (i) having promoted our Company; and (ii) their shareholding and the shareholding of their relatives in our Company and the dividend payable, if any, and other distributions in respect of the Equity Shares held by him or their relatives. For further details, see “*Capital Structure*”, “*Our Management*”, “*Summary of the Draft Red Herring Prospectus - Related Party Transactions*” and “*Financial Statements*” on pages 92, 208, 24 and 228 respectively of this Draft Red Herring Prospectus.

Except as stated in “*Summary of the Draft Red Herring Prospectus - Related Party Transactions*” on page 24 of this Draft Red Herring Prospectus and disclosed in “*Our Management*” on page 208 of this Draft Red Herring Prospectus, there has been no payment of any amount or benefit given to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Interest of Promoters in our Company other than as a Promoter

Our Promoters, Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara are the directors of our Company and therefore, may be deemed to be considered interested to the extent of any remuneration which shall be payable to

them in such capacity. Except as stated in this section and the section titled “*Our Management*”, “*Financial Indebtedness*” and “*Restated Financial Information - Related Party Transactions*” on page 208, 271 and 224 respectively, our Promoters do not have any interest in our Company other than as a Promoter.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members or directors in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Other Interest and Disclosures

Except as disclosed below no personal guarantees given by the Promoters, in relation to borrowings of our Company, in this Draft Red Herring Prospectus. For further details, please refer to “*Financial Indebtedness*” on page 271 of this Draft Red Herring Prospectus.

Jay Dilipbhai Kagathara and Kishan Dilipbhai Kagathara have extended personal guarantee for the working capital facilities, term loans and bank guarantees (for an amount not exceeding ₹ 6,306.00 lakhs) availed by our Company in favour of HDFC Bank Limited.

Payment or benefits to our Promoters and Promoter Group during the last Two year

Except as stated in this chapter and in the chapter titled “*Restated Financial Information – Note 36 Restated Related Party Disclosures*” there has been no payment of any amount of benefits to our Promoters or the members of our Promoters Group during the last two years from the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information – Note 36 Restated Related party disclosures*” on page 224 of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters has disassociated in the last three years

None of our Promoters have not disassociated themselves from any companies or firms during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Litigation involving our Promoters

Except for what is mentioned in the “*Outstanding Litigation and Other Material developments*” chapters of this Draft Red Herring Prospectus, there are no litigation involving our Promoters.

Confirmations

Our Promoters have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters and members of our Promoter Group have not been debarred from accessing the capital market for any reasons by SEBI or any other regulatory or governmental authorities.

Our Promoters are not promoters or director of any other Company which is debarred from accessing capital markets.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Promoter Group

Persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations except the Promoters as set out below:

(1) *Natural persons forming part of our Promoter Group:*

Sr. No.	Name of the Individuals	Relationships
Jay Dilipbhai Kagathara		
1.	Charulata Jay Kagathara	Spouse
2.	Dilipbhai Hansrajbhai Kagathara	Father
3.	Prabhabeen Dilipbhai Kagathara	Mother
4.	Kishan Dilipbhai Kagathara	Brother
5.	Kriva Jay Kagathara	Daughter
6.	Jagdish Narbheram Bhut	Spouse's Father
7.	Ranjanben Jagdishbhai Bhut	Spouse's Mother
8.	Janakkumar Jagdish Bhut	Spouse's Brother
Kishan Dilipbhai Kagathara		
1.	Jinal Mansukhbhai Bediya	Spouse
2.	Dilipbhai Hansrajbhai Kagathara	Father
3.	Prabhabeen Dilipbhai Kagathara	Mother
4.	Jay Dilipbhai Kagathara	Brother
5.	Mansukhbhai Mohanbhai Bediya	Spouse's Father
6.	Vinaben Mansukhbhai Bediya	Spouse's Mother
7.	Jenish Mansukhbhai Bediya	Spouse's Brother

(2) *Entities forming part of the Promoter Group*

Sr. No.	Name of the Companies, Firms, Entities and HUFs
(a) Body Corporate	
1.	Spunweb Protective Fabrics Private Limited
2.	Essence Buildware Private Limited
3.	Greevos Bio Pack LLP
4.	Ajanta Packaging
5.	Silver Foundry LLP
6.	Versil Industries
7.	Versil Pumps LLP
8.	Madhav Die Cast LLP
9.	Bediya Mansukhbhai Mohanbhai HUF
10.	Bhut Jagdishbhai Nareshbhai HUF
11.	Kagathara Dilipbhai Hansrajbhai HUF

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OUR SUBSIDIARY

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary, namely Spunweb India Private Limited. Set out below are the details of our Subsidiary Company:

1. Spunweb India Private Limited (“SIPL”)

Corporate Information

SIPL was originally formed as a partnership firm under the Indian Partnership Act, 1932 (“Partnership Act”) in the name and style of “Spunweb Nonwoven”, pursuant to Deed of Partnership dated July 03, 2019. “Spunweb Nonwoven” was thereafter converted from a partnership firm to private limited company under Part I chapter XXI of the Companies Act, 2013 with the name and style of “Spunweb India Private Limited” and received a Certificate of Incorporation from the Registrar of Companies, Central Registration Centre dated September 25, 2024.

CIN	U13121GJ2024PTC155334
Date of Incorporation	September 25, 2024
PAN	ABOCS3657F
Registered Office	Survey No 119p1, NH 27, NR Wankaner Boundry, Rangpar, Jalida, Wankaner, Rajkot – 363 621, Gujarat, India.

Nature of Business

SIPL is engaged in the business of spinners, weavers, loomers, knitters, texturisers, combers, processors, producers, hosiers, ginners, embroiders, bleachers, dyers, printers, blenders, carders, doublers, importers, exporters, buyers, sellers and dealers in all kinds of nonwoven fabrics, textiles, yarns, spun bound bags, fibers and fabrics, garments whether synthetic, artificial or natural, cotton, wool, silk, jute, hemp, linen, viscose, rayon, artificial silk, nylon, polypropylene, polyester, polynosic or other synthetic and natural fiber or fibrous material or fabrics and textile substances.

Capital Structure

The details of share capital of SIPL as on the date of this Draft Red Herring Prospectus are as follows:

Authorised share capital	Aggregate nominal value (₹)
1,39,90,000 equity shares of face value of ₹10 each	13,99,00,000
Issued, subscribed and paid-up share capital	
1,39,90,000 equity shares of face value of ₹10 each	13,99,00,000

Shareholding Pattern

Sr. No.	Name of the shareholders	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1	Spunweb Nonwoven Limited	1,39,89,994	100.00
2	Dilipbhai Hansrajbhai Kagathara	1	Negligible
3	Prabhabe Dilipbhai Kagathara	1	Negligible
4	Jay Dilipbhai Kagathara	1	Negligible
5	Charulata Jay Kagathara	1	Negligible
6	Kishan Dilipbhai Kagathara	1	Negligible
7	Bediya Jinal Mansukhbhai	1	Negligible
	Total	1,39,90,000	100.00

Board of Directors

The Directors of SIPL are as follows:

Name of Directors	DIN	Designation
Jay Dilipbhai Kagathara	07335356	Managing Director
Kishan Dilipbhai Kagathara	09730384	Executive Director
Charulataben Jay Kagathara	10694605	Non-Executive Director

Financial Performance

The brief financial details of Spunweb India Private Limited derived from its audited financial statements and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 is available at the website of our Company, i.e., www.spunweb.com.

Other Confirmations:

Accumulated profits or losses:

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SIPL that have not been accounted for or consolidated by our Company.

Listing

The equity shares of our Subsidiary Company are not listed on any Stock Exchange. None of the securities of our Subsidiary company have been refused listing by any stock exchange in India or abroad or failed to meet the listing requirements of any stock exchange in India or abroad.

Business interest

Our Subsidiary do not have any business or other interest in our Company other than as stated in section titled “*Our Business*”, and transactions disclosed in the section titled “*Restated Financial Statements –Note 36 – Restated Related Party Disclosures*”, on page 171 and 224 respectively of this Draft Red Herring Prospectus.

Common pursuits

As on the date of this Draft Red Herring Prospectus, our company and our subsidiary company are engaged in the similar line of business.

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DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board on January 11, 2025 (the “**Dividend Distribution Policy**”).

The Dividend Distribution Policy provides that our Board may consider the following financial/internal parameters while declaring or recommending dividend to Shareholders: (i) Financial performance including profits earned by the Company (standalone) during the financial year; (ii) Available distributable reserves; (iii) Cash balance and operating cash flows of the Company; (iv) Earnings Per Share (EPS); (v) Working capital requirements; (vi) Capital expenditure requirement such as for business expansion, technological advancement, corporate restructuring including investments in subsidiaries, joint ventures and associates of the Company; (vii) Likelihood of crystallization of contingent liabilities, if any; (viii) Upgradation of physical infrastructure; (ix) Fund requirement for contingencies and unforeseen events with financial implications; (x) Cost of Borrowing; (xi) Past Dividend payout ratio / trends; (xii) Any other factor as may be deemed fit by the Board.

Our Board may consider the following external parameters while declaring or recommending dividend to Shareholders: (i) Economic conditions; (ii) Financing costs; (iii) Government regulations; (iv) Global conditions; (v) Taxation policy of the Government.

Further, our Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

Our Company has not declared any dividends during the last three financial years. Further, our Company has not declared any dividend in the current fiscal. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “*Risk Factors- Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the respective fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax*” on page 56.

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SECTION IX – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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Statutory Auditor’s Examination Report on Restated Consolidated Financial Information of Spunweb Nonwoven Limited

To
The Board of Directors,
Spunweb Nonwoven Limited
Survey No.109(2), N.H. 27,
Near Wankaner Boundry Post at Jalida,
Village Rangpar, Rajkot, Wankaner,
Gujarat, India, 363 621,
(the “**Company**”)

Dear Sirs/ Madams,

1. We have examined the attached Restated Consolidated Financial Information of **Spunweb Nonwoven Limited** (formerly known as Spunweb Nonwoven Private Limited) (the “**Company**” or the “**Issuer**”), and its subsidiary Spunweb India Private Limited (the company and its subsidiary together referred to as the “**Group**”), comprising of the Restated Consolidated Statement of Assets and Liabilities as at nine months period ended December 31, 2024 and financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, the Restated Consolidated Statements of Profit and Loss for the period ended nine months period ended December 31, 2024 and financial year ended March 31, 2024, March 31, 2023, and March 31, 2022 and the Restated Consolidated Cash Flow Statement for the nine months period ended December 31, 2024 and financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “**Restated Consolidated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on January 25, 2025, for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (collectively known as the “**Offer Document**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**SME IPO**”) prepared in terms of the requirements of:
 - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Act**”)
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
 - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchanges and the Registrar of Companies, Ahmedabad in connection with the proposed SME IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company as per “Basis of Preparation” paragraph stated in Note 2(i) to the Notes to the Restated Consolidated Financial Information. The Board of Directors’ responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
- (a) The terms of our engagement agreed upon with you in accordance with our engagement letter dated August 16, 2024 in connection with the proposed SME IPO of the Company
 - (b) The Guidance Note. Further, the Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME IPO
4. These Restated Consolidated Financial Information have been compiled by the management from the audited financial statements of the company as at and for the nine months period ended December 31, 2024 and financial year ended March 31, 2024, March 31, 2023, and March 31, 2022 prepared in accordance with Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015 or 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 25, 2025, September 05, 2024, September 23, 2023 and , September 05, 2022 respectively.
5. For the purpose of our examination, we have relied on audit reports issues by us dated January 25, 2025, and September 05, 2024 and statutory audit report issued by Busa & Associates, Chartered Accountants (FRN 122574W), dated September 05, 2023 and September 05, 2022 on the audited financial statements of the Company as at and for the period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 as referred to in Paragraph 4 above.
6. The audit reports on the consolidated financial statements issued by us referred in paragraph 5 did not require any adjustment in the Restated Consolidated Financial Information:
7. As indicated in our reports referred above, in paragraph 5:
- a) We have audited the standalone financial statements of the subsidiary as at and for the nine months period ended December 31, 2024 where share of total assets (before consolidation adjustments), total revenues (before consolidation adjustments) and net cash flows inflows / (outflows) (before consolidation adjustments) for all the aforementioned periods have been given in the table below.

(Rs. in lakhs)

Financial Period	Total			Consolidated in Restated Financial Information		
	Total Assets	Total Revenue	Net Cash Flow	Total Assets	Total Revenue	Net Cash Flow
December 31, 2024	5,854.72	3,384.76	(0.65)	5,854.72	-	-

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the Audited financial statements submitted by the other auditors or management, as applicable, for the respective years, we report that the Restated Consolidated Financial Information:
 - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months period ended December 31, 2024;
 - b. do not require any adjustments for the matters giving rise to matters mentioned in paragraph 6 above; and
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Consolidated Financial Statements mentioned in paragraph 8 above.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with the Securities and Exchange Board of India, relevant stock and Registrar of Companies, Ahmedabad, in connection with the proposed SME IPO, Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For, Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

Date: January 25, 2025
Place: Rajkot

- -SD - -

Kaushal V. Dave
(Partner)
Membership No 174550
UDIN: 25174550BMLMPV5905

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 1

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	Note No.	₹ in Lakhs			
		As at 31.12.2024 ₹	As at 31-03-2024 ₹	As at 31-03-2023 ₹	As at 31-03-2022 ₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	3	1,075.87	999.91	999.91	999.91
(b) Reserves and surplus	4	3,079.20	1,576.76	1,032.58	919.89
		4,155.07	2,576.67	2,032.49	1,919.80
2 Minority Interest		-	-	-	-
3 Non-current liabilities					
(a) Long-term borrowings	5	4,596.62	2,856.11	3,369.63	4,517.38
(b) Long-term provisions	6	48.67	39.03	23.37	15.77
		4,645.29	2,895.14	3,392.99	4,533.15
4 Current liabilities					
(a) Short-term borrowings	7	5,447.19	1,976.86	1,580.77	1,065.35
(b) Trade payables	8				
i) Dues of micro & small enterprises		903.32	187.84	211.03	218.59
ii) Dues of creditors other than micro & small enterprises		3,209.18	2,670.92	1,956.50	418.82
(c) Other current liabilities	9	669.73	101.37	106.94	289.56
(d) Short-term provisions	10	258.16	249.25	34.00	131.61
		10,487.59	5,186.24	3,889.23	2,123.94
TOTAL EQUITY AND LIABILITIES		19,287.95	10,658.04	9,314.71	8,576.89
II. ASSETS					
1 Non-current assets					
(a) Property, plant and equipments and intangible assets					
(i) Property, plant and equipments	11(a)	5,982.19	4,584.62	5,029.95	1,236.28
(ii) Capital work-in-progress	11(b)	-	0.00	0.00	3,784.87
(iii) Intangible assets	11(c)	94.00	5.87	-	-
(b) Deferred tax asset (net)	12	41.78	59.84	13.61	39.25
(c) Other Non Current assets	13	468.95	192.72	243.62	350.65
		6,586.92	4,843.06	5,287.19	5,411.05
2 Current assets					
(a) Inventories	14	4,500.55	2,388.66	985.33	915.22
(b) Trade receivables	15	6,422.54	3,034.30	2,192.97	1,197.02
(c) Cash and bank balances	16	23.45	17.09	9.69	12.10
(d) Short-term loans and advances	17	1,107.01	173.87	365.78	733.07
(e) Other current assets	18	647.48	201.07	473.75	308.43
		12,701.03	5,814.98	4,027.53	3,165.84
TOTAL ASSETS		19,287.95	10,658.04	9,314.71	8,576.89

Note: The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information appearing in Annexure 4 and Annexure 5 respectively.

In terms of our report attached.
For, Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited**
(Earlier known as Spunweb Nonwoven Private Limited)

- - SD - -

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(Kaushal V.Dave)
Partner
(Membership No. 174550)
UDIN : 25174550BMLMPY5905

(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN:(09730384)

- - SD - -

- - SD - -

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

(Abhaykumar N.Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25-01-2025

Place : Rajkot
Date: 25-01-2025

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 2

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Lakhs

Particulars	Note No.	For the nine month period ended on 31.12.2024	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
Income					
1 Revenue from operations	19	15,710.05	14,861.14	11,591.82	11,382.15
2 Other income	20	45.51	562.98	176.19	421.02
3 Total income (1+2)		15,755.56	15,424.12	11,768.01	11,803.17
4 Expenses:					
a) Cost of materials consumed	21	12,897.42	11,632.09	8,875.35	9,901.48
b) Changes in inventories of finished goods and work-in-progress	22	(1,265.67)	(627.56)	(211.93)	(230.35)
c) Employee benefits expense	23	484.36	422.22	371.15	307.07
d) Finance costs	24	479.35	439.08	435.19	347.28
e) Depreciation and amortisation expense	25	595.11	879.70	650.33	242.12
f) Operating expenses	26	818.36	1,061.68	757.41	455.11
g) Selling, general and administrative expense	27	727.51	872.19	719.66	309.94
Total expenses		14,736.44	14,679.40	11,597.18	11,332.66
5 Profit before exceptional and extraordinary items, and tax (3-4)		1,019.12	744.71	170.83	470.51
6 Exceptional items & extraordinary items		-	-	-	-
7 Profit before tax (5-6)		1,019.12	744.71	170.83	470.51
8 Tax expense:					
(a) Current tax expense, as restated		246.19	246.76	32.51	130.79
(b) Short/ (excess) provision for tax relating to prior years		25.51	-	-	2.14
		271.70	246.76	32.51	132.93
(c) Deferred tax credit		18.06	(46.22)	25.64	4.51
Total tax expenses		289.76	200.53	58.15	137.44
9 Profit after tax but before share of profit of associate & minority interest (7-8)		729.35	544.18	112.68	333.07
10 Share in profit of associate		-	-	-	-
11 Profit after tax but before share of profit attributable to minority interest (9-10)		729.35	544.18	112.68	333.07
12 Less: Share of (loss)/ profit attributable to minority interest		-	-	-	-
13 Profit for the year after tax carried to balance sheet (11-12)		729.35	544.18	112.68	333.07
Earnings per equity share of Rs. 10/- each					
Basic		7.29	5.44	1.13	3.33
Diluted		7.29	5.44	1.13	3.33

Note: The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information appearing in Annexure 4 and Annexure 5 respectively.

In terms of our report attached.
For, Kaushal Dave & Associates
Chartered Accountants
ICAI Firm Registration No 143936W

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)**

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(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN: (09730384)

- - SD - -

- - SD - -

(Kaushal V.Dave)
Partner
(Membership No. 174550)
UDIN : 25174550BMLMPY5905

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

(Abhaykumar N.Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25-01-2025

Place : Rajkot
Date: 25/01/2025

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 3

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in Lakhs

Particulars	For the nine month period ended on 31.12.2024	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
A. Cash flows from operating activities				
Profit before tax, as restated	1,019.12	744.71	170.83	470.51
Adjustments for:				
Depreciation and amortisation expense	595.11	879.70	650.33	242.12
Loss on Sales of Assets	-	0.14	-	1.22
Preliminary Expenses Written off	1.85	1.85	1.85	1.85
Finance costs	479.35	439.08	435.19	347.28
Interest income on bank deposits	(7.98)	(10.03)	(13.33)	(8.14)
Provision for Corporate social Responsibility	9.01	-	-	-
Provision for Gratuity	10.13	16.66	8.27	16.59
Operating profit before working capital changes	2,106.58	2,072.11	1,253.14	1,071.44
Adjustments for changes in:				
(Increase)/ decrease in inventories	(1,207.60)	(1,403.33)	(70.10)	97.67
(Increase)/ decrease in trade receivables	(1,561.87)	(841.33)	(995.97)	265.43
(Increase)/ decrease in short-term loans and advances	(503.29)	191.91	367.28	912.32
(Increase)/ decrease in other current assets	(140.64)	270.84	(167.17)	(285.72)
Increase/ (decrease) in trade payables	189.71	691.23	1,530.12	(233.94)
Increase/ (decrease) in other current liabilities	316.70	(5.56)	(182.63)	188.83
Increase/ (decrease) in Other Non Current Assets	(8.14)	50.90	107.03	(350.65)
Cash generated from operations	(808.55)	1,026.76	1,841.70	1,665.39
Net income tax paid	(272.27)	(32.51)	(130.79)	(186.95)
Net cash flows from operating activities (A)	(1,080.82)	994.26	1,710.91	1,478.44
B. Cash flows from investing activities				
Net Capital expenditure on fixed assets including capital advances	(270.63)	(456.28)	(659.13)	(3,970.24)
Interest received	7.98	10.03	13.33	8.14
Proceeds from the sales of Fixed assets	28.23	7.17	-	-
Investment in Subsidiary	(828.11)	-	-	-
Security deposits (made)/ refund received	-	-	-	-
Proceeds from government authorities	-	-	-	-
Fixed deposit with banks matured/ (placed)	-	-	-	61.46
Net cash from / (used in) investing activities (B)	(1,062.53)	(439.07)	(645.80)	(3,900.64)
C. Cash flows from financing activities				
Proceeds/ (repayment) of short term borrowings, net	1,761.96	396.09	515.43	(0.87)
Proceeds/ (repayment) of Long Term Borrowing Net	867.11	(504.80)	(1,147.75)	2,750.34
Finance costs	(479.35)	(439.08)	(435.19)	(347.28)
Net cash (used in) / from financing activities (C)	2,149.71	(547.78)	(1,067.52)	2,402.20
Net increase in cash and cash equivalents (A+B+C)	6.36	7.40	(2.41)	(20.00)
Cash and cash equivalents (opening balance)	17.09	9.69	12.10	32.10
Cash and cash equivalents (closing balance)	23.45	17.09	9.69	12.10

Notes to cash flow statement:

- The above statement should be read with the significant accounting policies and notes to the restated consolidated financial information Annexure 4 and Annexure 5 respectively.
- Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement".

In terms of our report attached.

For, Kaushal Dave & Associates

Chartered Accountants

ICAI Firm Registration No 143936W

- SD -

(Kaushal V. Dave)

Partner

(Membership No. 174550)

UDIN : 25174550BMLMPY5905

**For and on behalf of the Board of Directors of
Spunweb Nonwoven Limited**

- SD -

(Jay Dilipbhai Kagathara)
Chairman & Managing Director
DIN: (07335356)

- SD -

(Romit Ajaykumar Shah)
Company Secretary & Compliance Officer
Membership No.65641

- SD -

(Kishan Dilipbhai Kagathara)
Whole Time Director
DIN:(09730384)

- SD -

(Abhaykumar N.Fadadu)
Chief Financial Officer

Place : Rajkot
Date: 25/01/2025

Place : Rajkot
Date: 25/01/2025

Spunweb Nonwoven Limited
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ANNEXURE - 4

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

1 Background of the company:

Spunweb Nonwoven Limited ("the Company") is a Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Survey No.109(2), N.H. 27, Near Wankaner Boundry Post At Jalida, Village Rangpar , Wankaner, Gujarat, India - 363621 Spunweb Nonwoven Limited is engaged in the business of manufacturing of polypropylene spunbond nonwoven fabrics primarily used in industries such as hygiene, healthcare, packaging, agriculture and others (including roofing & construction, industrial and home furnishing)

With effect from September 06, 2024 the name of the Company was changed from Spunweb Nonwoven Private Limited to Spunweb Nonwoven Limited

2 Significant accounting policies:

(i) Basis of preparation:

The 'Restated Consolidated Statement of the Assets and Liabilities' of the Company as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the 'Restated Consolidated Statement of Profits and Loss' and the 'Restated Consolidated Statement of Cash Flows' for the period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, 'Restated Consolidated Financial Statements') have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note").

Audited Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE in connection with its proposed IPO.

The Company's management has restated the Consolidated Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Audited Consolidated Financial Statements.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

(ii) Basis of accounting:

The Audited financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The Audited financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(iii) Principles of consolidation :

a. The Audited financial statements relate to Spunweb Nonwoven Limited and its wholly owned subsidiary company Spunweb India Private Limited (the Company)

b. The Restated Consolidated Financial Statements have been prepared using the Acquisition Method. Under this approach, the financial statements of the wholly owned subsidiary have been fully by combining its assets, liabilities, income, and expenses with those of the parent company. Intra-group transactions, balances, income, and expenses have been eliminated in full to ensure that only external transactions are reflected. The share of profit or loss of the wholly owned subsidiary has been entirely included in the financial statements, and any goodwill arising on acquisition has been recognized as an asset, while any negative goodwill has been adjusted as per the applicable accounting standards. The financial statements of the wholly owned subsidiary have been aligned with the parent company's accounting policies and are prepared up to the same reporting date to ensure consistency in consolidation.

c. Following associates have been considered in the preparation of the Audited financial statements:

Name of the company	Relationship	% of Holding	% of Holding	% of Holding	% of Holding
		31.12.2024	31.03.2024	31.03.2023	31.03.2022
Spunweb India Private Limited	Wholly Owned Subsidiary	100.00%	0.00%	0.00%	0.00%

(iii) Use of estimates:

The presentation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

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ANNEXURE - 4

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

(v) Revenue recognition:

a. Revenue from sales is recognised when the significant risks and rewards of ownership of the goods are transferred to the customers. Sales are net of sales returns and trade discounts. Revenue is recognised upon transfer of control of promised products to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products. Interest income is recognised on a time proportion basis. Dividend income is accounted when the right to receive the same is established.

b. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(vi) Export Incentive:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(vii) Property, plant & equipment and depreciation:

All Property, plant & equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on property, plant & equipment has been provided using the written down in the manner and at the rates prescribed by Schedule II of the Act. Depreciation on addition/deletion of Property, plant & equipment made during the year is provided on pro-rata basis from / upto the date of each addition / deletion.

Intangible assets are amortised over their estimated useful life using the straight line method in the manner and at the rates prescribed by Schedule II of the Act.

(viii) Capital work-in-progress:

Projects under which tangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest (if any).

(ix) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(x) Impairment:

The carrying amount of fixed assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss is provided to the extent the carrying amount of such assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

(xi) Investments:

Long term investments are stated at cost and provision for diminution in value is made to recognise a decline other than temporary. Current investments are stated at fair value.

(xii) Inventories:

Inventories are valued at the lower of cost and net realisable value.

The cost is determined as follows:

- (a) Raw and packing materials: At cost
- (b) Work-in-progress: At material cost absorbed on weighted average cost basis and production overheads
- (c) Finished goods : At material cost absorbed on weighted average cost basis and production overheads.
- (d) Stock-in-trade : At cost of Purchase

(xiii) Employee benefits:

(a) Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss in the year in which the related service is rendered.

(b) **Long term benefits:**

i) **Defined Contribution Plan**

- **Provident and Family Pension Fund**

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contribution at a specified percentage of the employees' eligible salary. The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined contribution plans as the Company has no further obligations beyond making the contribution. The Company's contribution to Defined Contribution Plans are charged to the statement of profit and loss, as incurred.

ii) **Defined Benefit Plan**

- **Gratuity**

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ANNEXURE - 4

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation as at the Balance Sheet date, using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss.

- Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation as at the Balance Sheet date, using the projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss.

(xiv) Foreign currency transactions and translations:

Foreign currency transactions are recorded at the exchange rates that approximates the actual rate at the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rates prevailing on that date. Exchange differences are recognised in the statement of profit and loss.

(xv) Taxation:

Tax expense comprises current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rate and tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(xvi) Provisions, contingent liabilities and contingent assets:

a. A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

b. Contingent liabilities are recognised only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Other contingent liabilities are not recognised but are disclosed in the notes to the financial statements.

c. Contingent assets are not recognised in the financial statements.

(xvii) Lease:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis.

(xviii) Cash Flow Statement:

Cash flows are reported using the indirect method, where by profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xix) Earnings per share (EPS):

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(xx) Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(xxi) Segement reporting

The Company operates in a single primary business segment . Hence, there are no reportable segment as per AS 17 Segment Reporting

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ANNEXURE - 4

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

(xxii) Acquisition of a material subsidiary company

The company acquired Spunweb India Private Limited (SIPL/Target Company), a private limited company, on December 30, 2024. The acquired entity operates in the same line of business. The company has issued 759,572 equity shares to the existing shareholders of the target company based on a share swap ratio of 33:304. Additionally, a cash payment of ₹848.49 lakhs was made to the existing shareholders of the target company. The total consideration for the acquisition, combining the value of the issued shares and the cash payment, amounts to ₹1,697.54 lakhs.

The Audited financial statements have been prepared using the Acquisition Method. Under this approach, the financial statements of the wholly owned subsidiary have been fully by combining its assets, liabilities, income, and expenses with those of the parent company. Intra-group transactions, balances, income, and expenses have been eliminated in full to ensure that only external transactions are reflected. The share of profit or loss of the wholly owned subsidiary has been entirely included in the financial statements, and any goodwill arising on acquisition has been recognized as an asset, while any negative goodwill has been adjusted as per the applicable accounting standards. The financial statements of the wholly owned subsidiary have been aligned with the parent company's accounting policies and are prepared up to the same reporting date to ensure consistency in consolidation.

As of the acquisition date, the net worth of SIPL was ₹1,533.22 lakhs, and an outstanding income tax liability of ₹99.16 lakhs was adjusted against the goodwill arising from this acquisition, resulting in goodwill of ₹88.13 lakhs reported in the balance sheet as of December 31, 2024.

Details of Assets and Liability of SIPL as on date of Acquisition

Particulars	₹ in lacs
ASSETS	
1 Non-current assets	
(a) Property, plant and equipments and intangible assets	1750.29
(b) Non-current investments	268.09
	2018.38
2 Current assets	
(a) Inventories	904.28
(b) Trade receivables	2171.2
(c) Cash and bank balances	20.38
(d) Short-term loans and advances	432.85
(e) Other current assets	307.63
	3836.34
3 Non-current liabilities	
(a) Long-term borrowings	2135.44
4 Current liabilities	
(a) Short-term borrowings	794.17
(b) Trade payables	1153.67
(c) Other current liabilities	162.03
(d) Short-term provisions	96.19
	2206.06
Net worth as on December 30, 2024 (1+2-3-4)	1513.22
5 Purchase consideration	1697.54
6 Goodwill generated for this Acquisition of a material subsidiary company	184.32
7 Income Tax Liability Outstanding as on December 30,2024	(96.19)
8 Net Goodwill reported in balance sheet as on December 30, 2024	88.13

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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

3 Restated share capital				
Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Authorised share capital:				
Equity shares of ₹ 10/- each				
- Number of shares	1,40,00,000	1,40,00,000	1,40,00,000	1,40,00,000
- Amount in `	1,400.00	1,400.00	1,400.00	1,400.00
TOTAL	1,400.00	1,400.00	1,400.00	1,400.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10/- each				
- Number of shares	1,07,58,672	99,99,100	99,99,100	99,99,100
- Amount in `	1,075.87	999.91	999.91	999.91
TOTAL	1,075.87	999.91	999.91	999.91

a. Reconciliation of number of shares and amount outstanding at the beginning and at the end of reporting period :

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Balance at the beginning of the year				
- Number of shares	99,99,100	99,99,100	99,99,100	99,99,100
- Amount in `	999.91	999.91	999.91	999.91
Add: Issued during the year				
- Number of shares	7,59,572	-	-	-
- Amount in `	75.96	-	-	-
Balance at the end of the year				
- Number of shares	1,07,58,672	99,99,100	99,99,100	99,99,100
- Amount in `	1,075.87	999.91	999.91	999.91

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

c. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:

Equity Shares of Rs. 10 each	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Mr Jay Dilipbhai Kagathara				
- Number of shares	39,32,636	22,84,816	9,56,642	8,46,642
- Percentage holding (%)	36.55%	22.85%	9.57%	8.47%
Mr Kishan Dilipbhai Kagatahra				
- Number of shares	36,85,034	27,60,676	-	-
- Percentage holding (%)	34.25%	27.61%	-	-
Mr. Dilipbhai H Kagatahra				
- Number of shares	14,13,822	14,13,822	14,13,822	14,13,822
- Percentage holding (%)	13.14%	14.14%	14.14%	14.14%
Mrs. Dineshbhai H Kagathara				
- Number of shares	-	-	19,16,096	19,16,096
- Percentage holding (%)	-	-	19.16%	19.16%

d. Shareholding of promoters

		As at 31-12-2024		
Sr. No.	Promoter name	No. of Shares held	% of total shares	% change during the year
1	Mr Jay Dilipbhai Kagathara	39,32,636	36.55%	13.70%
2	Mr Kishan Dilipbhai Kagatahra	36,85,034	34.25%	6.64%
		As at 31-03-2024		
Sr. No.	Promoter name	No. of Shares held	% of total shares	% change during the year
1	Mr Jay Dilipbhai Kagathara	22,84,816	22.85%	13.28%
2	Mr Kishan Dilipbhai Kagatahra	27,60,676	27.61%	26.76%
		As at 31-03-2023		
Sr. No.	Promoter name	No. of Shares held	% of total shares	% change during the year
1	Mr Jay Dilipbhai Kagathara	9,56,642	9.57%	1.10%
2	Mr Kishan Dilipbhai Kagatahra	85,400	0.85%	-
		As at 31-03-2022		
Sr. No.	Promoter name	No. of Shares held	% of total shares	% change during the year
1	Mr Jay Dilipbhai Kagathara	8,46,642	8.47%	-
2	Mr Kishan Dilipbhai Kagatahra	85,400	0.85%	-

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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

e. Equity shares movement during 5 years preceding date of Balance sheet

Sr. No.	Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021	As at 31-03-2020
1	Equity shares issued as bonus	-	-	-	-	-	-
2	Equity shares allotted as fully paid-up pursuant to contract (s) without payment being received in cash	7,59,572.00	-	-	-	-	-
3	Equity shares extinguished on buy-back	-	-	-	-	-	-

4 Restated reserves and surplus

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Surplus in Statement of Profit and Loss				
Balance as per last Balance Sheet		1,576.76	1,032.58	919.89
Add: Reseved and Surplus of Wholly owned Subsidiary				586.82
Add: Profit for the year		729.35	544.18	112.68
Less: Adjustments related to consolidation pertaining to the previous year		-	-	-
Net surplus in Statement of Profit and Loss as at end of the year/period		2,306.11	1,576.76	1,032.58
Securities premium				
Balance as per last Balance Sheet		-	-	-
Add: Addition on account of fresh issue of securities		773.09	-	-
Less: Utilization during the period		-	-	-
Securities premium as at end of the year/period		773.09	-	-
TOTAL	3,079.20	1,576.76	1,032.58	919.89

5 Restated long-term borrowings

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
a. Secured (Refer Note: Annexure 5.1) :				
From Banks	2,446.99	2,331.28	2,311.44	2,679.76
b. Unsecured Loan				
From Directors & Relatives of Directors	1,826.67	416.17	87.86	28.29
Intercorporate Deposits	100.00	-	-	1,362.77
From others	222.96	108.66	970.33	446.56
TOTAL	4,596.62	2,856.11	3,369.63	4,517.38

6 Restated long-term provisions

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Provision for Employee benefits :				
- Gratuity	48.67	39.03	23.37	15.77
TOTAL	48.67	39.03	23.37	15.77

7 Restated short-term borrowings

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Secured (Repayable on demand-Refer Note 7.1)				
- Cash credits from banks	4,532.99	1,535.78	1,087.07	634.47
- Credit Cards (Net)	-	2.22	7.19	0.30
- Current maturities of long-term borrowings	914.21	438.87	486.51	430.58
TOTAL	5,447.19	1,976.86	1,580.77	1,065.35

Annexure 5.1
Spunweb Nonwoven Limited
31.12.2024
Particulars of Long term Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No Pending of Installment
HDFC BANK LTD - 85903430	Primary Security Fixed Deposits, Plant & Machinery, Commercial Property , Industrial Property, Open Plot At Mavdi.	REPO rate + Margine	36,21,792.00	54
			16,19,744.29	1
			4,36,473.00	58
3,37,626.03	1			
HDFC BANK LTD - 86367991	Collateral Security		3,57,032.00	48
			1,48,866.09	1
HDFC BANK LTD - 89408335	Commercial Property located at Cs No 1044,Sheet No 27, Cs ward Kalupur 2,Municipal, Padsahah ni Pole Census No 573,Relif Road,Ahmedabad,Gujarat-360001		3,36,030.00	48
HDFC BANK LTD - 89408361	Industrial Estate located at Survey No 109/02 Rangpar Village Wakaner Plot No 01 and 02,Off Bamanbor Morbi Highway Near real foram Chotila Gujarat ગરજાપુર		1,40,119.15	1
HDFC BANK LTD - 89408378	Plot No 64 & 65 Revenue Survey No 343 Paiki 01,Satyavijet park,off 80feet Road village mavdi Rajkot,Gujarat 360004		2,52,022.00	48
HDFC BANK LTD - 452526878	Personal guarantee		4,40,326.00	27
		2,70,615.00	1	
HDFC BANK LTD - 800561569	Abhaykumar Narshibhai Fadadu,Dilipbhai Hansrajbhai Kagthra Chrulata Jagdishbhai Bhut,Jay Dilipbhai Kagathara,	2,88,412.00	57	
HDFC BANK LTD - 115299125	Kishan Dilipbhai Kagthara,Prabhben Dilipbhai Kagathara,	2,88,375.00	1	
HDFC BANK LTD - 146512731	Yashpalsinh Ghanshyamsinh Dasondi,Thobhan Harji Kanani	67,557.00	13	
HDFC BANK LTD - 146513600		22,394.00	47	
			22,394.00	47

Spunweb India Private Limited
31.12.2024
Particulars of Long term Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No Pending of Installment	
BOI - GECL (A/C NO. 310365210000044)	Primary Security Plant Machinery ,Pledge of Fixed Deposits in the name of company	RBLR + CRP	6,90,558.00	12	
			8,00,484.00	1	
			8,61,660.00	7	
BOI - TERM LOAN - 1 (A/C NO. 30370210000085)	Collateral Security		5,04,171.00	1	
			18,70,000.00	28	
BOI - TERM LOAN - 2 (A/C NO. 30370210000098)	Factory Land & Building at Survey No 119/Paki 01,NH 27,Near Wakaner boundary,post Jodiya Morbi-363621		3,74,000.00	1	
BOI - TERM LOAN - SOLAR (A/C NO. 310370210000142)	Residential flat No A 401 "The Temple, Near Arjun Party Plot, Second ring road,Village Motamava Rajkot-360005				
			Pledge of Fixed deposits in the name of Director		
BOI - TERM LOAN - SOLAR (A/C NO. 310370210000142)	Personal guarantee Kishan Dilipbhai Kagathara Jay Dilipbhai Kagathara Prabhben Dilipbhai Kagathara Dilipbhai Kagathara	2,50,000.00	28		
		55,081.00	1		
HDFC BANK (BL A/C NO. 145597048)	Unsecured Loan	14.75%	2,59,918.00	22	
HDFC BANK LTD - CAR LOAN (A/C NO. 124615923)	Vehicle Financed	6.90%	1,22,278.00	24	

Annexure 7.1

Spunweb Nonwoven Limited

31.12.2024

Particulars of Short term Borrowings

Name of Lender/Type of Loan	Nature of Credit Facility	Nature of Security	Rate of Interest
HDFC Bank Limited Standard Chartered Bank	Cash Credit Cash Credit	Hypothication of Stocks And Book Debts Personal Guarantee of Kagathara Jay Dilipbhai, Kagathara Kishan Dilipbhai, Dilipbhai Hansarajbhai kagathara.	TT Bills as on date of Cash Credit Sanction 3 Months MIBOR + 2.55%

Spunweb India Private Limited

Particulars of Short term Borrowings

Name of Lender/Type of Loan	Nature of Credit Facility	Nature of Security	Rate of Interest
BOI Bank	Cash Credit	Hypothication of Entire Stocks And Book Debts	RBLR + CRP

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

8 Restated trade payables

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
- Payable to Vendors				
Dues to micro and small enterprises (Refer Note 33)	903.32	187.84	211.03	218.59
Dues of other creditors	3,209.18	2,670.92	1,956.50	418.82
TOTAL	4,112.51	2,858.76	2,167.53	637.41

Restated trade payables ageing schedule as on 31st December, 2024

Particulars	Outstanding for following periods from the Due date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	3 years & above	
i) MSME	903.32	-	-	-	903.32
ii) Others	3,209.18	-	-	-	3,209.18
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - others	-	-	-	-	-
	4,112.51	-	-	-	4,112.51

Restated trade payables ageing schedule as on 31st March, 2024

Particulars	Outstanding for following periods from the Due date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	3 years & above	
i) MSME	187.84	-	-	-	187.84
ii) Others	2,670.92	-	-	-	2,670.92
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - others	-	-	-	-	-
	2,858.76	-	-	-	2,858.76

Restated trade payables ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from the Due date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	3 years & above	
i) MSME	211.03	-	-	-	211.03
ii) Others	1,953.63	0.95	0.23	1.69	1,956.50
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - others	-	-	-	-	-
	2,164.66	0.95	0.23	1.69	2,167.53

Restated trade payables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from the Due date of invoice				Total
	Less than 1 year	1 - 2 years	2 - 3 years	3 years & above	
i) MSME	218.59	-	-	-	218.59
ii) Others	418.82	-	-	-	418.82
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - others	-	-	-	-	-
	637.41	-	-	-	637.41

9 Restated other current liabilities

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Other payables				
- Audit Fees	1.00	0.70	0.70	0.70
- Advances from customers	58.76	38.02	43.75	247.76
- Liabilities towards employees-ESIC	89.63	19.28	13.21	11.47
- Electricity	-	35.52	36.88	17.20
- Factory Expenses	-	-	0.74	0.17
- Tax Deducted at Source & Tax Collected at Source	11.21	4.69	8.96	9.19
-Goods and Service tax Payable	504.30	-	-	-
- Provident Fund	2.14	1.60	1.60	1.66
- Professional Tax	2.68	1.56	1.09	1.40
TOTAL	669.73	101.37	106.94	289.56

10 Restated short-term provisions

Particulars	As at 31-12-2024	As at 31-03-2024 ₹	As at 31-03-2023 ₹	As at 31-03-2022 ₹
Provision for employee benefits:				
- Gratuity	2.97	2.49	1.49	0.82
	2.97	2.49	1.49	0.82
Other provisions				
Provision for tax	246.19	246.76	32.51	130.79
Provision for Corporate Social Responsibility	9.01	-	-	-
TOTAL	258.16	249.25	34.00	131.61

Spunweb Nonwoven Limited

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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

11 Restated Property, plant and equipments and intangible assets

₹ in Lakhs

As at

31-12-2024-

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at	Additions	Deletions	As at	As at	For the Year	Deletions	As at	As at	
	1st April, 2024			31st December, 2024	1st April, 2024			31st December, 2024	31st December, 2024	31st March, 2024
(a) Property, plant and equipments										
Land	12.11	8.36	-	20.47	-	-	-	-	20.47	12.11
Buildings	1,280.91	447.31	0.74	1,727.47	269.51	103.10	-	372.61	1,354.86	1,011.39
Plant and Equipment	5,392.73	1,495.61	27.44	6,860.90	2,344.11	605.79	-	2,949.90	3,911.00	3,048.62
Office Equipment	4.06	1.40	-	5.46	1.92	0.63	-	2.55	2.91	2.14
Computers	62.91	11.43	0.04	74.30	35.87	10.80	-	46.67	27.63	27.04
Furniture and Fixtures	633.44	279.63	-	913.07	203.86	118.29	-	322.15	590.92	429.58
Vehicles	145.00	44.58	-	189.58	91.27	23.90	-	115.17	74.41	53.73
TOTAL	7,531.16	2,288.32	28.23	9,791.24	2,946.53	862.52	-	3,809.05	5,982.19	4,584.62
(b) Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-
(c) Intangible assets										
Trademarks	7.13	-	-	7.13	1.26	-	-	1.26	5.87	-
Goodwill	-	88.13	-	88.13	-	-	-	-	88.13	-
TOTAL	7.13	88.13	-	95.26	1.26	-	-	1.26	94.00	-

As at 31-03-2024 :-

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at	Additions	Deletions	As at	As at	For the Year	Deletions	As at	As at	
	1st April, 2023			31st March, 2024	1st April, 2023			31st March, 2024	31st March, 2024	31st March, 2023
(a) Property, plant and equipments										
Land	12.11	-	-	12.11	-	-	-	-	12.11	12.11
Buildings	1,227.12	55.10	1.31	1,280.91	163.44	106.07	-	269.51	1,011.39	1,063.67
Plant and Equipment	5,290.41	106.73	4.41	5,392.73	1,672.34	671.77	-	2,344.11	3,048.62	3,618.07
Office Equipment	2.79	1.27	-	4.06	1.38	0.54	-	1.92	2.14	1.41
Computers	48.05	16.04	1.17	62.91	22.88	12.99	-	35.87	27.04	25.16
Furniture and Fixtures	399.12	234.60	0.28	633.44	138.55	65.31	-	203.86	429.58	260.57
Vehicles	118.45	35.41	8.86	145.00	69.50	21.77	-	91.27	53.73	48.95
TOTAL	7,098.04	449.15	16.03	7,531.16	2,068.09	878.44	-	2,946.53	4,584.62	5,029.95
(b) Capital work-in-progress	0.00	-	-	0.00	-	-	-	-	0.00	0.00
TOTAL	0.00	-	-	0.00	-	-	-	-	0.00	0.00
(c) Intangible assets										
Trademarks	-	7.13	-	7.13	-	1.26	-	1.26	5.87	-
TOTAL	-	7.13	-	7.13	-	1.26	-	1.26	5.87	-

As at 31-03-2023 :-

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at	Additions	Deletions	As at	As at	For the Year	Deletions	As at	As at	
	1st April, 2022			31st March, 2023	1st April, 2022			31st March, 2023	31st March, 2023	31st March, 2022
(a) Property, plant and equipments										
Land	12.11	-	-	12.11	-	-	-	-	12.11	12.11
Buildings	249.27	977.85	-	1,227.12	94.54	68.91	-	163.44	1,063.67	154.74
Plant and Equipment	1,964.26	3,326.15	-	5,290.41	1,175.72	496.62	-	1,672.34	3,618.07	788.54
Office Equipment	2.29	0.49	-	2.79	0.95	0.42	-	1.38	1.41	1.34
Computers	25.19	22.86	-	48.05	12.79	10.09	-	22.88	25.16	12.39

Furniture and Fixtures	282.48	116.64	-	399.12	81.01	57.54	-	138.55	260.57	201.47
Vehicles	118.45	-	-	118.45	52.75	16.75	-	69.50	48.95	65.70
TOTAL	2,654.05	4,443.99	-	7,098.04	1,417.76	650.33	-	2,068.09	5,029.95	1,236.28
(b) Capital work-in-progress	3,784.87	624.70	4,409.57	0.00	-	-	-	-	0.00	3,784.87
TOTAL	3,784.87	624.70	4,409.57	0.00	-	-	-	-	0.00	3,784.87
(C) Intangible assets	-	-	-	-	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-

As at 31-03-2022 :-

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2021	Additions	Deletions	As at 31st March, 2022	As at 1st April, 2021	For the Year	Deletions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
(a) Property, plant and equipments										
Land	12.11	-	0.00	12.11	-	-	-	-	12.11	12.11
Buildings	249.27	-	-	249.27	78.29	16.24	-	94.54	154.74	170.98
Plant and Equipment	1,934.29	29.97	-	1,964.26	1,005.78	169.94	-	1,175.72	788.54	928.51
Office Equipment	2.29	-	-	2.29	0.48	0.47	-	0.95	1.34	1.81
Computers	14.06	11.12	-	25.19	9.01	3.78	-	12.79	12.39	5.05
Furniture and Fixtures	84.88	197.59	-	282.48	50.03	30.98	-	81.01	201.47	34.85
Vehicles	119.05	24.01	24.61	118.45	52.43	20.70	20.38	52.75	65.70	66.62
TOTAL	2,415.95	262.70	24.61	2,654.05	1,196.03	242.12	20.38	1,417.76	1,236.28	1,219.93
(b) Capital work-in-progress	77.33	3,707.54	-	3,784.87	-	-	-	-	3,784.87	77.33
TOTAL	77.33	3,707.54	-	3,784.87	-	-	-	-	3,784.87	77.33
(C) Intangible assets	-	-	-	-	-	-	-	-	-	-
Trademarks	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-

Spunweb Nonwoven Limited
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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

12 Restated deferred tax (liability) / asset (net)

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
	The balances comprises temporary differences attributable to -			
Depreciation as per Companies act 2013	595.11	879.70	650.33	242.12
Depreciation as per Income Tax Act 1961	677.47	711.47	760.86	273.44
Differences in Depreciation	(82.36)	168.24	(110.53)	(31.32)
Other Timing Differene				
Gratuity Provision (Section 40A)	10.13	16.66	8.27	16.59
Disallowances under section 43B	-	-	(0.31)	(3.31)
Total Timing Differene	(72.23)	184.90	(102.56)	(18.03)
Nominal Tax Rate	25%	25%	25%	25%
DTA / (DTL)	-18.06	46.22	-25.64	-4.51
Deferred Tax Assets & Liabilities Summary				
Opening Balance of DTA / (DTL)	59.84	13.61	39.25	43.76
Add: Provision for the Year	(18.06)	46.22	(25.64)	(4.51)
(Reversal of Deferred Tax Assets				
Closing Balance of DTA / (DTL)				
TOTAL	41.78	59.84	13.61	39.25

13 Restated non - current investments

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
	Investment in Deposits (Lien Marked by Banks)			
Fixed Deposits	449.99	190.47	241.37	229.91
Other Deposits	18.96	2.26	2.26	120.73
TOTAL	468.95	192.72	243.62	350.65

14 Restated inventories

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
	(At lower of cost and net realisable value)			
Raw materials	2,165.04	1,318.82	543.05	684.87
Finished goods	2,335.51	1,069.84	442.27	230.35
TOTAL	4,500.55	2,388.66	985.33	915.22

15 Restated trade receivables

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
	Unsecured			
Considered good	6,422.54	3,034.30	2,192.97	1,197.02
Less: Allowance for bad and doubtful debts	-	-	-	-
TOTAL	6,422.54	3,034.30	2,192.97	1,197.02

Restated trade receivables ageing schedule as on 31st December, 2024

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 years & above	
Undisputed trade receivables -						
i) Considered good	6,251.06	114.93	44.32	3.46	8.77	6,422.54
ii) Considered doubtful	-	-	-	-	-	-
Disputed trade receivables -						
i) Considered good	-	-	-	-	-	-
ii) Considered doubtful	-	-	-	-	-	-
	6,251.06	114.93	44.32	3.46	8.77	6,422.54

Restated trade receivables ageing schedule as on 31st March, 2024

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 years & above	
Undisputed trade receivables -						
i) Considered good	3,009.86	14.30	7.45	2.70	-	3,034.30
ii) Considered doubtful	-	-	-	-	-	-
Disputed trade receivables -						
i) Considered good	-	-	-	-	-	-
ii) Considered doubtful	-	-	-	-	-	-
	3,009.86	14.30	7.45	2.70	-	3,034.30

Restated trade receivables ageing schedule as on 31st March, 2023

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 years & above	
Undisputed trade receivables -						
i) Considered good	2,130.49	7.46	35.58	2.07	17.37	2,192.97
ii) Considered doubtful	-	-	-	-	-	-
Disputed trade receivables -						
i) Considered good	-	-	-	-	-	-
ii) Considered doubtful	-	-	-	-	-	-
	2,130.49	7.46	35.58	2.07	17.37	2,192.97

Spunweb Nonwoven Limited
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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

Restated trade receivables ageing schedule as on 31st March, 2022

Particulars	Outstanding for following periods from the date of invoice					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	3 years & above	
Undisputed trade receivables -						
i) Considered good	1,149.54	24.87	2.07	4.96	15.58	1,197.02
ii) Considered doubtful	-	-	-	-	-	-
Disputed trade receivables -						
i) Considered good	-	-	-	-	-	-
ii) Considered doubtful	-	-	-	-	-	-
	1,149.54	24.87	2.07	4.96	15.58	1,197.02

16 Restated cash and bank balances

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
(a) Cash and cash equivalents				
Cash on hand	22.60	17.09	9.69	12.10
Bank Balance	0.85	-	-	-
Total Cash and Cash equivalents as per AS 3 - Cash Flow Statements	23.45	17.09	9.69	12.10
TOTAL	23.45	17.09	9.69	12.10

17 Restated short-term loans and advances

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good				
Interest Receivable	-	-	0.57	-
Loans and advances to employees	-	1.70	1.55	18.86
Balances with government authorities	1,095.82	172.17	363.66	714.21
Loans and advances to related party	11.19	-	-	-
TOTAL	1,107.01	173.87	365.78	733.07

18 Restated other current assets

Particulars	As at 31-12-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Advances for supply of goods and services	190.67	18.49	20.49	10.01
Subsidy Receivable	450.53	164.77	421.60	285.60
Preliminary & Pre Operative Expenses	-	1.85	3.70	5.55
Insurance Claim	-	-	2.26	-
Prepaid Expenses	6.28	15.95	25.71	7.27
TOTAL	647.48	201.07	473.75	308.43

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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

19 Restated revenue from operations				
Particulars	For the nine month period ended on 31.12.2024	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2022
Sale of products (Net of Discount)	15,590.22	14,798.00	11,474.18	11,182.58
Other operating revenues				
Discount Income	119.83	63.14	117.64	199.57
TOTAL	15,710.05	14,861.14	11,591.82	11,382.15
20 Restated other income				
Particulars	For the nine month period ended on 31.12.2024	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2022
Interest On Deposits	7.98	10.03	13.33	8.14
Subsidy Income		453.27	136.00	387.77
Foreign Exchange Gain/ (Loss)	34.32	59.54	22.03	23.40
Liabilities no longer Payable written off		30.50	-	-
Insurance Claim for Material Loss		-	-	0.38
Rate Difference Local Purchase	-	2.70	0.87	
Other income	3.21	6.94	3.95	1.32
TOTAL	45.51	562.98	176.19	421.02
21 Restated cost of materials consumed				
Particulars	For the nine month period ended on 31.12.2024	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2022
Opening stock	1,318.82	543.05	684.87	1,012.89
Add: Purchases	12,839.36	12,407.86	8,733.53	9,573.46
Less: Closing stock	1,260.75	1,318.82	543.05	684.87
TOTAL	12,897.42	11,632.09	8,875.35	9,901.48
22 Restated changes in inventories of finished goods and work-in-progress				
Particulars	For the nine month period ended on 31.12.2024	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2022
(a) Inventories at the end of the year:				
Finished goods	2,335.51	1,069.84	442.27	230.35
	2,335.51	1,069.84	442.27	230.35
(b) Inventories at the beginning of the year:				
Finished goods	1,069.84	442.27	230.35	
	1,069.84	442.27	230.35	-
Net decrease (b) - (a)	(1,265.67)	(627.56)	(211.93)	(230.35)
23 Restated employee benefits expense				
Particulars	For the nine month period ended on 31.12.2024	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2022
Salaries and wages	344.04	296.32	254.01	219.31
Contribution to provident fund and other funds	8.26	10.78	10.31	9.88
Gratuity	10.13	16.66	8.27	16.59

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ANNEXURE - 5

STATEMENT OF NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION

₹ in Lakhs

28 Restated Contingent liabilities and commitments (to the extent not provided for):

	Nine months period ended 31-12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
I) Contingent liabilities:				
(a) Claims against the company not acknowledged as debt			-	-
II) Commitments:				
(a) Contracts remaining to be executed on capital account			-	-
III) Others:				
(a) Performance bank guarantees			-	-
(b) Letter of credits			-	-
(c) Corporate guarantees			-	-
Total			-	-

29 a) Restated Expenditure in foreign currency:

Nature of Expenses	Nine months period ended 31-12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
Purchase of Machinery	28010 USD	3968 USD	132150 USD	3331396 USD
Purchase of Goods	6603611.34 USD	64300 EURO	4412225.80 USD	1514884.06 USD
Machinery Repairing Charges	6603611.34 USD 83672.90 EURO	40709.20 EURO 7628.28 USD	3983.33 EURO	19306.63 USD
Advertisement Expenses	7628.28 USD 4867 USD	5398.18 EURO	10500 USD	3251.75 USD
Total				

b) Restated Earnings in foreign currency:

Nature of Income	Nine months period ended 31-12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
FOB Value of Export Sales	480066.39 USD	319235.54 USD 4675.64 EURO	33272.50 USD	376140.78 USD

30 Restated Value of imports calculated on C.I.F. basis: Current year : Current year : Nil (Previous year : Nil)

Nature of Expenses	Nine months period ended 31-12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
Purchase of Machinery	28010 USD 6603611.34 USD	3968 USD 64300 EURO	132150 USD	3331396 USD 23622 EURO 35324.66 CHF
Purchase of Goods	6603611.34 USD 83672.90 EURO	9507902.74 USD 40709.20 EURO	4412225.80 USD 29713.60 EURO	1514884.06 USD
Machinery Repairing Charges	7628.28 USD	7628.28 USD	3983.33 EURO	19306.63 USD
Advertisement Expenses	4867 USD	5398.18 EURO	10500 USD	3251.75 USD

31 Restated Details of consumption of imported and indigenous raw materials:

Nature of material	Nine months period ended 31-12-2024		Year Ended 31-03-2024		Year Ended 31-03-2023		Year Ended 31-03-2022	
	% to total consumption	Value (₹ in Lakhs)	% to total consumption	Value (₹ in Lakhs)	% to total consumption	Value (₹ in Lakhs)	% to total consumption	Value (₹ in Lakhs)
Imported	48.30%	6,201.29	64.22%	7,968.29	45.05%	3,934.37	11.83%	1,132.45
Indigenous	51.70%	6,638.07	35.78%	4,439.57	54.95%	4,799.16	88.17%	8,441.01
	100.00%	12,839.36	100.00%	12,407.86	100.00%	8,733.53	100.00%	9,573.46

32 Restated Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006:

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

Particulars	31-12-2024 ₹	31-03-2024 ₹	31-03-2023 ₹	31-03-2022 ₹
a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	903.32		187.84	211.03
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-		-	-
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-		-	-
d) The amount of interest due and payable for the year	-		-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-		-	-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-		-	-

The amounts due to micro and small enterprises as defined under section 22 of Micro, Small and Medium Enterprises Development Act, 2006, have been disclosed only for the parties from whom the declaration or Udyam Aadhar has been received and other vendors from whom the declaration has not been received are disclosed under payables other than micro and small enterprises.

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₹ in Lakhs

33 a) Restated Forward foreign exchange contracts outstanding as at the balance sheet date:

The company enters into Foreign Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Currency	Buy/Sell	Cross Currency	Amount in Foreign Currency			
			31-12-2024	31-03-2024	31-03-2023	31-03-2022
US Dollar	Sell	INR	Nil	Nil	Nil	Nil
US Dollar	Buy	INR	Nil	Nil	Nil	Nil

34 Restated Earnings Per Share is calculated as follows:

Particulars	Nine months period ended 31-12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
a) Net profit available for equity shareholders (for basic/diluted EPS)	729.35	544.18	112.68	333.07
b) Basic earnings per share				
Weighted average number of equity shares (Nos.)	1,00,01,862	99,99,100	99,99,100	99,99,100
Basic EPS	7.29	5.44	1.13	3.33
c) Diluted earnings per share				
Weighted average number of equity shares (Nos.)	1,00,01,862	99,99,100	99,99,100	99,99,100
Diluted EPS	7.29	5.44	1.13	3.33
d) Face value per share	10.0	10	10	10

35 Restated Employee benefit plan:

The following table sets out the status of the gratuity plan (unfunded) as required under AS - 15 (Revised):

Particulars	For the nine month period ended on 31.12.2024	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023	For the Year Ended 31-03-2022
(i) Change in defined benefit obligation:				
Present value of obligation at the beginning of the year	-	-	-	-
Interest Cost	2.17	1.81	1.17	-
Current Service Cost	10.83	8.82	5.92	16.59
Past Service cost	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Benefits paid from the fund	-	-	-	-
Actuarial (gain) / loss on obligations	(2.87)	6.03	1.17	-
Present value of benefit obligation at the end of the year	10.13	16.66	8.27	16.59
(ii) Change in fair value of plan assets:				
Fair value of plan assets at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contribution by the employers	-	-	-	-
Benefit paid from the funds	-	-	-	-
Assets Distributed on Settlements	-	-	-	-
Actuarial gain/ (loss) on plan assets - due to experience	-	-	-	-
Fair value of plan assets at the end of the year	-	-	-	-
(iii) Liability recognised in the Balance Sheet				
Opening net liability	41.52	24.86	16.59	-
Expenses recognised in the statement of profit and loss	10.13	16.66	8.27	16.59
Benefit paid from the funds	-	-	-	-
Contribution by the employers	-	-	-	-
Net liability/ (asset) recognised in the balance sheet	51.65	41.52	24.86	16.59
(iv) Gratuity expense / (credit) for the year				
Current Service Cost	10.83	8.82	5.92	16.59
Interest Cost	2.17	1.81	1.17	-
Net actuarial (gain) / loss recognized	(2.87)	6.03	1.17	-
Net expense / (credit)	10.13	16.66	8.27	16.59
(v) Actuarial assumptions				
Expected return on plan assets	NA	NA	NA	NA
Discount rate	7.00%	7.20%	7.50%	7.25%
Salary escalation	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
Age 25 & Below :	10.00%	10.00%	10.00%	10.00%
Age 25 to 35	8.00%	8.00%	8.00%	8.00%
Age 35 to 45	6.00%	6.00%	6.00%	6.00%
Age 45 to 55	4.00%	4.00%	4.00%	4.00%
Age 55 & above	2.00%	2.00%	2.00%	2.00%

Notes :

a. The estimates of escalation in salary considered in actuarial valuation considers inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

b. The discounting rate is considered based on market yield on government bonds having currency and terms consistent with the currency and terms of the post-employment benefit obligations.

c. The above information is certified by the actuary.

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₹ in Lakhs

36 Restated Related party disclosures:

(i) Names of related parties and nature of related party relationship where control exists are as under:

(ii) Other related parties:

(a) Companies / Firms / HUF in which directors/ KMP have significant influence	Nature of Relation
Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	Entities under control/significant influence of KMP or its relatives
Dilipbhai Hansrajbhai Kagathara (HUF)	Entities under control/significant influence of KMP or its relatives
Dineshbhai Hansrajbhai Kagathara (HUF)	Entities under control/significant influence of KMP or its relatives
(b) Directors and Key management personnel	
Jay Dilipbhai Kagathara	Chairman and Managing Director
Kishan Dilipbhai Kagathara	Whole Time Director
Abhaybhai Fadadu	Chief financial officer
Dilipbhai Hansrajbhai Kagathara	Father of Director
Charulata Jagdishbhai Bhut	Director
Dineshbhai Kagathara	Director
Keyurbhai Dineshbhai Kagathara	Relative of KMP
Rimpalben Arvindkumar Kadchhni	Relative of KMP
Dimpalben Fadadu	Relative of KMP
Jinalben Mansukhbhai Bediya	Relative of KMP
Kajalben Dineshbhai Kagathara	Relative of KMP

* Our Company acquired 100% equity shares of Spunweb India Private Limited on December 30, 2024 and hence as a result, Spunweb India Private Limited become a wholly-owned subsidiary of our Company

(iii) Transactions during the year/period

Nature of Transaction	Name of the Related Party	Nine months period ended	Year Ended	Year Ended	Year Ended	
		31-12-2024	31-03-2024	31-03-2023	31-03-2022	
a) Salary/ Remuneration paid	Keyurbhai Dineshbhai Kagathara	-	1.77	17.59	14.08	
	Dilipbhai Hansrajbhai Kagathara	14.01	18.61	17.79	12.50	
	Charulata Jagdishbhai Bhut	6.4	9.09	8.85	8.62	
	Rimpalben Arvindkumar Kadchhni	-	-	-	1.50	
	Kishan Dilipbhai Kagathara	27.18	13.50	5.16	1.70	
	Dineshbhai Kagathara	-	2.50	24.81	20.20	
	Jay Dilipbhai Kagathara	27.18	17.59	24.81	20.20	
	Abhaybhai Fadadu	5.59	5.63	6.14	6.14	
				-	-	-
				-	-	-
b) Purchase of goods	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	451.68	190.87	2,252.42	72.09	
c) Sales Of goods	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	2,247.19	2,124.02	1,301.41	725.54	
d) Jobwork Expenses	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	20.63	8.53	3.84	9.20	
e) Acceptance of Unsecured Loans	Keyurbhai Dineshbhai Kagathara	-	3.06	11.3	10.70	
	Dilipbhai Hansrajbhai Kagathara	92.83	436.00	174.93	95.72	
	Charulata Jagdishbhai Bhut	55.80	-	75	30.00	
	Rimpalben Arvindkumar Kadchhni	-	-	-	1.50	
	Kishan Dilipbhai Kagathara	570.49	1,028.55	157.79	28.98	
	Dineshbhai Kagathara	-	14.84	68.08	20.00	
	Abhaybhai Fadadu	53.81	82.07	6.20	28.00	
	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	7.27	125.72	73.67	-	
	Dilipbhai Hansrajbhai Kagathara (HUF)	-	6.00	9.50	-	
	Dineshbhai Hansrajbhai Kagathara (HUF)	-	-	15.00	-	
Jay Dilipbhai Kagathara	845.54	829.10	-	-		
f) Repayment of Unsecured Loans	Dilipbhai Hansrajbhai Kagathara	93.08	439.60	171.79	95.28	
	Charulata Jagdishbhai Bhut	55.30	-	75.00	30.00	
	Kishan Dilipbhai Kagathara	227.28	993.76	145.80	28.77	
	Dineshbhai Kagathara	-	14.84	78.08	10.00	
	Abhaybhai Fadadu	93.60	53.28	1.20	22.00	
	Spunweb India Private Limited (earlier known as Spunweb Nonwoven)*	18.46	125.72	73.67	-	
	Keyurbhai Dineshbhai Kagathara	-	17.95	7.10	-	
	Dineshbhai Hansrajbhai Kagathara (HUF)	-	-	15.00	-	
	Rimpalben Arvindkumar Kadchhni	-	1.50	-	-	
	Jay Dilipbhai Kagathara	372.02	559.56	-	-	
g) Issue of equity share	Jay Dilipbhai Kagathara*	552.39	-	-	-	
	Kishan Dilipbhai Kagathara**	296.66	-	-	-	
h) Payment of cash for aquisition of equity shares of subsidiary	Jay Dilipbhai Kagathara	296.50	-	-	-	
	Kishan Dilipbhai Kagathara	551.99	-	-	-	

* 494178 Equity share of SNL has been issued for consideration other than cash to acquire 9101214 equity shares of SIPL.

** 265394 Equity share of SNL has been issued for consideration other than cash to acquire 4888786 equity shares of SIPL.

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₹ in Lakhs

37 Restated Operating Lease:

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are cancellable and are for a period of 1 to 5 years and may be renewed for a further period based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss for FY23-24() lakhs, FY22-23 ₹ () and FY21-22 ().

38 Restated Corporate Social Responsibility:

Pursuant to section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, Details with respect to corporate social responsibility are as under :

Particulars	For the nine month period Ended on 31- 12-2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
i) Amount required to be spent by the company during the year	9.01*	-	-	-
ii) Amount of expenditure incurred	-	-	-	-
iii) Shortfall at the end of the year	-	-	-	-
iv) Total of previous years shortfall	-	-	-	-
iv) Reason for shortfall	Not Applicable	Not Applicable	Not Applicable	Not Applicable
v) Nature of CSR activities	Not Applicable	Not Applicable	Not Applicable	Not Applicable
vi) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	Not Applicable	Not Applicable	Not Applicable	Not Applicable
vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* For the financial Year 2024-25, the unspent CSR obligation as on December 31,2024 will be spent by company over the period of Next 3 Months up to March 31, 2025.

39 Title deeds of immovable property not held in the name of the company:

The Company is not holding any immovable property.

40 Intangible assets under development:

The Company is not having any intangible asset under development during the year or previous year.

- 41** No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, hence relevant disclosures are not applicable.
- 42** The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013, Hence no disclosure required.
- 43** The company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are generally in agreement with the books of accounts except some minor differences which are not material to report.
- 44** There are no instances of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 45** The Company is not declared as a wilful defaulter by any bank or financial Institution or other lender.
- 46** There are no charges or satisfaction of Charges pending to be registered with Registrar of Companies beyond the statutory period.
- 47** The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- 48** The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 49** There is no scheme of arrangement approved by competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year, hence relevant disclosures are not applicable.
- 50** The company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 51** The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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₹ in Lakhs

52 The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

53 Restated Key financial ratios:

Particulars	Numerator	Denominator	31-12-2024	31-03-2024	31-03-2023	31-03-2022	Variance (%)	
							FY 24 (Q3) Vs FY24	FY24 vs FY23
a) Current ratio (times)	Current assets	Current liabilities	1.21	1.12	1.04	1.49	8.01%	-30.53%
b) Debt-equity ratio (times)	Total debt (current + non-current)	Shareholders equity	2.42	1.88	2.44	2.91	28.87%	-16.24%
c) Debt service coverage ratio (times)	Earning available for debt service	Debt service	1.99	2.04	2.17	2.13	-2.46%	1.95%
d) Return on equity ratio (%)	Profit after tax	Average shareholders equity	21.67%	23.61%	5.70%	19.00%	-8.23%	-69.98%
e) Trade receivables turnover ratio Time	Revenue from operations	Average trade receivables	3.32	5.69	6.84	8.56	-16.86%	-20.10%
f) Trade payables turnover ratio (times)	Purchase	Average trade payables	3.89	5.39	7.38	12.69	-26.94%	-41.87%
g) Inventory turnover ratio (times)	Raw Material Consumed +Change in Inventory	Average inventory	3.38	6.52	9.12	10.03	-28.45%	-9.12%
h) Net capital turnover ratio (%)	Revenue from operations	Average working capital	11.05%	38.75%	19.64%	7.60%	97.26%	158.55%
i) Net profit ratio (%)	Net profit	Revenue from operations	4.64%	3.66%	0.97%	2.93%	276.69%	-66.78%
j) Return on capital employed (%)	Earning before interest and taxes	Average capital employed	22.26%	25.68%	15.33%	23.32%	67.50%	-34.25%
k) Return on investment (%)	Interest income	Average of FD investments		NA	NA	NA	NA	NA

Current ratio (times)

FY 24 vs FY 23

The current ratio improved from 1.04 times as of 31/03/2023 to 1.12 times as of 31/03/2024, driven by an increase in current liabilities from ₹3,889.23 lakhs to ₹5,186.24 lakhs and a corresponding rise in current assets from ₹4,027.53 lakhs to ₹5,814.93 lakhs during the same period. This indicates improved liquidity despite higher liabilities.

Debt Equity Ratio

FY 24 (Q3) vs FY 24

The debt-equity ratio increased from 1.88 times as of 31/03/2024 to 2.42 times as of 31/12/2024, driven by a significant rise in total debt from ₹4,832.97 lakhs to ₹10,043.81 lakhs. Additionally, shareholders' funds also increased from ₹2,576.67 lakhs to ₹4,155.07 lakhs over the last nine months, indicating growth in equity alongside higher financial leverage.

Return on equity ratio (%)

FY 24 vs FY 23

The return on equity (ROE) increased significantly from 5.70% as of 31/03/2023 to 23.61% as of 31/03/2024, driven by a rise in the equity shareholders' fund from ₹2032.49 lakhs to ₹2576.67 lakhs and a substantial growth in profit after tax from ₹112.68 lakhs to ₹544.18 lakhs during FY 2023-24. This reflects enhanced profitability and stronger equity base compared to the previous fiscal year.

Trade payables turnover ratio (in days)

FY 24 (Q3) vs FY 24

The trade payable turnover ratio decreased from 5.39 times to 3.89 times over the last nine months due to a significant rise in trade payables from ₹2,858.76 lakhs to ₹4,112.51 lakhs, while purchases only marginally increased from ₹12,407.86 lakhs to ₹12,839.36 lakhs. This indicates slower payments to creditors relative to purchases, impacting the company's cash flow management.

FY 24 vs FY 23

The trade payables turnover ratio declined from 7.38 times as on 31/03/2023 to 5.39 times as on 31/03/2024 due to a modest increase in trade payables from ₹2,167.53 lakhs to ₹2,858.76 lakhs in FY 2023-24, alongside a significant rise in purchases from ₹8,733.53 lakhs to ₹12,407.86 lakhs. This suggests the company extended its payment cycle to manage the higher purchase volume.

Inventory turnover ratio (in days)

FY 24 (Q3) vs FY 24

The inventory turnover ratio dropped from 6.52 times in FY 2023-24 to 3.38 times in the last nine months due to an increase in the cost of materials consumed from ₹11,632.09 lakhs to ₹12,897.42 lakhs. Additionally, inventory nearly doubled from ₹2,388.66 lakhs to ₹4,500.55 lakhs, reflecting slower inventory utilization and higher stock levels.

Net capital turnover ratio (in days)

FY 24 (Q3) vs FY 24

The net capital turnover ratio declined sharply from 38.75% in FY 2023-24 to 11.05% in the last nine months due to a significant increase in working capital from ₹628.74 lakhs to ₹2,213.44 lakhs as of 31-12-2024, while revenue grew modestly from ₹14,861.14 lakhs to ₹15,710.05 lakhs. This indicates reduced efficiency in utilizing working capital to generate revenue.

FY 24 vs FY 23

The Net Capital Turnover Ratio improved from 19.64% in FY 2022-23 to 38.75% in FY 2023-24, driven by a significant rise in working capital from ₹138.30 lakhs to ₹628.74 lakhs. This growth in working capital was accompanied by an increase in revenue from ₹11,591.82 lakhs to ₹14,861.14 lakhs, enhancing overall efficiency.

Net profit ratio (%)

The net profit ratio improved from 0.97% as of 31/03/2023 to 3.66% as of 31/03/2024, and further to 4.64% as of 31/12/2024, reflecting a consistent increase in profit after tax from ₹112.68 lakhs in FY 2022-23 to ₹544.18 lakhs in FY 2023-24, and ₹729.35 lakhs by 31/12/2024. This growth indicates enhanced profitability over the period.

Return on capital employed (%)

FY 24 (Q3) vs FY 24

The Return on Capital Employed (ROCE) decreased from 25.68% to 22.26% in the last 9 months of FY 2023-24, despite an increase in Earnings Before Tax and Interest (EBIT) from ₹1,183.79 lakhs to ₹1,498.47 lakhs. This decline was primarily due to a substantial increase in working capital, which rose from ₹628.74 lakhs to ₹2,213.44 lakhs, diluting the overall return.

FY 24 vs FY 23

The Return on Capital Employed (ROCE) increased from 15.33% to 25.68% in FY 2023-24 compared to FY 2022-23, driven by nearly double the Earnings Before Tax and Interest (EBIT), rising from ₹1,183.79 lakhs to ₹1,498.47 lakhs. This improvement was further supported by a rise in working capital from ₹138.30 lakhs to ₹628.74 lakhs, enhancing overall profitability.

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₹ in Lakhs

54 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Nine months period ended 31-12-2024

Name of the entity in the	Net assets, i.e., Total assets minus Total liabilities		Share of Profit or Loss	
	As % of	Amount	As % of	Amount
	Consolidated Net Assets	₹ in Lakhs	Consolidated Profit or Loss	₹ in Lakhs
Parent				
Spunweb Nonwoven Limited	100.00%	4,155.07	-	-
Subsidiaries :				
Supnweb India Private Limited	7.85%	1,513.22	-	-
	-	-	-	-
Total	107.85%	5,668.29	-	-
Less : Eliminations	-7.85%	(1,513.22)	-	-
Less : Minority Interests in all subsidiaries	-	-	-	-
Net Total	100.00%	4,155.07		-

55 FORM AOC - 1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2004

Statement Containing salient features of the financial statements of subsidiaries

PART - A : Subsidiaries

Particulars	For the nine month period ended on	
	31.12.2024	
Reporting period	01/04/2024 to 31/12/2024	
Reporting currency	INR	
Exchange Rate	NA	
	₹ in Lakhs	
Share capital	1,399.00	
Reserves & surplus	114.22	
Total assets	5,854.72	
Total Liabilities	5,854.72	
Investments	-	
Turnover	3,384.76	
Other income	5.35	
Profit before tax	307.62	
Provision for tax	-	
Profit after tax	307.62	
Proposed Dividend	-	
Proportion of ownership interest	100.00%	

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

ANNEXURE - 6

RESTATEd CONSOLIDATED STATEMENT OF TAX SHELTER

₹ in Lakhs

Particulars	For the nine months period			
	ended on December 31,2024	Year Ended 31-03-2024	Year Ended 31-03-2023	Year Ended 31-03-2022
Profit before tax, as restated	1,019.12	744.71	170.83	470.51
Change in Profit due to Restatement Of Depreciation	-	8.86		
A Profit before tax for Taxation	1,019.12	753.57	170.83	470.51
B Tax rate as applicable (%)	26.00%	27.82%	26.00%	27.82%
C Tax expense at nominal rate [A * B]	264.97	209.64	44.42	130.90
Adjustments:				
D Permanent Differences :-				
Expenses disallowed under section 37	-	-	0.00	0.97
Expenses disallowed under section 36	-	1.22	0.73	2.30
Other deduction	-	0.14	-	1.43
Total Permanent Differences	-	1.36	0.73	4.70
E Timing Difference :-				
Difference in depreciation as per income tax and as per books	(82.36)	159.39	(110.51)	(31.32)
Disallowances under section 43B	-	-	(0.31)	(3.31)
Disallowances under section 40A for gratuity provision	10.13	16.66	8.27	16.59
Disallowances under section 40(a)(i) and 40(a)(ia)	-	-	-	-
Disallowances under section 23 of MSMD Act	-	-	-	-
Total Timing Differences	(72.23)	176.05	(102.55)	(18.03)
F Net adjustments [D + E]	(72.23)	177.40	(101.82)	(13.34)
G Set off of Carried forwarded Business Losses		-	-	-
H Net Adjustment After Loss Utilisation [F + G]	(72.23)	177.40	(101.82)	(13.34)
I Tax Expenses/ (Saving) thereon [H * B]	(18.78)	49.35	(26.47)	(3.71)
J Tax Liability, After Considering the effect of Adjustment [C + I]	246.19	259.00	17.94	127.19
K Book Profit as per MAT	770.22	770.22	179.10	487.10
L MAT Rate (15% Basic tax+7% Surcharge+4% Cess)	16.69%	16.69%	16.69%	16.69%
M Tax liability as per MAT [K * L]	128.57	128.57	29.90	81.31
N Current Tax being Higher of J or M	246.19	259.00	29.90	127.19
O Interest U/s 234A, B and C of Income Tax Act	-	-	2.61	3.61
P Total Tax expenses [N + O]	246.19	259.00	32.51	130.79
Q Met Credit Utilization	-	(12.24)		
Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	MAT	Normal

Notes:

- The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
- The permanent/timing differences for the years 31 March 2022 and 2023 have been computed based on the Income-tax returns filed for the respective years after giving adjustments to restatements, if any.
- Figures for the Period ended 31st March 2024 have been derived from the provisional computation of total income prepared by the Company in line with the final return of income that will be filed for the assessment year 2024-2025 and are subject to any change that may be considered at the time of filing return of income for the assessment year 2024-2025.
- Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.
- The above statement should be read with the Statement of Notes to the Financial Information of the Company.

Spunweb Nonwoven Limited
(Earlier known as Spunweb Nonwoven Private Limited)

CIN : U17291GJ2015PLC084107

Annexure - 7

CONSOLIDATED RESTATEMENT ADJUSTMENTS, MATERIAL REGROUPINGS AND NON-ADJUSTING ITEMS

₹ in Lakhs

(a) Appropriate adjustments have been made in the Restated Consolidated financial statement, wherever required, by the reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.

(b) Impact of Consolidated restatement adjustments

The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit / (losses) of the Company is as under.

Particulars	Year Ended	Year Ended	Year Ended
	31-03-2024	31-03-2023	31-03-2022
Profit after tax as per audited financial statements	597.01	117.86	344.88
Add/ (less) : Restatement adjustments on account of -			
i) (Short)/ excess provision for income tax	48.76	-	
ii) Change in calculation of deferred tax liabilities	(4.78)	(3.09)	(4.78)
iii) Recognition of Gratuity Expenses	-	8.27	16.59
iv) Adjustments related to consolidation pertaining to the previous year		-	-
v) Additional Depreciation Provided due to Restatement	8.86		-
vi) Prior period postage and courier charges	-	-	-
Total adjustments	52.83	5.18	11.81
Restated Consolidated profit after tax for the years	544.18	112.68	333.07

Note:-

A positive figures represents addition and figures in brackets represents deletion in the corresponding head in the audited financial statements for respective reporting periods to arrive at the Restated Consolidated numbers.

(c) Notes on consolidated restatement adjustments

i) (Short)/ excess provision for income tax

The company has provided excess or short provisions in the year the Income Tax Return has been filed for the respective financial year. But in restated financials, the company has provided excess or short provision in the year to which it relates to.

ii) Change in calculation of deferred tax liabilities

There is change in deferred tax assets/ liabilities as per audited books of accounts and as per restated books for respective financial covered under the restated financial information and the same has been given effect in the year to which the same relates to.

iii) Change in Depreciation

The management identified changes in the classification of assets, resulting in additional depreciation being accounted for in the Restated Financial Statements for FY 2023-24.

(d) Reconciliation of Restated Consolidated Reserve and Surplus

Particulars	Year Ended	Year Ended	Year Ended
	31-03-2024	31-03-2023	31-03-2022
Reserve and surplus as per audited financial statements	1,646.56	1,049.55	931.70
Adjustments for:			
- Cumulative impact due to restatement of consolidated financial statements	(69.80)	(16.98)	(11.80)
- Related to consolidation of accounts pertaining to the previous year	-	-	-
Reserve and surplus as per Restated Financial Statements	1,576.76	1,032.57	919.90

e) The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

f) Contractual liabilities: All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

g) Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

h) Auditors Qualifications: There are no audit qualification which require any adjustment in the financials.

i) There is no change in significant accounting policies of the Company during the periods covered under audit.

j) The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

OTHER FINANCIAL INFORMATION

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings per equity share (Face Value of ₹ 10 /- each)				
Basic EPS (in ₹) ^{(1)*}	4.42**	5.44	1.13	3.33
Diluted EPS (in ₹) ^{(1)*}	4.42**	5.44	1.13	3.33
Return on Net Worth (%) ^{(1)*}	22.34%**	24.06%	5.79%	19.53%
Net asset value per equity share (₹) ^{(1)**}	37.36	25.09	20.15	18.75
Share Capital (₹ in lakhs)	1,075.87	999.91	999.91	999.91
Reserves and Surplus (Other equity), as restated (₹ in lakhs)	3,079.20	1,576.76	1,032.58	919.89
Adjusted Net worth ⁽⁶⁾ (in ₹ lakhs)	4,019.29	2,509.11	2,015.17	1,875.00
EBITDA ⁽¹⁾	2048.07**	1500.51	1080.16	638.89

*The same is adjusted for giving effect of bonus issue in ratio of 13:20

** not annualized and hence the same are not comparable with the preceding period(s).

- The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

Basic Earnings per share (₹)	=	Net profit as restated, attributable to equity shareholders divided by Weighted average number of equity shares.
Diluted Earnings per share (₹)	=	Net profit as restated, attributable to equity shareholders divided by Weighted average number of dilutive equity shares.
Return on Adjusted net worth (%)	=	Net profit after tax, as restated divided by average adjusted net worth, where average adjusted net worth is calculated by dividing sum of closing adjusted net worth of the current fiscal year and closing adjusted net worth of the previous fiscal year by two. Net Worth of FY 2021 is taken from audited financial statements
Net Asset Value (NAV) per equity share (₹)	=	Adjusted net worth as restated at the end of the period divided by Number of equity shares outstanding at the end of the period.
EBITDA	=	Restated profit/(loss) after tax for the respective Fiscal plus tax expenses plus finance costs plus depreciation and amortization

- Reserves and Surplus means the aggregate value of the all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to the subdivision subsequent to the balance sheet date.
- “Adjusted Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred tax assets, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- The above ratios have been computed on the basis of the Restated Consolidated Financial Information.

CAPITALISATION STATEMENT

(in ₹ lakhs)

Particulars	Pre- Issue at December 31, 2024	As adjusted for the proposed Issue [^]
Total borrowings	10,043.81	[•]
Current borrowings*	4,532.99	[•]
Non-current borrowings (including current maturity and interest accrued)*	5,510.82	[•]
Total equity	4,155.07	[•]
Equity share capital*	1,075.87	[•]
Reserves and Surplus*	3,079.20	[•]
Ratio: Non-current borrowings/ Total equity	1.33	[•]
Ratio: Total borrowings / total equity	2.42	[•]

**These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*

[^] to be updated in Prospectus on finalization of issue price.

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial information for the nine months period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022. Our Restated Consolidated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Indian GAAP, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled “Financial Information” on page 228 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated consolidated financial statements of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled “Risk Factors” and “Forward-Looking Statements” on pages 30 and 19 respectively, of this Draft Red Herring Prospectus.

These financial statements have been prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. We have neither attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS or Ind AS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Red Herring Prospectus, by persons not familiar with Indian Accounting Practices, should accordingly be limited.

References to the “Company”, “we”, “us” and “our” in this chapter refer to Spunweb Nonwoven Limited (formerly known as Spunweb Nonwoven Private Limited along with our Subsidiary Spunweb India Private Limited (earlier known as Spunweb Nonwoven) as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

We, along with our wholly owned subsidiary, Spunweb India Private Limited (“SIPL”), are engaged in the business of manufacturing of polypropylene spunbond nonwoven fabrics primarily used in industries such as hygiene, healthcare, packaging, agriculture and others (including roofing & construction, industrial and home furnishing). We are one of the largest manufacturers in spunbond nonwoven fabric industry in India, with an installed production capacity of 32,640 MT as of FY24 (*Source: CareEdge Report*). Our product portfolio consists of hydrophobic nonwoven fabric, hydrophilic nonwoven fabric, super soft nonwoven fabric, UV treated fabric, antistatic nonwoven fabric and FR treated fabric in the width of 1.6m, 2.6m and 3.2m with the range of 7 to 150 grams per square metre (“GSM”). These products are available in more than 20 colours and they can be customized in colour with value-added services such as varied coatings, slitting, printing, sheet cutting and wider-width fabrics. We are also engaged in supply of various types of nonwoven fabric bags. Our Company is ISO 9001:2015 certified which ensures the products manufactured by us are reliable and consistent in quality.

Our customers include manufacturers of hygiene products viz. diapers, sanitary pads and under pads, manufacturers of healthcare products viz., face masks, PPE kits, surgical gowns and other medical disposable products. Our customers also include manufacturers of packaging products viz. shopping bags, grocery bags, suit cover bags and manufacturers of agricultural products viz. fruit cover and crop cover. Some of our customers include names such as RGI Meditech Private Limited, Millenium Babycare Limited, Sekhani Industries Private Limited, Myra Hygiene Products Private Limited, Rotech Healthcare Private Limited, Poligof Micro Hygiene (India) Private Limited, Salus Products Private Limited, Kwalitex Healthcare Private Limited, JDS Nonwoven, Vyom Nonwoven, among others.

We manufacture, market and sell our products in domestic as well as international markets. In domestic market, we have catered to more than 280, 400, 450, and 500 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024. In the international market, we have catered to more than 10, 15, 20, and 20 customers during Fiscal 2022, Fiscal 2023, Fiscal 2024 and nine months period ended December 31, 2024, respectively, who are based in countries such as the United States of America, United Arab Emirates, Italy,

Egypt, Saudi Arabia, Sri Lanka, Nepal, Kenya and Nigeria.

For further details, please see “*Our Business*” on page 171 of this Draft Red Herring Prospectus.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled “*Risk Factors*” on page 30 of this Draft Red Herring Prospectus. The following are certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Disruption in supply of raw materials and labour supply at our manufacturing facilities
- Development and adoption of advanced technology in manufacturing nonwoven fabrics
- Government regulations and policies
- Rising demand for hygiene products
- Ability to maintain cordial relationships with our customers and suppliers
- Company’s ability to successfully implement its growth expansion plan
- High competition and fragmented market
- Lack of awareness and acceptance in some sectors
- Optimum capacity utilisation of the installed capacity

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Consolidated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial information*” on page 228 of this Draft Red Herring Prospectus.

RESULTS OF OUR OPERATIONS

The following discussion on results of operations should be read in conjunction with the Restated Consolidated Financial Statements of Company for the nine months period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022:

	Nine Months Period Ended on December 31, 2024		Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue from Operations	15,710.05	99.71%	14,861.14	96.35%	11,591.82	98.50%	11,382.15	96.43%
Other Income	45.51	0.29%	562.98	3.65%	176.19	1.50%	421.02	3.57%
Total Income	15,755.56	100.00%	15,424.12	100.00%	11,768.01	100.00%	11,803.17	100.00%
Cost of Materials Consumed	12,897.42	81.86%	11,632.09	75.41%	8,875.35	75.42%	9,901.48	83.89%
Changes in inventories of finished goods and work-in-progress	(1,265.67)	(8.03)%	(627.56)	(4.07)%	(211.93)	(1.80)%	(230.35)	(1.95)%
Employee Benefits expenses	484.36	3.07%	422.22	2.74%	371.15	3.15%	307.07	2.60%
Operating expenses	818.36	5.19%	1,061.68	6.88%	757.41	6.44%	455.11	3.86%
Selling, general and	727.51	4.62%	872.19	5.65%	719.66	6.12%	309.94	2.63%

	Nine Months Period Ended on December 31, 2024		Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Administrative Expense								
Finance costs	479.35	3.04%	439.08	2.85%	435.19	3.70%	347.28	2.94%
Depreciation and Amortization expenses	595.11	3.78%	879.70	5.70%	650.33	5.53%	242.12	2.05%
Total Expenses	14,736.44	93.53%	14,679.40	95.17%	11,597.18	98.55%	11,332.66	96.01%
Profit/(Loss) before tax	1,019.12	6.47%	744.71	4.83%	170.83	1.45%	470.51	3.99%
Tax expense:								
- Current Tax	246.19	1.56%	246.76	1.60%	32.51	0.28%	130.79	1.11%
- Deferred Tax	18.06	0.11%	(46.22)	(0.30)%	25.64	0.22%	4.51	0.04%
-Short/(excess) provision for tax relating to prior years	25.51	0.16%	-	-	-	-	2.14	0.02%
Net Tax expenses	289.76	1.84%	200.53	1.30%	58.15	0.49%	137.44	1.16%
Profit/(Loss) after tax	729.35	4.63%	544.18	3.53%	112.68	0.96%	333.07	2.82%

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT

Total Income

Our total income for the nine months period ended on December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, were amounted to ₹15,755.56 lakhs, ₹ 15,424.12 lakhs, ₹ 11,768.01 lakhs & ₹ 11,803.17 lakhs respectively. Our revenue comprises of:

Revenue from operations

Our revenue from operations comprises of revenue from the sale of our products. Our revenue from operations amounted to ₹15,710.05 lakhs, ₹14,861.14 lakhs, ₹11,591.82 lakhs and ₹11,382.15 lakhs accounted for 99.71%, 96.35%, 98.50%, 96.43% of our total income for the nine months period ended on December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.

Other income

Other income comprises of income from discount. Our other income Our revenue from operations amounted to ₹45.51 lakhs, ₹562.98 lakhs, ₹176.19 lakhs and ₹421.02 lakhs accounted for 0.29 %,3.65%,1.50%, 3.57 % of our total income for the nine months period ended on December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively.

Expenses

Our total expenses for the nine months period ended on December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, amounted to ₹14,736.44 lakhs, ₹14,679.40 lakhs, ₹11,597.18 lakhs and ₹11,332.66 lakhs respectively. Our expenses primarily consist of the following:

Cost of materials consumed

Cost of materials consumed amounted to ₹12,897.42 lakhs, ₹11,632.09 lakhs, ₹8,875.35 lakhs and ₹9,901.48 lakhs for the nine months period ended on December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively accounted for 81.86%, 75.41%, 75.42%, 83.89% of the total income, respectively.

Changes in inventories of finished goods and work-in-progress

Change in inventories of finished goods and work-in-progress amounted to ₹(1,265.67) lakhs, ₹(627.56) lakhs, ₹(211.93) lakhs and ₹(230.35) lakhs for the nine months period ended on December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively accounted for (8.03) %, (4.07)%, (1.80) %, (1.95) % of the total income respectively.

Employee benefits expense

Employee benefits expenses consist of salaries and wages, contribution to provident fund and other funds, gratuity, directors remuneration and staff welfare expenses. Employee benefits expenses for the nine months period ended on December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, amounted to ₹484.36 lakhs, ₹422.22 lakhs, ₹371.15 lakhs and ₹307.07 lakhs, respectively which accounted for 3.07%, 2.74 %, 3.15% and 2.60% of our total income, respectively.

Operating expenses

Operating expenses consist of production expense, power and fuel and job work expenses. Operating expenses for the nine months period ended on December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, amounted to ₹818.36 lakhs, ₹1,061.68 lakhs, ₹757.41 lakhs and ₹455.11 lakhs, respectively which accounted for 5.19%, 6.88 %, 6.44% and 3.86% of our total income, respectively.

Selling, general and administrative expenses

Selling, general and administrative expenses primarily consists of freight and forwarding, import duty & clearing charges, factory expense, repairs and maintenance, travelling expenses, insurance, legal & professional charges, exhibition expenses. Selling, general and administrative expenses for the nine months period ended on December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, amounted to ₹727.51 lakhs, ₹872.19 lakhs, ₹719.66 lakhs and ₹309.94 lakhs respectively which accounted for 4.62%, 5.65%, 6.12% and 2.63% of our total income, respectively.

Finance Costs

Finance cost consists of interest on borrowings, interest on trade payables, delayed or deferred payment of taxes and other borrowing costs amounted to ₹479.35 lakhs, ₹439.08 lakhs, ₹435.19 lakhs and ₹347.28 lakhs for the nine months period ended on December 31, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, which accounted for 3.04%, 2.85%, 3.70% and 2.94% of our total income, respectively.

Depreciation and Amortization

Depreciation and amortization represents depreciation on property, plant & equipment and intangible assets. Depreciation and amortization expense amounted to ₹595.11 lakhs, ₹879.70 lakhs, ₹650.33 lakhs and ₹242.12 lakhs for the nine months period ended on December 31, 2024 the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, respectively which accounted for 3.78%, 5.70%, 5.53% and 2.05% of our total income, respectively.

Financial Year 2024 compared to Financial Year 2023

Total Income

Our total income increased by 31.07% from ₹11,768.01 lakhs in financial year ended March 31, 2023, to

₹15,424.12 lakhs in financial year ended March 31, 2024, primarily due to reasons as discussed below:

Revenue from operations

Our revenue from operations increased by 28.20% from ₹11,591.82 lakhs in financial year ended March 31, 2023, to ₹14,861.14 lakhs in financial year ended March 31, 2024, primarily due to installation of the 3.2m PP SSS machine with an online detection system machine in the month of January 2023. This investment in advanced plant and machinery had a direct impact on our production capabilities and sales of our products. Further, our capacity utilisation also increased from 34.37% in fiscal 2023 to 52.83% fiscal 2024.

Other Income

Other income increased by 219.53% from ₹176.19 lakhs in financial year ended March 31, 2023, to ₹562.98 lakhs in financial year ended March 31, 2024 primarily due to the SGST subsidy received of ₹453.27 lakhs and foreign exchange gain of ₹59.54 lakhs in financial year ended March 31, 2024.

Expenses

Total expenses increased by 26.58% from ₹11,597.18 lakhs in financial year ended March 31, 2023, to ₹14,679.40 lakhs in financial year ended March 31, 2024 primarily due to reasons as discussed below:

Cost of materials Consumed

Cost of materials consumed increased by 31.06% from ₹8,875.35 lakhs in financial year ended March 31, 2023, to ₹11,632.09 lakhs in financial year ended March 31, 2024, primarily due to increase in raw material consumption in line with increase in sales of products.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress increased by 196.13 % from ₹(211.93) lakhs in financial year ended March 31, 2023, to ₹(627.56) lakhs in financial year ended March 31, 2024, primarily due to increase in closing inventories of finished goods.

Employee benefits expense

Employee benefits expense increased by 13.76% from ₹371.15 lakhs in financial year ended March 31, 2023, to ₹422.22 lakhs in financial year ended March 31, 2024, primarily due to increase in salaries & wages, gratuity and staff welfare expenses.

Operating expenses

Operating expense increased by 40.17% from ₹757.41 lakhs in financial year ended March 31, 2023, to ₹1,061.68 lakhs in financial year ended March 31, 2024, primarily due to increase in power & fuel expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by 21.19% from ₹719.66 lakhs in financial year ended March 31, 2023, to ₹872.19 lakhs in financial year ended March 31, 2024, primarily due to increase in freight and forwarding expenses from ₹120.36 lakhs in financial year ended March 31, 2023 to ₹216.30 lakhs in financial year ended March 31, 2024, import duty & clearing charges from ₹226.42 lakhs in financial year ended March 31, 2023 to ₹346.16 lakhs in financial year ended March 31, 2024, insurance expense from ₹15.64 lakhs in financial year ended March 31, 2023 to ₹21.95 lakhs in financial year ended March 31, 2024, travelling expenses from ₹22.59 lakhs in financial year ended March 31, 2023 to ₹34.51 lakhs in financial year ended March 31, 2024.

Finance costs

Finance costs increased by 0.89% from ₹435.19 lakhs in the financial year ended March 31, 2023, to ₹439.08 lakhs in the financial year ended March 31, 2024, primarily due to an increase in interest expense on short-

borrowings.

Depreciation and amortization

Depreciation and amortization expenses increased by 35.27% from ₹650.33 lakhs in financial year ended March 31, 2023, to ₹879.70 lakhs in financial year ended March 31, 2024, primarily on account of on account of higher asset base as compared to previous financial year.

Profit after tax

The profit after tax increase from ₹112.68 lakhs in financial year ended March 31, 2023, to ₹544.18 for financial year ended March 31, 2024, primarily on account of increase in sales and other income during the financial year ended March 31, 2024 as compared to financial year ended March 31, 2023.

Financial Year 2023 compared to Financial Year 2022

Total Income

Our total income decreased by 0.30% from ₹11,803.20 lakhs in financial year ended March 31, 2022, to ₹11,768.01 lakhs in financial year ended March 31, 2023, primarily due reasons as discussed below:

Revenue from operations

Our revenue from operations increased by 1.84% from ₹11,382.15 lakhs in financial year ended March 31, 2022, to ₹11,591.82 lakhs in financial year ended March 31, 2023, primarily due to increase in volume of sales of our products.

Other Income

Other income decreased by 58.15% from ₹421.02 lakhs in financial year ended March 31, 2022, to ₹176.19 lakhs in financial year ended March 31, 2023, primarily due to GST refund received of ₹387.77 lakhs in financial year ended March 31, 2022.

Expenses

Total expenses increased by 2.33% from ₹11,332.66 lakhs in financial year ended March 31, 2022, to ₹11,597.18 lakhs in financial year ended March 31, 2023, primarily due to reasons as discussed below:

Cost of materials consumed

Cost of materials consumed decreased by 10.36% from ₹9,901.48 lakhs in financial year ended March 31, 2022, to ₹ 8,875.35 lakhs in financial year ended March 31, 2023, primarily due to reuse of wastage generated during the manufacturing process in financial year ended March 31, 2023 which led to a reduction in overall raw material cost.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work-in-progress decreased by 8.00 % from ₹(230.35) lakhs in financial year ended March 31, 2022, to ₹(211.93) lakhs in financial year ended March 31, 2023, primarily due to increase in inventories of finished goods.

Employee benefits expense

Employee benefits expense increased by 20.87 % from ₹307.07 lakhs in financial year ended March 31, 2022, to ₹371.15 lakhs in financial year ended March 31, 2023, primarily due to increase in salaries & wages and directors remuneration.

Operating expenses

Operating expense increased by 66.42% from ₹455.11 lakhs in financial year ended March 31, 2022, to ₹ 757.41 lakhs in financial year ended March 31, 2023, primarily due to increase power and fuel expenses.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by 132.19% from ₹309.94 lakhs in financial year ended March 31, 2022, to ₹719.66 lakhs in financial year ended March 31, 2023, primarily due to increase in freight and forwarding expenses from ₹102.36 lakhs in financial year ended March 31, 2022 to ₹120.23 lakhs in financial year ended March 31,2023, import duty & clearing charges from ₹21.71 lakhs in financial year ended March 31,2022 to ₹226.42 lakhs in financial year ended March 31,2023, factory expense from ₹17.51 lakhs in financial year ended March 31,2022 to ₹27.71 lakhs in financial year ended March 31,2023, exhibition expense from Nil in financial year ended March 31,2022 to ₹139.06 lakhs in financial year ended March 31,2023, insurance expense from ₹8.46 lakhs in financial year ended March 31,2022 to ₹15.64 lakhs in financial year ended March 31,2023, and travelling expense from ₹7.52 lakhs in financial year ended March 31,2022 to ₹22.59 lakhs in financial year ended March 31,2023.

Finance Costs

Finance costs increased by 25.31% from ₹347.28 lakhs in the financial year ended March 31, 2022, to ₹435.19 lakhs in the financial year ended March 31, 2023, primarily due to an increase in interest expense on short-term borrowings.

Depreciation and amortization

Depreciation and amortization expenses increased by 168.60 % from ₹242.12 lakhs in financial year ended March 31, 2022, to ₹ 650.33 lakhs in financial year ended March 31, 2023, primarily on account of on account of higher asset base as compared to previous financial year.

Profit after tax

The profit after tax decreased from ₹333.07 lakhs in financial year ended March 31, 2022, to ₹112.68 lakhs for financial year ended March 31,2023, primarily on account of decrease in other income and increase in operating expenses and selling, general and administrative expenses during the financial year ended March 31,2023 as compared to financial year ended March 31,2022.

SELECTED RESTATED STATEMENT OF ASSETS AND LIABILITIES

The table below sets forth the principal components of our total assets, equity and liabilities as at the periods indicated in the table below:

Particulars	<i>(₹ in lakhs)</i>			
	December 31,2024	March 31,2024	March 31,2023	March 31,2022
Total Shareholder's funds	1,075.87	999.91	999.91	999.91
Total Non-Current Liabilities	5,063.61	2,895.14	3,392.99	4,533.15
Total Current Liabilities	10,069.27	5,186.24	3,889.23	2,123.94
Total Equity and Liabilities	19,287.95	10,658.04	9,314.71	8,576.89
Total Non-current Assets	6,586.92	4,843.06	5,287.19	5,411.05
Total Current Assets	12,701.03	5,814.98	4,027.53	3,165.84
Total Assets	19,287.95	10,658.04	9,314.71	8,576.89

Our shareholder's fund increased from ₹1,919.80 lakhs as at March 31, 2022 to ₹2,032.49 lakhs as at March 31,

2023, ₹2,576.67 lakhs as at March 31, 2024 and to ₹4,155.07 lakhs as on December 31, 2024. Increase in fiscal 2023 and fiscal 2024 was primarily on account of profit after tax for the financial year ended March 31, 2023 amounting to ₹ 112.68 lakhs and profit after tax for the financial year ended March 31, 2024 amounting to ₹544.18 lakhs. Increase in shareholder's fund for nine months period ended December 31,2024 is due to issue of share capital by ₹75.96 lakhs, security premium of ₹773.09 lakhs and profit after tax for the nine months period ended December 31,2024 amounting to ₹729.35 lakhs and.

Our total non-current liabilities decreased from ₹4,533.15 lakhs as at March 31, 2022 to ₹3,392.99 lakhs as at March 31, 2023, primarily on account of decrease in long term borrowings from ₹4,517.38 lakhs as at March 31, 2022 to ₹ 3,369.63 lakhs as at March 31, 2023. Our total non-current liabilities decreased to ₹2,895.14 lakhs as at March 31, 2024 which was primarily on account of decrease in long term borrowings from ₹3,369.63 to ₹2,856.11 lakhs. Our total non-current liabilities further increased to ₹4,645.29 lakhs as on December 31, 2024, primarily on account of the increase in long term borrowings from ₹2,856.11 lakhs as at March 31, 2024 to ₹4,596.62 lakhs as at December 31, 2024.

Our total current liabilities (i) increased from ₹2,123.94 lakhs as at March 31, 2022 to ₹3,889.23 lakhs as at March 31, 2023; (ii) increased from ₹3,889.23 lakhs as at March 31, 2023 to ₹5,186.24 lakhs as on March 31, 2024; and (iii) increased from ₹5,186.24 lakhs as at March 31, 2024 to ₹10,487.59 lakhs as on December 31,2024. The principal components of short-term borrowings include cash credit facilities from banks. During the financial year ended March 31, 2024, the Company has been sanctioned additional cash credit facility the existing bank from ₹1,150.00 lakhs to ₹1,550.00 lakhs. The reason for availing these borrowings was to support the growth in business of the Company. The trades payables of the company (i) increased from ₹637.41 lakhs as at March 31, 2022 to ₹2,167.53 lakhs as on March 31, 2023; (ii) increased from ₹ 2,167.53 lakhs as on March 31, 2023 to ₹2,858.76 lakhs as at March 31, 2024; and (iii) increased from ₹2,858.76 lakhs as at March 31, 2024 to ₹4,112.51 lakhs as on December 31, 2024.

Our total non-current assets increased from ₹5,411.05 lakhs as at March 31, 2022 to ₹5,287.19 lakhs as at March 31, 2023 and decrease to ₹4,843.06 lakhs as at March 31, 2024, which further increased to ₹6,586.92 lakhs as on December 31, 2024. Increase from fiscal 2022 to fiscal 2023, was primarily on account of increase in property, plant & equipments from ₹1,236.28 lakhs as at March 31, 2022 to ₹5,029.95 lakhs as at March 31, 2023. As at December 31,2024, property, plant & equipments further increased to ₹5,982.19 lakhs from ₹4,584.62 lakhs as at March 31,2024.

Our total current assets increased from ₹3,165.84 lakhs as at March 31, 2022 to ₹4,027.53 lakhs as at March 31, 2023, ₹5,814.98 lakhs as at March 31, 2024 and to ₹12,701.03 lakhs as on December 31,2024. The increase was primarily on account of the increase in inventories from ₹915.22 lakhs as at March 31, 2022 to ₹985.33 lakhs as at March 31, 2023, ₹2,388.66 lakhs as at March 31, 2024 and ₹2,388.66 lakhs as at December 31,2024. The trades receivables also increased from ₹1,197.02 lakhs as at March 31, 2022 to ₹2,192.97 lakhs as at March 31, 2023, ₹3,034.30 lakhs as at March 31,2024 and to ₹6,422.54 lakhs as on December 31, 2024.

Cash flows

The following table sets forth our cash flows for the period indicated:

Particulars	(₹ in lakhs)			
	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from/ (used in) operating activities	(1,080.83)	994.26	1,710.91	1,478.44
Net cash flow from/ (used in) investing activities	(1,062.53)	(439.07)	(645.80)	(3,900.64)
Net cash flow from/ (used in) financing activities	2,149.71	(547.78)	(1,067.52)	2,402.19
Net increase/decrease in cash and cash equivalents	6.35	7.40	(2.41)	(20.00)
Cash and cash equivalents at the beginning of the year	17.09	9.69	12.10	32.10

Particulars	Nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cash and cash equivalents at the end of the year	23.45	17.09	9.69	12.10

Operating Activities

For the nine months period ended December 31, 2024

Our net cash used in operating activities was ₹ (1,080.83) lakhs for the nine months period ended December 31, 2024. Our operating profit before changes in working capital was ₹2,106.58 lakhs which was primarily adjusted against increase in inventories by ₹1,207.61 lakhs, trade receivables by ₹1,561.87 lakhs, short term loans and advances by ₹ (503.29) lakhs, other current assets by ₹140.64 lakhs, trade payables by ₹189.71 lakhs, and current liabilities by ₹316.70 lakhs, respectively.

Financial Year 2023-24

Our net cash generated from operating activities was ₹994.26 lakhs for the financial year ended March 31, 2024. Our Operating profit before changes in working capital was ₹2,072.11 lakhs which was primarily adjusted against increase in inventories by ₹1,403.33 lakhs, trade receivables by ₹841.33 lakhs, other non current assets by ₹50.90 lakhs, increase in trade payables by ₹691.23 lakhs and decrease in short term loans & advances by ₹191.91 lakhs, other current assets by ₹270.84 lakhs and other current liabilities by ₹5.56 lakhs, respectively.

Financial Year 2022-23

Our net cash generated from operating activities was ₹1,710.91 lakhs for the financial year March 31, 2023. Our Operating profit before changes in working capital was ₹1253.14 lakhs, which was primarily adjusted against increase in inventories by ₹70.10 lakhs, trade receivables by ₹995.97 lakhs, other current assets by ₹167.17 lakhs, increase in trade payables by ₹1,530.12 lakhs, current assets by ₹107.03 lakhs and decrease in short term loans and advances by ₹367.28 lakhs, and other current liabilities by ₹182.63 lakhs, respectively.

Financial Year 2021-22

Our net cash used in operating activities was ₹1,478.44 lakhs for the financial year ending on March 31, 2022. Our operating profit before changes in working capital was ₹1071.44 lakhs which was primarily adjusted against decrease in inventories by ₹97.67 lakhs, trade receivables by ₹265.44 lakhs, short-term loans and advances by ₹912.32 lakhs, trade payables by ₹233.94 lakhs, other non current assets by ₹350.65 lakhs, and increase in other current assets by ₹285.71 lakhs and trade payable by ₹233.94 lakhs, respectively.

Investing Activities

For the nine months period ended December 31, 2024

Our net cash used in investing activities was ₹1,062.53 lakhs for the nine months period ended December 31, 2024. It was on account of capital expenditure incurred on fixed assets including capital advances by ₹270.63 lakhs and investment in subsidiary by ₹828.11 lakhs, respectively was offsetted by interest income and proceeds from the sales of fixed assets of ₹7.98 lakhs and 28.23 lakhs, respectively.

Financial Year 2023-24

Our net cash used in investing activities was ₹439.07 lakhs for the financial year ended on March 31, 2024. It was on the on account of capital expenditure incurred on fixed assets including capital advances by ₹456.28 lakhs which was offsetted against interest income and proceeds from the sales of fixed assets of ₹10.03 lakhs and ₹7.17 lakhs, respectively.

Financial Year 2022-23

Our net cash used in investing activities was ₹645.80 lakhs for the financial year ended March 31, 2023. It was on account of capital expenditure incurred on fixed assets including capital advances by ₹659.13 lakhs, which was offsetted against interest income of ₹13.33 lakhs.

Financial Year 2021-22

Our net cash used in investing activities was ₹3,900.64 lakhs for the financial year ended March 31, 2022. It was on account of capital expenditure incurred on fixed assets including capital advances by ₹3,970.24 lakhs, which was offsetted against interest income and fixed deposits with banks of ₹8.14 lakhs and ₹61.46 lakhs, respectively.

Financing Activities

For the nine months period ended December 31, 2024

Net cash generated from financing activities for the nine months period ended December 31, 2024, was ₹2,149.71 lakhs which was on account of proceeds from long-term and short-term borrowings which were offsetted by finance cost of ₹479.35 lakhs.

Financial Year 2023-24

Net cash used in financing activities for the financial year ended March 31, 2024 was ₹547.78 lakhs which was on account of net repayment of long term borrowings and finance cost of ₹504.80 lakhs and ₹439.08 lakhs, respectively which was offsetted by proceeds from short term borrowings ₹396.09 lakhs.

Financial Year 2022-23

Net cash used in financing activities for the financial year ended March 31, 2023, was ₹ 1,067.52 lakhs which was on account of repayment of long-term borrowings and finance cost of ₹1,147.75 lakhs and ₹435.19 lakhs, respectively which was offsetted by repayment of short-term borrowings of ₹515.43 lakhs.

Financial Year 2021-22

Net cash generated from financing activities for the financial year ended March 31, 2022, was ₹2,402.19 lakhs which was on account of proceeds from long term borrowings which was offsetted by repayment of short-term borrowings and finance cost of ₹0.87 lakhs and ₹347.28 lakhs, respectively.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risks.

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employ prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Credit Risk

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

Material Frauds

There is no material frauds committed against our Company in the last three financials year.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 30 of this Draft Red Herring Prospectus.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 30 and 259, respectively, of this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Future changes in the relationship between costs and revenues

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 30 and 259, respectively, and elsewhere in this Draft Red Herring Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and other economic factors.

New products or Business segments

Except as disclosed in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products/ services or business segment.

Seasonality of Business

Except as mentioned in this chapter, our business is not subject to seasonal variations.

Significant Dependence on a Single or Few Suppliers or Customers

For nine months period ended December 31,2024 and financial year ended March 31, 2024, March 31,2023 and March 31,2022, our top five customers accounted for 24.66%, 17.57%, 18.04%, and 41.20%, respectively, and

our largest customer accounted for 8.93%, 4.25%, 6.78% and 17.30% of our revenue from operations, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions see “*Restated Financial Statements*” on page 228.

Material Developments subsequent to December 31, 2024

Except as disclosed below and elsewhere in Draft Red Herring Prospectus, no circumstances have arisen since December 31, 2024, the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

1. The Company issued and allotted bonus shares in ratio of 13:20 i.e., thirteen (13) equity shares of face value of ₹10 each for every twenty (20) equity shares of face value of ₹10 each. The same was approved by the shareholders in extra-ordinary general meeting held on January 11, 2025 and the equity shares pursuant to the bonus issue was allotted on January 13, 2025.

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FINANCIAL INDEBTEDNESS

(Rs. in Lakhs)

Category of Borrowings	Sanctioned Amount	Amount outstanding as on December 31, 2024
A) Long-term borrowings		
<i>Secured</i>		
Term Loans from Banks & Financial Institutions	4,394.06	3,307.69
Vehicle / Equipment Loans from Banks & Financial Institutions	117.23	53.51
<i>Unsecured</i>		
Loans and Advances from related parties	-	1,826.67
Intercompany Deposits	-	100.00
Loans and Advances from others	-	222.96
Sub Total (A)	4,511.29	5,510.83
B) Short-term borrowings		
<i>Secured</i>		
<i>Working Capital facilities from Banks & Financial Institutions</i>		
a) Fund Based	4,800.00	4,532.98
b) Non Fund Based	235.00	185.00
Sub Total (B)	5,035.00	4,717.98
TOTAL (A)+(B)	9,546.29	10,228.81

A. Spunweb Nonwoven Limited

Sr. No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on December 31, 2024 (₹ in lakhs)	Nature of loan (Secured/Unsecured)	Outstanding Amount as on December 31, 2024 (₹ in lakhs)	Interest Rate p.a./Commission	Security/Margin	Period of Repayment (Months/days)
1.	HDFC Bank Limited	Cash Credit	2,550.00	Secured	2,489.41	9.10%	Appendix - I	Repayable on Demand
2.	Standard Chartered Bank	Working Capital Loan	1,250.00	Unsecured	1,249.40	9.30%	Appendix - I	Repayable on Demand
3.	HDFC Bank Limited	Term Loan for Plant & Machinery	2,145.00	Secured	1,607.85	9.18%	Appendix - I	84
4.	HDFC Bank Limited	Term Loan Solar II	160.00	Secured	135.85	9.06%	Appendix - I	60
5.	HDFC Bank Limited	Term Loan Solar I	255.00	Secured	206.04	9.17%	Appendix - I	84
6.	HDFC Bank Limited	Term Loan for Plant & Machinery	170.00	Secured	144.34	9.06%	Appendix - I	60
7.	HDFC Bank Limited	Term Loan for Plant & Machinery - Lamination	138.00	Secured	134.35	9.29%	Appendix - I	60
8.	HDFC Bank Limited	Term Loan GECL	140.00	Secured	109.14	9.25%	Appendix - I	60
9.	HDFC	Term Loan	120.00	Secured	101.89	9.05%	Appendix - I	60

Sr. No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on December 31,2024 (₹ in lakhs)	Nature of loan (Secured/Unsecured)	Outstanding Amount as on December 31, 2024 (₹ in lakhs)	Interest Rate p.a./Commission	Security/Margin	Period of Repayment (Months/days)
	Bank Limited						I	
10.	HDFC Bank Limited	Car Loan	33.63	Secured	8.41	7.6%	Hypothecation of Vehicle	60
11.	HDFC Bank Limited	Car Loan	10.85	Secured	8.88	8.75%	Hypothecation of Vehicle	60
12.	HDFC Bank Limited	Car Loan	10.85	Secured	8.88	8.75%	Hypothecation of Vehicle	60.
13.	HDFC Bank Limited	Adhoc Cash Credit	100.00	Secured	-	-	Appendix -I	
14	HDFC Bank Limited	Forward Contract Booking Limit	50.00	Secured	-	-	Appendix -I	Not Applicable
15.	HDFC Bank Limited	Bank Guarantee	100.00	Secured	100.00	-	Appendix -I	Not Applicable
16.	HDFC Bank Limited	Bank Guarantee	25.00	Secured	25.00	-	Fixed Deposit	Not Applicable
17.	Inter corporate Deposits	-	-	Unsecured Loan	100.00	-	-	-
18.	Loan from related party	-	-	Unsecured Loan	1,826.67	-	-	-
19	Loans and Advances from others	-	-	Unsecured Loan	222.96	-	-	-
	Total		7,258.33		8,479.07			

B. Spunweb India Private Limited

Sr. No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on December 31,2024 (₹ in lakhs)	Nature of loan (Secured/Unsecured)	Outstanding Amount as on December 31, 2024 (₹ in lakhs)	Interest Rate p.a./Commission	Security/Margin	Period of Repayment (Months/days)
1.	Bank of India	GECL Term Loan	151.38	Secured	85.75	9.25%	Appendix - I	36
2.	Bank of India	Machinery Term Loan - I	157.44	Secured	62.80	8.99%	Appendix - I	60
3.	Bank of India	Machinery Term Loan	732.00	Secured	527.34	8.99%	Appendix - I	60

Sr. No.	Name of the Lender	Nature of Borrowings	Sanctioned Amount as on December 31, 2024 (₹ in lakhs)	Nature of loan (Secured/Unsecured)	Outstanding Amount as on December 31, 2024 (₹ in lakhs)	Interest Rate p.a./Commission	Security/Margin	Period of Repayment (Months/days)
– II								
4.	Bank of India	Term Loan Solar	150.00	Secured	142.50	8.99%	Appendix - I	60
5.	HDFC Bank Limited	Business Loan	75.24	Unsecured	49.84	14.75%	Appendix - I	84
6.	HDFC Bank Limited	Car Loan	61.90	Secured	27.34	6.90%	Appendix - I	60
7.	Bank of India	Cash Credit Facility	900.00	Secured	794.17	8.99%	Appendix - I	Repayable on Demand
8.	Bank of India	Bank Guarantee	60.00	Secured	60.00	-	Appendix - I	-
Total			2,287.96		1,689.74			

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Annexure – 1

A. Spunweb Nonwoven Limited

Sr No	Name of Lender	Security Provided
1	HDFC Bank Limited	<p>Primary Security:</p> <p>Book Debts, Fixed Deposits, Guarantees, Plant and Machinery, Stock</p> <p>Collateral Security:</p> <p>1) Commercial Property located at Cs No 1044, Sheet No 27, Cs ward Kalupur 2, Municipal, Padsahah Ni Pole Census No 573, Relif Road, Ahmedabad,Gujarat-360001</p> <p>2) Industrial Estate located at Survey No 109/02 Rangpar Village Wankaner Plot No 01 and 02,Off Bamanbor Morbi Highway Nr. real forum Chotila, Gujarat 363520</p> <p>3) Plot No 64 & 65, Revenue Survey No 343 Paiki 01, Satyavijeet park, off 80 feet Road village Mavdi, Rajkot, Gujarat 360004</p> <p>Personal Guarantee:</p> <p>Jay Dilipbhai Kagathara, Kishan Dilipbhai Kagathara, Abhaykumar Narshibhai Fadadu, Dilipbhai Hansrajbhai Kagathara, Charulataben Jagdishbhai Bhut, Prabhaben Dilipbhai Kagathara, Yashpalsinh Ghanshyamsinh Dasondi, Thobhan Harji Kanani</p> <p>Restrictive/ Negative covenants :</p> <p>(1) No dividend to be declared/ no withdrawal in form of salary/remuneration/incentive/ commission by the promoters directors in case of Overdues With bank.</p> <p>(2) The Bank will have the right to review its facilities in case of any change in the ownership of the Borrower enterprise. The Borrower to immediately inform HDFC Bank with regard to changes in the shareholding pattern, if any.</p> <p>(3) The Borrower shall not transfer, sell, lease, grant on license or create any third party interest of any nature whatsoever on the Security without the prior written consent of the Bank.</p> <p>(4) In the event of any change/addition in the premises where the stocks are stored, the Borrower shall provide prior information to HDFC Bank through a written communication to the concerned Relationship Manager/Branch. This communication has to reach the RM / Branch at least 7 days prior to such change. The Borrower shall also maintain adequate insurance on the stocks as per the changed/added premises with the name of the Bank as loss payee in all such policies and deliver to the Bank evidence of the same.</p>
2	Standard Chartered Bank (“SCS”)	<p>Security:</p> <p>1) For Overdraft Facility: Personal guarantee of Kagathara Jay Dilipbhai, Kagathara Kishan Dilipbhai and Dilipbhai Hansrajbhai Kagathara</p>

Sr No	Name of Lender	Security Provided
		2) Import Invoice Financing: Personal guarantee of Kagathara Jay Dilipbhai, Kagathara Kishan Dilipbhai and Dilipbhai Hansrajbhai Kagathara and 15% Cash margin on import invoice finance & export invoice finance.

Restrictive/ Negative covenants

- (1) No new secured/unsecured borrowings/leasing finance to be availed or current accounts to be opened by the company without prior written permission from SCS.
- (2) Borrower not to extend any loans/advances/investments/ CD etc, to any related parties Without Prior permission of SCB.
- (3) Borrower to seek NOC from SCB prior to changing existing key management personnel/shareholders/Partners.
- (4) Borrower to seek NOC from SCB prior to adding any new line of business.
- (5) Borrower shall not declare any dividends/ withdraw funds through remuneration or otherwise/pay interest on unsecured loans / preference capital (except out of profits of the current year and when all the credit facilities from Banks are in regular status) or buy back of shares without written consent of SCB
- (6) Borrower to intimate SCB before entering in to any JV or floating any wholly owned subsidiary
- (7) Any import transactions having direct or indirect linkage with U.S. sanctioned countries will not be allowed

B. Spunweb India Private Limited

Sr No	Name of Lender	Security Provided
1	Bank of India	Primary Security:

- 1) Hypothecation of entire Plant and Machinery
- 2) Hypothecation of entire Stocks, both present and future
- 3) Hypothecation of entire Book Debts, both present and future
- 4) Pledge of TDRs (Bank Guarantee Margin) @25% of BG
- 5) Pledge of TDRs [LC Margin]@25%ofBG

Collateral:

- 1) Equitable mortgage of factory land (freehold Industrial Non-Agricultural land) & building situated at Survey No.:119/paiki 1, NH- 27, Nr. Wankaner Boundary, Post Jodiya, Ta Wankaner, Dist Morbi, (Gujarat) Pin.: 363621 in the name of the firm Mis Spunweb Nonwoven
- 2) Extension of EQM over Flat No. A-401, The Temple, Near Arjun Party Plot, Second ring road, Village Motamava, Rajkot 360005 in the name of Jay Dilipbhai Kagathra Prabhaven Dilipbhai Kagathra and Dilipbhai Hansrajbhai Kagathra
- 3) Pledge of TDR in the name of partners having account no

Sr No	Name of Lender	Security Provided
		Personal Guarantee:
		Kishan Dilipbhai Kagathara, Jay Dilipbhai Kagathara, Prabhaben Dilipbhai Kagathara, Dilipbhai Kagathara
		Restrictive/ Negative covenants
		<p>(1) The borrower should not induct into its Board a person whose name appears in the wilful defaulters list of RBI / CICs. In case such a person is already on the Board of the borrowing company, it would take expeditious steps for removal of that person from its Board. Nominee directors are excluded for this purpose.</p> <p>(2) The borrower shall deal with our Bank banks under consortium / multiple banking arrangement exclusively, shall not open current account/s with any other bank without our prior permission. The borrower's entire business relating to their activity including deposit, remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs. Forex transaction, merchant banking, any interest rate or currency hedging business, etc. should be restricted only to the financing banks under consortium / multiple banking arrangements.</p> <p>(3) The Bank shall have the right to securitise the assets charged and in the event of such securitization, the Bank will suitably inform the borrower(s) and guarantor(s)</p> <p>(4) Without prior consent of the Bank, the borrower shall not during the continuance of the credit facility granted:</p> <p>a) Formulate any scheme of amalgamation or reconstruction.</p> <p>b) Undertake any new project, implement any scheme of expansion / diversification or capital expenditure or acquired fixed assets (except normal replacements indicated in funds flow statement submitted to and approved by the Bank) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.</p> <p>c) Invest by way of share or capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the ordinary course of business or advances to employees can, however, be extended. Such investment should not result in breach of financial covenants relating to the credit facilities sanctioned including TOL / Adjusted TNW and current ratio agreed upon at the time of sanction.</p> <p>d) Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction.</p> <p>e) Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).</p> <p>f) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided</p>

Sr No	Name of Lender	Security Provided
		further that such distribution may be permitted only if no event of default / breach in financial covenant is subsisting in any repayment obligations to the Bank.
		g) Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any other financial institution, bank, company, firm or persons.
		h) Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% of Gross Block may be sold in financial year provided such sale does not dilute FACR below minimum stipulated level.
		i) Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest viz. acquisition beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower / net means of promoters etc. leveraged buyout etc.
		j) Change the practice with regard to remuneration of Directors by means of ordinary, remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.
		k) Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
		l) Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
		m) Repay monies brought in by the Promoters/ Directors / Principal Shareholders and their friends and relatives by way of deposits / loans / advances before repaying the entire dues to the Bank. Further, the rate of interest, if any, payable on such deposits/ loans / advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted / deferred payment guarantee executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank
		n) Pay any commission to the guarantor/s for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
		o) Approach capital market for mobilizing additional resources either in the form of debt or equity.

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SECTION X – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) outstanding criminal proceedings (including first information reports, whether cognizance has been taken or not, initiated by or against our Company, Directors, Promoters and Subsidiary (“**Relevant Parties**”)); (ii) outstanding actions by statutory or regulatory authorities; (iii) outstanding claims relating to direct and indirect taxes; (iv) outstanding disciplinary actions including penalties imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years, including any outstanding action; (v) findings or observations of any inspections by SEBI or any other regulator or (vi) Material Litigation (as defined below); involving our Company, Directors, Promoters and Subsidiary.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by our Board pursuant to a resolution dated January 11, 2025, any pending litigation / arbitration proceedings involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- a.) The aggregate monetary claim/ dispute amount/ liability made by or against the Relevant Parties in any such pending litigation (individually or in aggregate), is equivalent to or above 5% of the average restated profit after tax of our Company, as per the Restated Financial Statements of the last three completed fiscal years (amounting to ₹17.66 Lakhs);
- b.) Any such pending litigation / arbitration proceeding involving the Relevant Parties, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation our Company; and
- c.) any such litigation wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the threshold as specified in (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material effect on the business, operations, performance, prospects, financial position or reputation of our Company.

Further, it is clarified that for the purpose of the above, any tax litigation which involves a claim greater than the materiality threshold as defined above, will be disclosed individually and pre-litigation notices received by the Relevant Parties from third parties shall in no event be considered as litigation until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum and accordingly have not been disclosed in this section.

Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding 5% of the Company’s trade payables, as per the latest completed period of the Restated Financial Statements (amounting to ₹ 17.66), as material dues for the Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on January 11, 2025. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Company*

1. Criminal proceedings

Except as disclosed below, on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings involving our Company:

Our Company has filed 9 individual cases before various forums for alleged violations of Section 138 of the Negotiable Instruments Act, 1881, for the recovery of amounts due to our Company for which the cheques issued in favour of our Company were dishonored. The total monetary value involved in these matters amounts to ₹ 29.80 lakhs in the aggregate. These matters are currently pending.

2. Material civil proceedings

Nil

II. Litigation involving our Directors (except for Promoters)

A. *Litigation filed against our Directors*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Directors*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

III. Litigation involving our Promoters

A. *Litigation filed against our Promoters*

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Material civil proceedings

Nil

B. *Litigation filed by our Promoters*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

IV. Material Litigations involving our Subsidiary

A. *Litigation filed against our Subsidiaries*

Criminal proceedings

Nil

1. Outstanding actions by regulatory and statutory authorities

Nil

2. Material civil proceedings

Nil

B. *Litigation filed by our Subsidiaries*

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

V. Tax proceedings against our Company, Directors, Promoters and Subsidiary

<i>Nature of Cases</i>	<i>Number of Cases</i>	<i>Amount Involved (in ₹ lakhs)</i>
Company		
<i>Indirect Tax</i>	3	29.56
<i>Direct Tax</i>	Nil	Nil
Directors		
<i>Indirect Tax</i>	N.A.	N.A.
<i>Direct Tax</i>	Nil	Nil
Promoters		
<i>Indirect Tax</i>	N.A.	N.A.
<i>Direct Tax</i>	Nil	Nil
Subsidiaries		
<i>Indirect Tax</i>	Nil	Nil
<i>Direct Tax</i>	Nil	Nil
Group Company		
<i>Indirect Tax</i>	Nil	Nil

<i>Nature of Cases</i>	<i>Number of Cases</i>	<i>Amount Involved (in ₹ lakhs)</i>
<i>Direct Tax</i>	<i>Nil</i>	<i>Nil</i>

Outstanding dues to creditors

As on the date of restated financials, our Company has ₹ 903.32 lakhs payable or outstanding towards small-scale undertakings.

The details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2024, by our Company, are set out below and the disclosure of the same is available on the website of our Company at: www.spunweb.com.

Type of Creditors	Number of Creditors	<i>(₹ in Lakhs)</i>
		Amount
Material Creditors	14	3,122.22 [^]
Micro, Small and Medium Enterprises	84	903.32
Other Creditors	81	86.97
Total	179	4,112.51

[^] Out of Due to Material Creditor(s), 9 creditors amounting to ₹784.29 lakhs fall under the category of the dues to micro, small, and medium enterprises as well.

As per our Materiality Policy, as at December 31, 2024, we had 14 material creditors to whom an aggregate amount of ₹3,122.22 lakhs was outstanding. The details pertaining to outstanding dues to the Material Creditors, along with names and amounts involved for each such Material Creditor are available on the website of our Company at www.spunweb.com.

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, www.spunweb.com, would be doing so at their own risk

Material Developments

Other than as stated in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent to December 31, 2024" on page 271 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last Restated Financial Information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section “Risk Factors” on page 30 of this Draft Red Herring Prospectus, these material approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies” on page 194 of this Draft Red Herring Prospectus.

Our Company was converted to a public limited company and the name of our Company changed to ‘Spunweb Nonwoven Limited’ and a fresh certificate of incorporation from the Registrar of Companies, Central Registration Centre dated September 06, 2024, was issued by the RoC. The CIN of our Company is U17291GJ2015PLC084107. Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.

I. Material approvals obtained in relation to the Issue

- (a) The Board of Directors has, pursuant to a resolution passed at its meeting held on January 11, 2025 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- (b) The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on January 13, 2025 authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- (c) The Company has obtained the in-principle listing approval from the EMERGE Platform of NSE, dated [●].

II. Material approvals obtained in relation to our business and operations

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company

- (a) Certificate of incorporation dated August 06, 2015, from the Registrar of Companies, Gujarat, issued to our Company under the Companies Act, 2013, in the name of ‘Spunweb Nonwoven Private Limited’.
- (b) A Fresh Certificate of Incorporation dated September 06, 2024, has been issued by the Registrar of Companies, Central Registration Centre to our Company under the Companies Act, 2013, pursuant to conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from “Spunweb Nonwoven Private Limited” to “Spunweb Nonwoven Limited”.

B. Tax related approvals obtained of our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal	Date of Expiry
1.	Permanent Account Number	AAWCS0641L	Income Tax Department	August 06, 2015	Valid till cancelled
2.	Tax Deduction Account Number (TAN).	RKTS11519E	Income Tax Department	November 27, 2024	Valid till cancelled
3.	GST Registration Certificate – Gujarat	24AAWCS0641L1ZY	Goods and Services Tax Department	October 23, 2024	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal	Date of Expiry
4.	Professional Tax – Enrolment Certificate (PTEC) – Registered Office	090406406401	Rangpar Gram Panchayat	December 17, 2024	Valid till cancelled
5.	Professional Tax – Enrolment Certificate (PTEC) – Branch Office	PEC04179370	Rajkot Municipal Corporation, Professional Tax Department	December 3, 2024	Valid till cancelled
6.	Professional Tax – Registration Certificate (PTRC) – Branch Office	PRC04024543	Rajkot Municipal Corporation, Professional Tax Department	December 3, 2024	Valid till cancelled

C. Regulatory approvals of our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Provident Fund Code Number [#]	GJRAJ161760000	Employees' Provident Fund Organization	July 4, 2017	Valid till cancelled
2.	ESIC – Registration Code	37001879230000199	Employees' State Insurance Corporation	November 15, 2024	Valid till cancelled
3.	UDYAM Registration Certificate	UDYAM-GJ-20-0031108	Ministry of Micro, Small and Medium Enterprises	June 11, 2021	Valid till cancelled
4.	Legal Entity Identifier	335800VUN3J7ZH9K5G66	LEI Register India Private Limited	August 30, 2021	August 29, 2025
5.	Consent to Establish under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and Environment Protection Act, 1986 [#]	GPCB/RO-MORBI/ID-55939/2121/E-15784/2019	Gujarat Pollution Control Board	June 7, 2019	May 26, 2025
6.	Consolidated Consent and Authorization under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and authorization under rule 5 (4) of the Hazardous Waste (Management, Handling & Transboundary	GPCB/RO-MORBI-2121/ID-55939/E-16151/2020	Gujarat Pollution Control Board	April 9, 2020	March 16, 2025

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
	Movement) Rules 2008 under Environment Protection Act, 1986 [#]				
7.	License to work as a factory (Factory License)	483/22209/2016	Directorate Industrial Safety & Health Gujarat State	December 10, 2024	December 31, 2029
8.	ISO 9000:2015 for Manufacturer of Nonwoven Fabric and Nonwoven Converted Products [#]	01 100 2437526	TÜV Rheinland	May 30, 2023	May 22, 2027
9.	Import Export Code	2415006301	Director General of Foreign Trade	October 9, 2015	Valid till cancelled
10.	Certificate for Electrical Installation*	No/EI/Raj/Certi/84506/2023	Office of The Electrical Inspector	February 20, 2023	Valid till cancelled
11.	Permission for Bonafide Industrial Purpose - Revenue Department*	133/2015-15/૧૧૬/554-61/16	District Panchayat Kacheri, Revenue Department, Morbi	March 17, 2016	Valid till cancelled
12.	Certificate of Registration under Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	2024-2025/SR/OO0276	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	January 01, 2025	Valid till cancelled
13.	Registration for Self Sealing Permission	2707/CCP/JMR/2024-25	Office of the Commissioner of Customs (prev.), "Seema Shulk Bhavan",	December 05, 2024	Valid till cancelled

[#]Our Company has made an application to reflect name change pursuant to conversion of the Company from private limited Company to a public limited Company.

*One time registration certificate

III. Pending Approvals

A. Applications Made by the Company

1. Provident Fund Code Number bearing GJRAJ1617600000 Establishment Code.
2. Consent to Establish under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and Environment Protection Act, 1986.
3. Consolidated Consent and Authorization under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and authorization under rule 5 (4) of the Hazardous Waste (Management,

Handling & Transboundary Movement) Rules 2008 under Environment Protection Act, 1986.

4. ISO 9000:2015 for Manufacturer of Nonwoven Fabric and Nonwoven Converted Products.
5. Following Trademark registration applications for classes 1 to 45 except 18 respectively:
 - (a) Trademark Registration bearing no. 6025083
 - (b) Trademark Registration bearing no. 6025084
 - (c) Trademark Registration bearing no. 6025085
 - (d) Trademark Registration bearing no. 6025086
 - (e) Trademark Registration bearing no. 6025087
 - (f) Trademark Registration bearing no. 6025088
 - (g) Trademark Registration bearing no. 6025089
 - (h) Trademark Registration bearing no. 6025090
 - (i) Trademark Registration bearing no. 6025091
 - (j) Trademark Registration bearing no. 6025092
 - (k) Trademark Registration bearing no. 6025093
 - (l) Trademark Registration bearing no. 6025094
 - (m) Trademark Registration bearing no. 6025095
 - (n) Trademark Registration bearing no. 6025096
 - (o) Trademark Registration bearing no. 6025097
 - (p) Trademark Registration bearing no. 6025098
 - (q) Trademark Registration bearing no. 6025099
 - (r) Trademark Registration bearing no. 6025101
 - (s) Trademark Registration bearing no. 6025102
 - (t) Trademark Registration bearing no. 6025105
 - (u) Trademark Registration bearing no. 6025106
 - (v) Trademark Registration bearing no. 6025107
 - (w) Trademark Registration bearing no. 3262622
 - (x) Trademark Registration bearing no. 6025108
 - (y) Trademark Registration bearing no. 6025109
 - (z) Trademark Registration bearing no. 6025110
 - (aa) Trademark Registration bearing no. 6025111
 - (bb) Trademark Registration bearing no. 6025112
 - (cc) Trademark Registration bearing no. 6025113
 - (dd) Trademark Registration bearing no. 6025115
 - (ee) Trademark Registration bearing no. 6025116
 - (ff) Trademark Registration bearing no. 6025117
 - (gg) Trademark Registration bearing no. 6025118
 - (hh) Trademark Registration bearing no. 6025119
 - (ii) Trademark Registration bearing no. 6025120
 - (jj) Trademark Registration bearing no. 6025121
 - (kk) Trademark Registration bearing no. 6025122
 - (ll) Trademark Registration bearing no. 6025123
 - (mm) Trademark Registration bearing no. 6025124
 - (nn) Trademark Registration bearing no. 6025131
 - (oo) Trademark Registration bearing no. 6025132
 - (pp) Trademark Registration bearing no. 6025133
 - (qq) Trademark Registration bearing no. 6025134
 - (rr) Trademark Registration bearing no. 6025135
6. Design Registration bearing no. 373585-001.

B. Application yet to be made by the Company.

Nil








IV. Intellectual Property

- (a) As on the of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trade Marks Act, 1999 that includes:

Trademark Holder	Trademark No.	Class of Registration	Trademark	Status	Valid Upto
Spunweb Nonwoven Private Limited*	6025083	1		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025084	2		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025085	3		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025086	4		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025087	5		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025088	6		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025089	7		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025090	8		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025091	9		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025092	10		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025093	11		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025094	12		Registered	July 17, 2033


Trademark Holder	Trademark No.	Class of Registration	Trademark	Status	Valid Upto
Spunweb Nonwoven Private Limited*	6025095	13		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025096	14		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025097	15		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025098	16		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025099	17		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025099	18		Objected	-
Spunweb Nonwoven Private Limited*	6025101	19		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025102	20		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025105	21		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025106	22		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025107	23		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	3262622	24		Registered	May 19, 2026
Spunweb Nonwoven Private Limited*	6025108	25		Registered	July 17, 2033

Trademark Holder	Trademark No.	Class of Registration	Trademark	Status	Valid Upto
Spunweb Nonwoven Private Limited*	6025109	26		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025110	27		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025111	28		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025112	29		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025113	30		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025115	31		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025116	32		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025117	33		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025118	34		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025119	35		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025120	36		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025121	37		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025122	38		Registered	July 17, 2033

Trademark Holder	Trademark No.	Class of Registration	Trademark	Status	Valid Upto
Spunweb Nonwoven Private Limited*	6025123	39		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025124	40		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025131	41		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025132	42		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025133	43		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025134	44		Registered	July 17, 2033
Spunweb Nonwoven Private Limited*	6025135	45		Registered	July 17, 2033

*Our Company has made an application to reflect name change pursuant to conversion of the Company from private limited Company to a public limited Company.

- (b) As on the of this Draft Red Herring Prospectus, our Company has registered the following Design with the Patent Office, Government of India under the Designs Act, 2000, that includes:

Design No.	Design Holder	Design	Nature of Design	Class of Registration	Date of Issue	Status	Valid upto
373585-001	Spunweb Nonwoven Private Limited*		Design for "NON-WOVEN FABRIC"	5	March 14, 2024	Registered	Ten (10) years from date of issue which can be extended for further period of 5 years

*Our Company has made an application to reflect name change pursuant to conversion of the Company from private limited Company to a public limited Company.

As on the date of this Draft Red Herring Prospectus, our Company has one registered and valid domain name.

For details, see "Risk Factors – Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation" on page 40.

A. Incorporation details of Material Subsidiary

Certificate of incorporation dated September 25, 2024, from the Registrar of Companies, Central Registration Centre, issued to our Company under the Companies Act, 2013, in the name of 'Spunweb India Private Limited'.

B. Tax related approvals obtained of our Material Subsidiary

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue / Renewal	Date of Expiry
1.	Permanent Account Number	ABOCS3657F	Income Tax Department	September 25, 2024	Valid till cancelled
2.	Tax Deduction Account Number (TAN).	RKTS23257D	Income Tax Department	September 25, 2024	Valid till cancelled
3.	GST Registration Certificate – Gujarat	24ABOCS3657F1Z3	Goods and Services Tax Department	September 25, 2024	Valid till cancelled
4.	Professional Tax – Enrolment Certificate (PTEC) –	090406406402	Rangpar Gram Panchayat	December 17, 2024	Valid till cancelled

C. Regulatory approvals of our Material Subsidiary

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Provident Fund Code Number [#]	GJRAJ2220221000	Employees' Provident Fund Organization	October 22, 2020	Valid till cancelled
2.	UDYAM Registration Certificate	UDYAM-GJ-32-0043196	Ministry of Micro, Small and Medium Enterprises	September 25, 2024	Valid till cancelled
3.	Consent to Establish under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and Environment Protection Act, 1986 [^]	GPCB/RO-MORBI/ID-78318/1673/E-16391/2020	Gujarat Pollution Control Board	October 29, 2020	September 24, 2027
4.	Consolidated Consent and Authorization under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and authorization under rule 5 (4) of the Hazardous Waste	GPCB/RO-MORBI/ID-78318/E-16472/2021	Gujarat Pollution Control Board	January 13, 2021	December 1, 2025

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
	(Management, Handling & Transboundary Movement) Rules 2008 under Environment Protection Act, 1986 [^]				
5.	License to work as a factory (Factory License)	2883/22209/2021	Directorate Industrial Safety & Health Gujarat State	October 25, 2024	December 31, 2029
6.	Import Export Code [^]	ADYFS8530Q	Director General of Foreign Trade	August 20, 2019	Valid till cancelled
7.	Certificate for Electrical Installation*	No/EI/Raj/Certi/32555/2020	Office of The Electrical Inspector	July 04, 2020	Valid till cancelled
8.	Certificate for Electrical Installation*	No/EI/Raj/Certi/35929/2020	Office of The Electrical Inspector	September 24, 2020	Valid till cancelled
9.	Registration for Self Sealing Permission [^]	1382/CCP/JMR20-21	Office of the Commissioner of Customs (prev.), "Seema Shulk Bhavan",	September 17, 2020	Valid till cancelled

[#]Our Company has made an application to reflect name change pursuant to conversion of the partnership firm to private limited Company.

[^] Our Company is in process of making and application to reflect name change pursuant to conversion of the partnership firm to private limited Company.

*One time registration certificate

D. Pending Approvals

i. Applications Made by the Company

1. Provident Fund Code Number GJRAJ2220221000

ii. Application yet to be made by the Company.

1. Legal Entity Identifier number.
2. Consent to Establish under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and Environment Protection Act, 1986.
3. Consolidated Consent and Authorization under Section 25 of the water Act 1974 and Section 21 of Air Act, 1981 and authorization under rule 5 (4) of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules 2008 under Environment Protection Act, 1986.
4. Import Export Code.
5. Registration for Self Sealing Permission.

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SECTION XI – OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “Group Companies”, include (i) such companies (other than promoter(s) and Subsidiaries) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.

Accordingly, for (i) above, all such companies (other than promoter(s) and the subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

In terms of the SEBI ICDR Regulations, Materiality Policy for Identification of Group Companies adopted by board resolution dated January 11, 2025 and the applicable accounting standards (Accounting Standard 18), for the purpose of identification of “group companies” in relation to the disclosure in the Issue Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 228 of this Draft Red Herring Prospectus. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, our Company does not have any group companies.

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SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

1. Our Board of Directors has authorised the Issue by a resolution passed in their meeting held on January 11, 2025.
2. Our Shareholders have approved and authorised the Issue by way of a special resolution passed at their EGM held on January 13, 2025.
3. This Draft Red Herring Prospectus was approved by our Board through its resolution in its meeting dated January 28, 2025.

In-principle Listing Approval

Our Company has received in-principle approval from NSE for listing of our Equity Shares on the EMERGE Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue pursuant to their letter dated [●].

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group and the persons in control of our Company, as applicable, have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

As on the date of this Draft Red Herring Prospectus, our Company, our Promoters, and the members of the Promoter Group severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent in force and as applicable as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI ICDR Regulations, as we are an Issuer whose post issue face value paid-up capital is more than ₹10 crores and will be less than ₹25 crores and we can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

We further confirm that:

- I. In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue is 100% underwritten and the Book Running Lead Manager to the Issue will underwrite minimum 15% of the Total Issue Size.
- II. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed Allottee's in the issue will be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within two (2) days of such intimation. If such money is not repaid within two (2) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of two (2) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- III. In accordance with Regulation 246 the SEBI ICDR Regulations, we shall also ensure that we submit the soft copy of Red Herring Prospectus through the BRLM immediately upon registration of the Red Herring Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI will not issue any observation on the issue documents. Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, the Book Running Lead Manager will also submit to SEBI a due diligence certificate as per the format prescribed by SEBI, along with the prospectus.
- IV. In accordance with Regulation 261 of the SEBI ICDR Regulations, we confirm that we will enter into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited.

In terms of Regulation 229(3) of the SEBI ICDR Regulations, we confirm that we have fulfilled the eligibility criteria for EMERGE Platform of National Stock Exchange of India Limited, which are as follows:

- (a) The Company was incorporated on August 06, 2015, with the Registrar of Companies, Gujarat under the Companies Act, 2013 in India.
- (b) As on the date of this Draft Red Herring Prospectus, our Company has a total paid up share capital of ₹1,775.18 lakhs comprising 1,77,51,809 shares of face value of ₹10 each and the Post Issue Capital will be of ₹ [●] comprising of [●] equity shares of face value of ₹ [●] each which is below ₹ 2,500.00 lakhs.
- (c) Our Company was incorporated as "*Spunweb Nonwoven Private Limited*" as a private limited company in Rajkot, Gujarat under the provisions of the Companies Act, 2013, pursuant to a certificate of incorporation dated August 06, 2015, issued by the Registrar of Companies, Gujarat. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the Extra Ordinary General Meeting held on July 06, 2024, and the name of our Company was changed to "*Spunweb Nonwoven Limited*". A fresh certificate of Incorporation consequent upon conversion from a Private Limited company to Public Limited company dated September 06, 2024, was issued by the Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U17291GJ2015PLC084107. For change in registered office and other details please see "*History and Certain Corporate Matters*" on page 204 of this Draft Red Herring Prospectus. Consequently, the Company fulfills the requisite criteria of having a track record of three years.
- (d) The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations of ₹ 1 crore from operations for any 2 out of 3 financial years preceding the application and its net-worth should be positive.

Our Company satisfies the criteria of track record which given hereunder based on Restated Consolidated Financial Statement.

(₹ in lakhs)

Description	For the period ended December 31, 2024	Years Ended March 31		
		2024	2023	2022
Profit before Tax	1,019.12	744.71	170.83	470.51
Add: Finance Cost	479.35	439.08	435.19	347.28
Add: Depreciation and Amortisation Expense	595.11	879.70	650.33	242.12
Less: Other Income	45.51	562.98	176.19	421.02
Restated Operating Profit / (Loss)	2,048.07	1,500.51	1,080.16	638.89
Net worth[#]	4,019.29	2,509.11	2,015.17	1,875.00

[#] For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.

- (e) The Company has positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.

(₹ in lakhs)

Description	For the period ended December 31, 2024	Years Ended March 31		
		2024	2023	2022
Cash flow from operations ⁽¹⁾	(1,080.83)	994.26	1,710.91	1,478.44
Less : Purchase of Fixed Assets ⁽²⁾	(242.40)	(441.98)	(659.13)	(3,970.24)
Add : Net Borrowings ⁽³⁾	2,629.06	(108.71)	(632.32)	2749.47
Less : Interest Expense (net of tax) ^{(4)*}	136.29	118.23	148.13	101.44
Free Cash to Equity	1,442.13	561.81	567.59	359.12

⁽¹⁾ Cash flow from operations is calculated as cash generated from operating activities less income tax paid, as per restated financial statements

⁽²⁾ Purchase of Fixed Assets is calculated as purchase of property, plant, and equipment (PPE) (including capital work in progress (CWIP)) (-) sale proceeds of PPE and CWIP (if any) (+) Capital Advances (if any).

⁽³⁾ Net Borrowings is calculated as proceeds from long-term borrowings (-) repayments of long-term borrowings (+) proceeds from short-term borrowings (-) repayments of short-term borrowings

⁽⁴⁾ Interest expense (net of tax) is calculated as interest expense on total (i.e., Long term as well as short term) borrowings (x) (1 - effective tax rate). Effective tax rate is calculated as [1-(profit after tax / profit before tax)]

*These figures includes, along with Interest on Borrowings, Finance Charges paid for availing Credit Facilities.

The above calculations are certified by Kaushal Dave & Associates by way of their certificate dated January 28, 2025.

- (f) Our Company has not been referred to the Board of Industrial and Financial Reconstruction (BIFR).
- (g) There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- (h) There has been no change in the Promoters of the Company in the preceding one year from date of filing application to NSE for listing on NSE EMERGE.
- (i) Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- (j) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- (k) Our Company has a website www.spunweb.com.
- (l) The BRLM involved in this issue has not had any instances of their IPO draft offer documents filed with the Exchange being returned in the past 6 months from the date of this draft red herring prospectus.

- (m) The Company has not made any application to the Stock Exchange in last 6 complete months for listing of its securities.
- (n) Offer For Sale (OFS) by selling shareholders in the Issue shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding - Not Applicable since there is no Offer For Sale in this Issue.
- (o) SME issues shall not be permitted, where objects of the issue consist of repayment of loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly – Not Applicable since the Net Proceeds from the Issue shall be utilised for (i) Funding the working capital requirements of our Company; (ii) Investment in our wholly owned subsidiary, SIPL, for funding its working capital requirements; (iii) Repayment, in full or in part, of certain borrowings availed by our Company; and (iv) General Corporate Purpose.
- (p) The Company has a website: www.spunweb.com.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- (a) The Draft Red Herring Prospectus will be filed with NSE and our Company will make an application to NSE for listing of its Equity Shares on the EMERGE Platform of NSE. NSE will be the Designated Stock Exchange.
- (b) Our Company has entered into an agreement dated October 22, 2024 with NSDL and agreement dated October 24, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- (c) The entire pre-issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- (d) The entire Equity Shares held by the Promoters are in dematerialised form.
- (e) The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. For further details, please refer the chapter titled “*Objects of the Issue*” on page 112 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors are a wilful defaulters or fraudulent borrowers.
- (d) None of our Promoters or Directors is a fugitive economic offender.

Further, in accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within two (2) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of second (2nd) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.\

Other Disclosures:

We further confirm that:

- (a) Neither the stock exchange nor any regulatory authority has taken any material regulatory or disciplinary action in respect of our Promoters in the past one year.
- (b) Neither our Company nor our Promoters have defaulted in payment of interest and/or principal to debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- (c) There are no litigations record against our Company, Promoters except disclosed on page 278 in section “*Outstanding Litigation and Material Developments*”.
- (d) There are no criminal cases / investigation / offences filed against any Director of our Company.

We further confirm that we will comply with all other requirements as prescribed for such an issue under Chapter IX of the SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER BEING, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 28, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND / OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Section 26 and Section 32 of the Act.

Disclaimer from our Company and the Book Running Lead Manager

Our Company and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website www.spunweb.com would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on January 28, 2025 and the Underwriting Agreement dated [●] entered into between our Company, and Underwriter, and the Market Making Agreement dated [●] entered into among our Company, Book Running Lead Manager and Market Maker.

All information will be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares issued hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Rajkot, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (**the “Securities Act”**) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to the EMERGE Platform of NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, will be included in the Red Herring Prospectus and Prospectus prior to the filing with the RoC.

Filing

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed with EMERGE Platform of the National Stock Exchange of India Limited (the “NSE EMERGE”) in terms of Regulation 246 (2) of SEBI ICDR Regulations.

This Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on this Draft Red Herring Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of this Draft Red Herring Prospectus will be available on website of the Company www.spunweb.com, Book Running Lead Manager www.vivro.net and Stock Exchange www.nseindia.com.

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

Listing

Application will be made to NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of NSE has given its in-principle approval for using its name in our Issue Documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within two (2) days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 Working Days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of the second (2nd) day, be liable to repay the money, with interest at the rate of 15 per cent per annum on the application money, as prescribed under Section 40 of the Companies Act.

Our Company will ensure that all steps for completion of necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE mentioned above are taken within three (3) Working Days from the

Issue Closing Date.

Consents

Consents in writing of (a) Our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Legal Counsel to the Issue, Banker & Sponsor Bank to the Issue*, Underwriter to the Issue* and Market Maker to the Issue* to act in their respective capacities have been obtained as required under Section 26 of the Companies Act and will be filed along with a copy of the Prospectus with the RoC and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The consents will be taken while registering the Red Herring Prospectus with RoC.*

Experts

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

1. Our Company has received written consent dated January 28, 2025 from our Statutory Auditor, Kaushal Dave & Associates, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated January 25, 2025 on our Restated Financial Statements; and (ii) their report dated January 28, 2025 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
2. Our Company has received a written consent dated January 09, 2025 from Babulal A. Ughreja, Chartered Engineer, to include his name as an “expert” as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding Public or Rights Issues during the last 5 (Five) years and performance vis-à-vis objects

Except as disclosed in the section titled “*Capital Structure – History of Equity Share capital of our Company*” on page 94 of this Draft Red Herring Prospectus, our Company has not undertaken a public or rights issue as defined under the SEBI ICDR Regulations, in the 5 (five) years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

For a detailed description, please refer to section “*Capital Structure*” on page 92 of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues since incorporation of the Company

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of the Equity Shares in the 5 (Five) years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous 3 (Three) years by our Company/ Subsidiaries

Except as disclosed in the section titled “*Capital Structure*” on page 92 of this Draft Red Herring Prospectus, our Company has not made any capital issues since its inception.

Performance vis-à-vis Objects – Public / rights issue of our Company

Our Company has not undertaken any public issues since its inception. For details of right issue please refer chapter titled “*Capital Structure*” on page 92 of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – Public / rights issue of the listed Subsidiaries/listed promoters of our Company

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Price information of past issues handled by the BRLM

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Vivro Financial Services Private Limited.

Sr. No.	Issuer Name	Issue Size (in Crore .)	Issue Price (in ₹)	Listing Date	Opening Price on Listing Date (in ₹)	% Change in closing price, (% change in closing benchmark) - 30 th calendar day from listing	% Change in closing price, (% change in closing benchmark) - 90 th calendar day from listing	% Change in closing price, (% change in closing benchmark) - 180 th calendar day from listing
1.	Fabtech Technologies Cleanrooms Limited	27.74	85.00	January 10, 2025	161.50	Not Applicable	Not Applicable	Not Applicable
2.	Ganesh Infraworld Limited	98.57	83.00	December 06, 2024	165.55	+102.41% [-2.73%]	Not Applicable	Not Applicable
3.	Shiv Texchem Limited	101.35	166.00	October 15, 2024	239.00	+57.95% [-5.05%]	+84.79 [-5.43]	Not Applicable
4.	Bondada Engineering Limited	42.72	75.00	August 30, 2023	142.50	+123.07% [+0.65%]	+492.33% [+1.36%]	+1,114.73% [+12.38%]

Source: Price Information www.bseindia.com and www.nseindia.com and Issue Information from Prospectus of respective companies.

Note:

- The BSE SENSEX and Nifty 50 are considered as the Benchmark Index.
- “Issue Price” is taken as “Base Price” for calculating % Change in Closing Price of the respective Issues on 30th/90th/180th Calendar days from listing.
- “Closing Benchmark” on the listing day of script is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30th/90th/180th Calendar days from listing. Although it shall be noted that for comparing the script with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for script in the manner provided in Note No. 4 below.
- In case 30th/90th/180th day is not a trading day, closing price on BSE of the previous trading day for the script has been considered, however, if script is not traded on that previous trading day then last trading price has been considered.

Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Vivro Financial Services Private Limited.

F.Y.	Total no. of IPOs raised (₹Cr.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing			
		Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	Over 50%	Between 25 - 50%	Less than 25%	
2024-25	3	227.66	-	-	-	2	-	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2023-24	1	42.72	-	-	-	1	-	-	-	-	-	1	-	-
2022-23														N.A.

N.A. – Not Applicable

Notes:

1. Issue opening date is considered for calculation of total number of IPOs in the respective financial year.
2. Source: www.bseindia.com and www.nseindia.com

Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Issue in case of any Pre-Issue or Post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances relating to the Issue, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted, giving full details such as name of the Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID, date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant must enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to the Application submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for a delay beyond this period of 15 days. Further, the investors must be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the event of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance, the Book Running Lead Manager will compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

For helpline details of the Book Running Lead Manager pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Book Running Lead Manager” on page 80 of this Draft Red Herring Prospectus.

Further, the Applicant must also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Issue to the Book Running Lead Manager. The Registrar to the Issue will obtain the required information from the SCSBs and Sponsor Bank for addressing

any clarifications or grievances of ASBA Applicant. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre- Issue or Post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014, in relation to redressal of investor grievances through SCORES.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Issue for redressal of routine investor grievances will be seven Working Days from date of receipt of the complaint. In case of nonroutine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Romit Ajaykumar Shah as the Company Secretary and Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

Romit Ajaykumar Shah

Survey No.109(2), N.H. 27, Near Wankaner
Boundry Post at Jalida, Village Rangpar,
Rajkot, Wankaner – 363 621, Gujarat, India.

Telephone: +91-87 5894 4844

E-mail: cs@spunweb.in

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Further, our Company has constituted a Stakeholders' Relationship Committee, which is responsible for review and redressal of grievances of the security holders of our Company. For details, see "*Our Management*" on page 208 of this Draft Red Herring Prospectus.

Other confirmations

Any person connected with the Issue will not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

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

As on the date of this Draft Red Herring Prospectus, our Company has not been granted by SEBI, any exemption from complying with any provisions of securities laws.

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SECTION XIII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue will be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI LODR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“UPI Phase II”). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and made effective on a voluntary basis for all issues opening on or after September 1, 2023, and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 Notification”). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

THE ISSUE

The Issue comprises of a Fresh Issue and the expenses of the Issue shall be borne by our Company.

For details of the Issue-related expense, see “*Objects of the Issue – Issue Expenses*” on page 123 of this Draft Red Herring Prospectus

AUTHORITY FOR THE PRESENT ISSUE

This issue is authorized by a resolution of our Board passed at their meeting held on January 11, 2025, which was subject to approval of shareholders through a special resolution to be passed pursuant to Section 62(1) (c) of the Companies Act. The shareholders on January 13, 2025 at the Extra Ordinary General Meeting of our Company authorized the issue by a special resolution.

RANKING OF EQUITY SHARES

The Equity Shares being issued pursuant to the Issue will be subject to the provisions of the Companies Act, SEBI LODR Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment/transfer in accordance with the provisions of the Companies Act and the Articles of Association. For further details, please refer to chapter “*Description of Equity Shares and Terms of the Articles of Association*” on page 361 of this Draft Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the declaration of dividends will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who has been Allotted Equity Shares in the Issue, for the entire year. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 227 and 361, respectively, of this Draft Red Herring Prospectus.

FACE VALUE, ISSUE PRICE AND PRICE BAND

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Issue Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located) at least two Working Days prior to the Bid/Issue Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares Issued by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with disclosure and accounting norms

Our Company will comply with all disclosures and accounting norms as specified by the SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to all statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI LODR Regulations and our Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 361 of this Draft Red Herring Prospectus.

ALLOTMENT ONLY IN DEMATERIALIZED FORM

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares will be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares will only be in dematerialized form. In this context, our Company has executed 2 (Two) separate agreements amongst the Depositories and the Registrar to the Issue as follows:

- Tripartite Agreement dated October 22, 2024, amongst our Company, NSDL and the Registrar to the Issue.
- Tripartite Agreement dated October 24, 2024, amongst our Company, CDSL and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made thereunder, and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, the minimum application size in terms of a number of specified securities will not be less than ₹1.00 Lakh per Application. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares of the face value of ₹10 each and the same may be modified by the EMERGE Platform of NSE (the “NSE EMERGE”) from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares of the face value of ₹ 10 /- each subject to a minimum allotment of [●] Equity Shares of the face value of ₹10 /- each to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

For further details, see “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus

MINIMUM NUMBER OF ALLOTTEES

In accordance with Regulation 268(1) of the SEBI ICDR Regulations, the minimum number of allottees in this Issue must be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected will be refunded within two (2) Working Days of closure of the Issue.

JOINT HOLDERS

Subject to provisions of the Articles of Association, where two or more persons are registered as holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

JURISDICTION

The competent courts/authorities in Gujarat will have exclusive jurisdiction for the purpose of this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (“Securities Act”) and may not be issued or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and applicable laws of the jurisdiction where the Issue occurs.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

NOMINATION FACILITY TO INVESTORS

In accordance with Section 72(1) and 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate any one person in whom, in the event of the death of the sole applicant or in case of joint applicants, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance with Section 72(4) of the Companies Act, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating a nominee. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or at the offices of the Registrar and Transfer Agents of our Company.

In accordance with the Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, must upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, he/she is requested to inform their respective Depository Participant.

RESTRICTIONS, IF ANY ON THE TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "*Capital Structure*" on page 92 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "*Description of Equity Shares and Terms of the Articles Of Association*" on page 361 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, that may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for does not exceed the applicable limits under laws or regulations.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [•] shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of NSE (the "**NSE EMERGE**").

APPLICATION BY ELIGIBLE NRIs, FPIs or VCFs REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be Issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

PRE – ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located). In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations. The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company..

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Book Running Lead Manager, reserves the right to not proceed with the Issue, in whole or in part thereof, after the Issue Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the newspapers in which the pre-Issue advertisements are published, within 2 (two) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, will notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the application amounts to the Investors, within one (1) Working Day from the date of receipt of such notification. Our Company will also inform the same to the Stock Exchange on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with the Issue, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON⁽¹⁾	[●]
BID/ISSUE CLOSES ON⁽²⁾⁽³⁾	[●]

⁽¹⁾Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will open one Working Day prior to the Bid/ Issue Opening Date.

⁽²⁾Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

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

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

Event	Indicative Date
Issue Opening Date	[●]*
Issue Closing Date	[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Refunds for Anchor Investors/ unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat account of the Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about [●]

Note –

*Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will open one Working Day prior to the Bid/ Issue Opening Date.

**Our Company may, in consultation with the Book Running Lead Manager consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulation.

In case of any delay in unblocking amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation of compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

In terms of the SEBI Master Circular and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Our Company shall within two days from the closure of the Issue, refund the subscription amount received in case our Company fails to obtain listing or trading permission from the Stock Exchange for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the Issue Procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and revision of Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Issue Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/ Cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories [#]	Only between 10.00 a.m. on the Bid/Issue Opening Date and up to 4.00 p.m. IST on Bid/Issue Closing Date
Upward or downward revision of Bids or cancellation of Bids by Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Issue Closing Date

* UPI mandate end time is at 5:00 p.m. on the Bid/ Issue Closing Date.

[#] QIBs and Non-Institutional Bidders could neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- (i) p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders

On Bid/Issue Closing Date, an extension of time could have been granted by the Stock Exchange only for uploading Bids received by RIBs, after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date until the Bid/ Issue Closing Date by obtaining the same from the Stock Exchange. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and, Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, shall be rejected.

Due to the limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and in any case no later than 12:00 pm on the Bid/ Issue Closing Date. Any time mentioned in the Red Herring Prospectus is IST. Bidders were cautioned that, in the event, that a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bids may not get uploaded due to lack of sufficient time. Bids and any revision in Bids shall be accepted only during Working Days. The Designated Intermediaries could modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange sent the bid information to the Registrar to the Issue for further processing.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum Application Form, for a particular Bidder, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data. Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of one Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of Syndicate Members by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of the Price Band, the Bid Lot shall remain the same.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue Size shall be achieved before our Company proceeds to get the Basis of Allotment approved by the Designated Stock Exchange.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the Stock Exchange where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within two (2) days of receipt of intimation from Stock Exchange rejecting the application for listing of specified securities, and if any such money is not repaid within two (2) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the second day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Issue will be one hundred per cent underwritten. For details of underwriting arrangement, kindly refer to the chapter titled “*General Information*” on page 78 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO THE MAIN BOARD

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from the SME platform to the main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021, and NSE/SME/56427 dated April 20, 2023. NSE has further reviewed and revised the migration policy effective from April 01, 2024, from NSE EMERGE to NSE Main Board as follows:

- a. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores**

***Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the Post Issue number of equity shares.*

- b. The Company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- c. The Company should have been listed on the SME platform of the Exchange for at least 3 years.
- d. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/or No proceedings have been admitted under the Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- e. The Company has not received any winding up petition admitted by a NCLT.
- f. The net worth* of the Company should be at least ₹75 crores.

**Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

- g. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

The Company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:

- a. The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
- b. Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
- c. Redressal mechanism of Investor grievance.
- d. PAN and DIN no. of Director(s) of the Company.
- e. Change in Control of a Company/Utilisation of funds raised from public.

MARKET MAKING

The Equity Shares Issued through this Issue are proposed to be listed on NSE EMERGE, wherein the Market Maker to this Issue will ensure compulsory Market Making through the registered Market Maker of NSE for a minimum period of 3 years from the date of listing on NSE EMERGE. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to the section “*General Information - Details of Market Making Arrangement*”, on page 88 of this Draft Red Herring Prospectus.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

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ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI ICDR Regulations, whereby, an Issuer whose post Issue paid-up capital shall be more than ₹1,000 lakhs and up to ₹2,500 lakhs, may issue shares to the public and propose to list the same on NSE EMERGE. For further details regarding the salient features and terms of such an Issue please refer to the chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on pages 304 and 320, respectively of this Draft Red Herring Prospectus.

The Initial Public Offer is a fresh Issue of 63,51,600 Equity Shares of the face value of ₹ 10/- each (the “**Equity Shares**”) of Spunweb Nonwoven Limited (*Formerly known as Spunweb Nonwoven Private Limited*) for cash at a price of ₹ [•] per Equity Share (the “**Issue Price**”), aggregating to ₹ [•] lakhs (the “**Issue**”). Out of the total issue, [•] Equity Shares of the face value of ₹ 10/- each aggregating to ₹ [•] lakhs will be reserved for subscription by the market maker (“**Market Maker Reservation Portion**”). The Issue less the market maker reservation portion i.e. the Issue of [•] Equity Shares of face value of ₹ 10/- each at an Issue price of ₹ [•] /- per equity share aggregating to ₹ [•] lakhs are hereinafter referred to as the “**Net Issue**”. The Issue and the net issue will constitute [•]% and [•]%, respectively of the post-Issue paid-up equity share capital of our company.

The Issue is being made by way of the Book Building Process:

Particulars of the Issue	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation⁽²⁾	[•] Equity Shares of face value of ₹10/- each	[•] Equity Shares of face value of ₹ 10/- each	[•] Equity Shares of face value of ₹ 10/- each of less allocation to QIB Bidders and Retail Individual Investors	[•] Equity Shares of face value of ₹ 10/- each of less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Issue Size available for allocation	[•]% of the Issue Size	Not more than 50.00% of the Net Issue Size shall be available for allocation to QIBs. However, up to 5.00% of the net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one-third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only. The	Not less than 15.00% of the Issue shall be available for allocation.	Not less than 35.00% shall be available for allocation.

Particulars of the Issue	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
		unsubscribed portion in the Mutual Fund Portion is available for allocation to other QIBs.		
Basis of Allotment	Firm Allotment	<p>Proportionate as Follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [•] Equity Shares of face value of ₹ 10/- each shall be available for allocation on a Proportionate basis to Mutual Funds only; and;</p> <p>(b) [•] Equity Shares of face value of ₹ 10/- each shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above</p> <p>(c) [•] Equity Shares of face value of ₹ 10/- each may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” on page 320.</p>	<p>Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis as follows –</p> <p>One-third of the Non Institutional Category will be made available for allocation to Bidders with an application size of more than ₹2 lakhs and up to ₹10 lakhs.</p> <p>Two-third of the Non Institutional Category will be made available for allocation to Bidders with an application size of more than ₹10 Lakhs. For details, see “Issue Procedure” on page 320 of this Draft Red Herring Prospectus.</p> <p>Provided that the Unsubscribed portion in either of the aforementioned subcategories may be allocated to Non</p>	<p>Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Issue Procedure” on page 320.</p>

Particulars of the Issue	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
			Institutional Bidders in the other subcategory of Non Institutional Bidders.	
Mode of Application	Only through the ASBA Process	ASBA Process only (except in case of Anchor Investors)	ASBA Process only (including UPI mechanism to the extent of Bids up to ₹ 5,00,000/-)	ASBA Process only (including the UPI Mechanism)
Minimum Application Size	[•] Equity Shares of face value of ₹10/- each in multiple of [•] Equity Shares of face value of ₹10/- each	Such number of Equity Shares in multiples of [•] Equity Shares of face value of ₹10/- each that the Application size exceeds ₹ 2,00,000	Such number of Equity Shares in multiples of [•] Equity Shares of face value of ₹10 each such that the Application size must not be less than ₹2,00,000	Such number of Equity Shares in multiple of [•] Equity Shares of face value of ₹10 each that the Application size does not exceed ₹2,00,000
Maximum Application Size	[•] Equity Shares of face value of ₹10/- each	Such number of Equity Shares and in multiples of [•] Equity Shares of face value of ₹10 each not exceeding the size of the Net Issue (excluding the Anchor Portion), subject to applicable limits to each Bidder.	Such number of Equity Shares in multiples of [•] Equity Shares face value of ₹10 each not exceeding the size of the Issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity Shares in multiple of [•] Equity face value of ₹10 each Shares that the Application size does not exceed ₹2,00,000
Mode of Allotment	Compulsory in dematerialised form			
Bid & Allotment Lot	[•] Equity Shares of face value of ₹10 each and in multiples thereof			
Trading Lot	[•] Equity Shares of face value of ₹ 10/- each and in multiples thereof, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[•] Equity Shares of face value of ₹ 10/- each and in multiples thereof		
Who can apply⁽³⁾⁽⁴⁾⁽⁵⁾	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013	Resident Indian individuals, Eligible Non-Resident Individuals (“NRIs”), Hindu Undivided Families (“HUFs”)	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars of the Issue	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
		<p>(“Companies Act”), scheduled commercial banks, Mutual Funds, Foreign Portfolio Investors (“FPIs”) (other than individuals, corporate bodies and family offices), Venture Capital Funds (“VCFs”), Alternate Investment Funds (“AIFs”), Foreign Venture Capital Investors (“FVCIs”) registered with Securities and Exchange Board of India (“SEBI”), multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with Insurance Regulatory and Development Authority of India (“IRDAI”), provident funds (subject to applicable law) with minimum corpus of ₹250,000,000, pension funds with minimum corpus of ₹250,000,000, registered with the Pension</p>	<p>(in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are recategorized as Category II FPIs and registered with SEBI.</p>	

Particulars of the Issue	Market Maker Reservation Portion	QIBs ⁽¹⁾	Non-Institutional Applicants	Retail Individual Investors
		Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India (“GoI”) through		
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be paid by the Anchor Investors at the time of submission of their Bids</p> <p>In case of all other Bidders: Full application amount will be blocked by the SCSBs in the bank account of the Applicant including UPI ID in case of UPI Bidders, that is specified in the Application Form at the time of submission of the Application Form.</p>			

Note: SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, the Stock Exchange shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book-building platform only with a mandatory confirmation on the application monies blocked.

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time.

- (1) *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. For further details, refer to “Issue Procedure” on page 320.*
- (2) *In terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is the Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through the Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI ICDR Regulations.*
- (3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and that the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form contained only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*
- (4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (5) *Bidders are required to confirm and are deemed to have represented to our Company, the Underwriter, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Kindly Note:

1. *Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*
2. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*
3. *Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to the Issue in consultation with BRLM, our Company and NSE EMERGE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

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ISSUE PROCEDURE

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

All Applicants should read the General Information Document for Investing in Public Issue (“**GID**”) prepared and issued in accordance with the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and UPI Circulars which highlight the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of the Stock Exchange, the Company and the Book Running Lead Manager, before the opening of the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum application size; (iii) price discovery and allocation of shares; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Issue; (vi) General Instructions (limited to instructions for completing the Application Form); (vii) Submission of Application Form; (viii) Designated Date (ix) Other Instructions (limited to joint bids in purchase of individual, multiple bids and instances when an application would be rejected on technical grounds); (x) applicable provisions of Companies Act relating to punishment for fictitious applications; (xi) mode of making refunds; and (xii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, (“**UPI Phase II**”). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and made effective on a voluntary basis for all issues opening on or after September 1, 2023, and on a mandatory basis for all issues opening on or after December 1, 2023 (“**T+3 Notification**”). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (“**SEBI RTA Master Circular**”) and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings whose Application sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their bids. Additionally, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (**DP**), Registrar to an Issue and Share Transfer Agent (**RTA**) that have been notified by NSE EMERGE to act as intermediaries for submitting Application Forms are provided on the website

of NSE at www.nseindia.com. For details on their designated branches for submitting Application Forms, please see the above-mentioned website of NSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the abovementioned SEBI link. The list of Stockbrokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on the website of NSE at www.nseindia.com. For details on their designated branches for submitting Application Forms, please refer the above-mentioned NSE website.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Red Herring Prospectus and the Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

BOOK BUILT PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹2 lakhs and up to ₹10 lakhs and two-thirds shall be reserved for Bidders with Bids exceeding ₹10 lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized mode on the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of

Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicant's depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicant's PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. However, investors may get the specified securities rematerialized subsequent to allotment.

Investors must ensure that their Permanent Account Number ("PAN") is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021, and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

AVAILABILITY OF DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS, PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Application form.

An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE EMERGE the website of NSE at www.nseindia.com.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase is applicable from January 1, 2019, and will continue up to June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing would continue to be six Working Days.

Phase II: This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019, and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount will be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

Phase III: The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Issue will be made under UPI Phase III of the UPI Circulars.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. Accordingly, the Issue has been undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification. The Issue has been advertised in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located), on or prior to the Bid/Issue Opening Date and such advertisement has also been made available to the Stock Exchange for the purpose of uploading on their websites.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the Sponsor Bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, has prescribed. that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to ₹ 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 2,00,000 and up to ₹ 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM. The General Information Document will be available on the website of the Exchange and BRLM after the filing of the Red Herring Prospectus.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of NSE at www.nseindia.com at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchange will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders could submit the ASBA Form in the manner below:

- (i) RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs (other than UPI Bidders) could submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form⁽¹⁾
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis⁽²⁾	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a 0repatriation basis	[●]
Anchor Investors⁽³⁾	[●]

⁽¹⁾Excluding electronic Bid cum Application Form

⁽²⁾Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com)

⁽³⁾ Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM

Note:

- *Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.*
- *The shares of the Company, on allotment, shall be traded on stock exchange in demat mode only.*
- *Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.*
- *The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals.*

In case of ASBA Forms, the relevant Designated Intermediaries uploaded the relevant Bid details in the electronic bidding system of the Stock Exchange. For ASBA Forms (other than through the UPI Mechanism) Designated Intermediaries (other than SCSBs) submitted/ delivered the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the Bankers to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the Bankers to the Issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Bank(s) and the Bankers to the Issue for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to the SEBI circulars dated June 2, 2021, and April 20, 2022.

Pursuant to NSE circular dated July 22, 2022, with reference no. 23/2022, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹5,00,000 and NII & QIB bids above ₹2,00,000 through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchange and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchange platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the Issue.
- b) On the Bid/ Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange send the Application information to the Registrar to the Issue for further processing.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (**Collectively called – Designated Intermediaries**)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub – syndicate member)
3.	A stockbroker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by Investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSB's	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and resubmission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

WHO CAN APPLY

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;

10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹25 crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
23. Applications not to be made by:
 - (a) Minors (except through their Guardians);
 - (b) Partnership firms or their nominations;
 - (c) Foreign Nationals (except NRIs);
 - (d) Overseas Corporate Bodies.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Regional newspaper where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date.

The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- (a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject

to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper, all editions of Hindi national newspaper and Regional newspaper where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

- (b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- (c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- (e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- (f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “*Issue Procedure- Payment into Escrow Account(s) for Anchor Investors*” on page 352 of this Draft Red Herring Prospectus
- (h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- (j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum

Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- (a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- (b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- (e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion.

In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
 - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
 - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 10) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies Registration Act, 1860 or

any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUF's, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares issued to the public.

PARTICIPATION BY PROMOTERS AND PROMOTER GROUP OF OUR COMPANY, BRLM, THE SYNDICATE MEMBERS AND THEIR ASSOCIATES AND AFFILIATES AND THE PERSONS RELATED THERETO

The Book Running Lead Manager shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants. Such applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Manager, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Book Running Lead Manager or any associates of the Book Running Lead Manager, except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Book Running Lead Manager, pension funds sponsored by entities which are associate of the BRLM, shall apply in the Issue under the Anchor Investor Portion.

our Promoters and the members of our Promoter Group will not participate in the Issue. Further, persons related to our Promoters and Promoter Group shall not apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters and members of the Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoter Group will not participate in the Issue.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with the Book Running Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof, subject to Applicable Law. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

APPLICATION BY HUFs

Applications by HUF can be made in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of the Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Form should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) ASBA Accounts, and Eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Participation of Eligible NRIs in the Issue shall be subject to the Foreign Exchange Management Act (“**FEMA**”) Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange shall be considered for allotment. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of Issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity Shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity Shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws.

Eligible NRIs are permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs could use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts. In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, could not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and Overseas Citizen of India (“**OCl**”) put together could not exceed 10% of the total paid-up Equity Share capital on a fully diluted basis or could not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color).

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 359 of this Draft Red Herring Prospectus.

APPLICATION BY FIIs/ FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations.

An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our Post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLM reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs shall be permitted to participate in the Issue subject to compliance with conditions and restrictions specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be required to be included. To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue Procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, a FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. Further, pursuant to a Circular dated November 24, 2014, issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further,

where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and shall be liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with SEBI master circular bearing reference number SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70 dated May 30, 2024, provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who shall not utilize the multiple investment managers (“MIM”) Structure, and bear the same PAN, shall be liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids are required to be rejected.

APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “**SEBI VCF Regulations**”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-residents Investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of the certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of the certificate of registration issued by IRDA must be attached to the Application Form, failing which, our Company in consultation with the Book Running Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDAI Investment Regulations**”) are set forth below:

- (a) Equity Shares of a company: the lower of 10%* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) The industry sector in which the investee company operates; not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding Equity Shares (face value) for insurance companies with investment assets of ₹2,50,00,000 Lakhs or more and 12% of outstanding Equity Shares (face value) for insurers with investment assets of ₹50,00,000 Lakhs or more but less than ₹2,50,00,000 Lakhs.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time, including the IRDA Investment Regulations.

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹25 crores, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company, in consultation with the Book Running Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee must be attached to the Application Form, failing which our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“**Banking Regulation Act**”), and the Reserve Bank of India (“**Financial Services provided by Banks**”) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by systemically important non-banking financial companies registered with RBI,

certified copies of: (i) the certificate of registration issued by the RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important NBFCs participating in the issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

APPLICATIONS BY SCSBs

SCSBs participating in the Issue must comply with the terms of the SEBI circulars Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012, and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issue and clear demarcated funds should be available in such account for such applications.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500 Lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2,500 Lakhs (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, Red Herring Prospectus or the Prospectus.

MAXIMUM AND MINIMUM APPLICATION SIZE

For Retail Individual Investors

The Application must be for a minimum of [●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2.00 lakhs. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2.00 lakhs.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2.00 lakhs and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of the Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, must ensure that the Application Amount is greater than ₹2.00 lakhs for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

INFORMATION FOR THE APPLICANTS:

- (a) Our Company and the Book Running Lead Manager shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in the prescribed format.
- (b) Our Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, Gujarat, at least 3 (three) Working Days before the Issue Opening Date.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the BRLM.
- (d) Copies of the Bid Cum Application Form along with the Abridged Prospectus and copies of the Red Herring Prospectus will be available with the Book Running Lead Manager, the Registrar to the Issue and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

- (e) Applicants who are interested in subscribing to the Equity Shares should approach the BRLM or their authorized agent(s) to register their applications.
- (f) Bid Cum Application Form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries, Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
- (g) The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet-enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants have to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
- (h) Applicants applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA Application into the electronic system.
- (i) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the state of Sikkim, the Bidders, or in the case of applications in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating in transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
- (j) The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.
- (k) Applications made in the name of minors and/ or their nominees shall not be accepted.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSBs. ASBA Application Forms, that do not bear the stamp of the SCSB, will be rejected.

Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit application forms in public issues using the stockbroker (broker) network of the Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of NSE at www.nseindia.com. With a view to broad base the reach of Investors by substantially, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015, has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect

front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the website of NSE i.e. www.nseindia.com.

BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details, PAN Numbers, Client ID and DP ID in the space provided in the Bid cum Application Form is mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders' bank account details, MICR code and occupation (hereinafter referred to as Demographic Details'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation Advice. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidders would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF BIDS

1. During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
2. In case of Bidders (excluding NIIs) Bidding at the Cut-off Price, the Bidders may instruct the SCSBs to block the Bid Amount based on the Cap Price less Discount (if applicable).

BASIS OF ALLOTMENT

- a) For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of the face value of ₹ 10/- each at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of the face value of ₹ 10/- each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter. For the method of proportionate Basis of Allotment, refer below.

- b) For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

The Issue Size less allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of the face value of ₹ 10/- each at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their

demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of the face value of ₹ 10/- each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of the face value of ₹ 10/- each and in multiples of [●] Equity Shares of the face value of ₹ 10/- each thereafter. For the method of proportionate Basis of Allotment refer below.

c) For QIBs

Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

1. In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Funds exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (2) below;

2. In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares of face value of ₹10/- each on a proportionate basis, up to a minimum of [●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares thereafter for 95% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter, along with other QIB Bidders.
- Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹ 10/- each.

d) Allotment to Anchor Investor

1. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and allocation to Anchor Investors shall be on a discretionary basis and subject to:

- ✓ a maximum number of two Anchor Investors for allocation up to ₹2 crores;

- ✓ a minimum number of two Anchor Investors and a maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 crores per such Anchor Investor; and
 - ✓ in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
2. A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
3. In the event that the Issue Price is higher than the Anchor Investor Allocation Price:
- Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
4. In the event the Issue Price is lower than the Anchor Investor Allocation Price:
- Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
5. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:
- In the event of the Issue Being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE (The Designated Stock Exchange). The allocation may be made in marketable lots on a proportionate basis as set forth hereunder:
- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by the number of Shares applied for).
 - b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
 - c) For Bids where the proportionate allotment works out to less than [●] Equity Shares of the face value of ₹ 10/- each the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] Equity Shares of face value of ₹ 10/- each; and
 - The successful Bidder out of the total bidders for that category shall be determined by drawing lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
 - d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10/- each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10/- subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10/- each.
 - e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to

the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10/- each, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

Flow of events from the closure of Bidding period (T DAY) till Allotment:

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these application s will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

Retail Individual Investor' means an investor who applies for shares of the value of not more than ₹2,00,000/- Investors may note that in case of oversubscription, allotment shall be on a proportionate basis and will be finalized in consultation with the NSE.

The authorised employee of the Designated Stock Exchange along with the Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

INFORMATION FOR BIDDERS

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the BRLM are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Issue Period and withdraw or lower the size of their Bid(s) until Bid/Issue Closing Date. Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable laws, rules, regulations, guidelines and approvals; All Applicants (other than Anchor Investors) should submit their applications through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicant depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in the case of electronic Bids) within the prescribed time;
6. UPI Bidders Bidding using the UPI Mechanism in the Issue are required to ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
8. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Issue Closing Date;
9. In case of joint Bids, ensure that the First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Application Form;

10. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
11. In the case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in-1 type accounts under Channel II (described in the UPI Circulars);
12. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
13. Applicants using the UPI Mechanism should ensure that the correct UPI ID (with a maximum length of 45 characters including the handle) is mentioned in the Application Form;
14. Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
15. Applicants submitting an Application Form using the UPI Mechanism should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
16. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
17. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018, and July 26, 2019.
18. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
19. Submit revised Bids to the same Designated Intermediary, through whom the original Bid is placed and obtain a revised acknowledgement;
20. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
21. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such

MIM Bids shall be rejected;

22. Ensure that the Demographic Details are updated, true and correct in all respects;
23. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
24. Ensure that the category and the investor status is indicated;
25. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
26. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
27. Bidders should note that in case the DP ID, Client ID and PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
28. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Red Herring Prospectus;
29. Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided authorization to the SCSB via the electronic mode, for blocking funds in the ASBA
30. Applicants shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an Applicant may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
31. Applicants using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize the blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
32. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue.
33. The ASBA Bidders are required to ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;
34. UPI Bidders bidding using the UPI Mechanism are required to mention valid UPI ID of only the Bidder (in case of a single account) and of the first bidder (in case of a joint account) in the Bid cum Application Form;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000 for Bids by UPI Bidders;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not apply/ revise the Bid amount less than the Floor Price or higher than the Cap Price mentioned herein or in the Application Form;
6. Do not pay the Application Amount in cash, by money order, cheques, demand drafts, postal order, stock investment or any mode, other than blocked amounts in the bank account maintained with SCSB;
7. Applicants should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
8. Applicants should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> ;
9. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not submit the Application Forms to any non-SCSB bank or our Company;
12. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
14. Do not submit more than one Application Form per ASBA Account;
15. Do not submit the Bid for an amount more than the funds available in your ASBA Account;
16. Do not fill up the Application Form such that the Equity Shares applied for exceeds the issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;
17. Do not Bid for Equity Shares more than specified by the Stock Exchange for each category;
18. Do not make the Bid cum Application Form using a third-party bank account or using a third-party linked bank account UPI ID;
19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Issue Closing Date;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using the UPI mechanism, do not submit the ASBA Form directly with SCSBs;
24. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the issue;
25. Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
26. All investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
27. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
28. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investors using the UPI mechanism;
29. Do not Bid if you are an OCB;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

OTHER INSTRUCTION FOR BIDDERS

Joint Applications in the case of Individuals

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures that would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (a) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- (b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In the case of applications with a common DP ID/ beneficiary ID, are manually checked to eliminate the possibility of data entry errors to determine if they are multiple applications.
- (c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate the possibility of data capture errors to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such a manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLM reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bids submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In the case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject

Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of the Application on technical grounds as provided in the “*General Information Document*”, the Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Bids submitted without instruction to the SCSBs to block the entire Application Amount;
2. Bids that do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with a Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock investment, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.
15. Applications by OCBs;

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Manager*” on page 80.

SIGNING OF UNDERWRITING AGREEMENT

Our company has entered into an Underwriting Agreement dated [●].

FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

A copy of the Red Herring Prospectus and Prospectus will be filed with the ROC in terms of Section 26 of the Companies Act.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL/ CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (i) We have entered into a tripartite agreement amongst NSDL, the Company and the Registrar to the Issue on October 22, 2024.
- (ii) We have entered into a tripartite agreement amongst CDSL, the Company and the Registrar to the Issue on October 24, 2024.

The Company's International Securities Identification Number (ISIN) is INE19QH01010.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

TERMS OF PAYMENT

The entire Issue Price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares, than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs or Sponsor Bank.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their

applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the SEBI ICDR Regulations, all investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5,00,000, may use UPI.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock investment instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock investment would not be accepted in this Issue.

PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid on the Issue through the ASBA process. Instead, Anchor Investors are required to transfer the Bid Amount (through direct credit, real-time gross settlement (“RTGS”), national automated clearing house (“NACH”) or national electronic fund transfer (“NEFT”) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a Pre-Issue Advertisement, in the form prescribed by the SEBI ICDR Regulations, in (i) all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located).

In the Pre-Issue advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI ICDR Regulations, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

ALLOTMENT ADVERTISEMENT

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLM and the Registrar to the Issue, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchange where the Equity Shares are proposed to be listed, provided such final listing and trading approval from

the Stock Exchange is received prior to 9:00 p.m. IST on that day. In the event, that the final listing and trading approval from the Stock Exchange is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from the Stock Exchange where the Equity Shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the BRLM and the Registrar to the Issue, following the receipt of the final listing and trading approval from the Stock Exchange.

Our Company, the BRLM and the Registrar to the Issue shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all edition of [●] (a widely circulated English national daily newspaper) and all edition of [●] (a widely circulated Hindi national daily newspaper) and Gujarati edition of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where our registered office is located).

ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by the allocation of Equity Shares into a public issue account with the Banker to the Issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of the approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of Equity Shares. Applicants are advised to instruct their respective depository participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions the Registrar to the Issue will dispatch allotment advice to the applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 Working Days of the Issue Closing Date. The issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one Working Day from the date of allotment after the funds are transferred from the ASBA Public Issue Account to Public Issue Account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into a Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 Working Days of the issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorized employees of the Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares issued through the Issue except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 10% of the Net Issue to the public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIIs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to the minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Applicants have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediary will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediary shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediary shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand

option. The TRS shall be furnished to the Applicant on request. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.

10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue account. In case of withdrawal/ failure of the issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (**hereinafter referred to as 'Demographic Details'**). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application is submitted thereof and a copy of the acknowledgement slip.

DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 1 (one) Working Day of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of necessary formalities for listing and commencement of trading at EMERGE Platform of NSE ("NSE EMERGE"). where the Equity Shares are proposed to be listed are taken within 3 (Three) Working Days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 2 (two) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) Working Days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

RIGHT TO REJECT APPLICATIONS

In the case of QIB Applicants, the Company in consultation with the Book Running Lead Manager, may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In the case of Non-Institutional Applicants, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds.

INVESTOR GRIEVANCE

In case of any Pre-Issue or Post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors may reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information- Company Secretary and Compliance Officer*” on page 79 of this Draft Red Herring Prospectus.

In case of any delay in unblocking amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 Lakhs or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 Lakhs or with both.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for completion of the necessary formalities for listing and commencement of trading on the Stock Exchange where the Equity Shares are proposed to be listed within three (3) Working Days from the Issue Closing Date.
3. If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements are published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
5. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;
6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application Monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI Regulations and applicable law for the delayed period;
10. The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
11. None of the Promoters or directors of the company is a Wilful Defaulter under Section 5(c) of SEBI ICDR Regulations.

UTILISATION OF NET PROCEEDS

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40(3) of the Companies Act;
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested;

4. Our Company shall comply with the requirements of SEBI LODR regulations, in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and the Foreign Exchange Management Act, 1999 (“**FEMA**”). While the Industrial Policy, 1991, prescribed the limits and the conditions subject to which foreign investment may be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”). The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment, where applicable. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion (“**DPIIT**”) has issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020.

Pursuant to Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. Further, in the event of a transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Applicant must seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant must intimate our Company and the Registrar to the Issue in writing about such approval, along with a copy thereof within the Issue Period.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Issue Procedure – Bids by Eligible NRIs*” and “*Issue Procedure – Bids by FPIs*” on page 333 and 334 respectively of this Draft Red Herring Prospectus.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus.

The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any other applicable law of the United States and, unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable state securities laws. Accordingly, the Equity Shares are being issued and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the United States.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares they apply for in the Issue does not exceed the applicable limits under applicable laws or regulations.

For further details, see “*Issue Procedure*” on page 320 of this Draft Red Herring Prospectus.

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DESCRIPTION OF EQUITY SHARES RELATED TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES (Incorporated under the Companies Act, 2013)

ARTICLES OF ASSOCIATION OF SPUNWEB NONWOVEN LIMITED

Note: By a Special Resolution passed at Extra Ordinary General Meeting of the Company held on December 09, 2024, these Articles were adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

Article No.	Particulars	Heading
1.	<p>The Regulations contained in Table F, in the First Schedule to the Companies Act, 2013 (Table F), as are applicable to a Public Company Limited by Shares, shall apply to this Company, so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there are no specific provisions in these Articles. In case of any conflict between the provisions of these Articles and Table F, the provisions of these Articles shall prevail.</p> <p>In case of any conflict between any other applicable laws and these Articles, or any relaxations or liberal provision is provided by the applicable laws, the provisions of such laws shall be prevailed, unless otherwise determined by the Board.</p> <p>The regulations for the management of the Company and for the observance by the members thereto and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alterations of, or addition to, its regulations by Resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.</p>	Company to be governed by these Articles
2.	<p>Wherever in the Act or other laws, it has been provided that the company shall have any right, privilege or authority or that the company could carry out any transaction only if the company is authorized by its articles, then and in that case this Article authorizes and empowers the Company and its board of directors to have such rights, privileges or authorities to carry such transaction as have been permitted by the Act, without there being any specific article in that behalf and it shall be deemed that the said rights, privileges or authorities are existing in these Articles.</p>	General Power
3.	<p>Notwithstanding anything contained in these Articles, if any provision of these Articles is inconsistent with the provisions of the Act or any other laws or becomes inconsistent or repugnant with the provisions of the Act or any other laws on account of any amendment, modification or statutory re-enactment thereof, the Company shall be governed and bound by, and the Board shall be deemed to be authorized by these Articles to comply with, the provisions of the Act or any other laws to the extent of inconsistency or repugnancy.</p>	Act to override these Articles in case of inconsistency
Interpretation Clause		
4.	<p>In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:</p>	Interpretation Clause

Article No.	Particulars	Heading	
	(a) "The Act" means the Companies Act, 2013, and includes rules made there under and any statutory modification, clarification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles.	Act	
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time or any statutory modifications thereof.	Articles	
	(c) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual Meeting	General
	(d) "Auditors" means and includes those persons appointed as such for the time being of the Company.	Auditors	
	(e) "Board" means the Directors of the Company collectively and shall include a committee thereof.	Board	
	(f) "Beneficial Owner" shall mean beneficial owner as defined in the Depositories Act, 1996.	Beneficial Owner	
	(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital	
	(h) "Company" shall mean Spunweb Nonwoven Limited established as aforesaid.	The Company	
	(i) "Debenture" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;	Debenture	
	(j) "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.	Document	
	(k) "Depository" means a Depository as defined under the Depositories Act, 1996.	Depository	
	(l) "Director" means a Director appointed to the Board of the Company in accordance with the Act or other applicable laws.	Director	
	(m) "Extra Ordinary General Meeting" means an Extra Ordinary General Meeting of the Members, other than Annual General Meeting, duly called and constituted and any adjourned holding thereof.	Extra General Meeting	Ordinary
	(n) "General Meeting" means a meeting of members held in accordance with the Act.	General Meeting	
	(o) "In Writing" and "Written" include printing lithography and other modes of representing or reproducing words in a visible form and shall include email, and any other form of electronic transmission.	In Writing and Written	
	(q) "Independent Director" shall have the meaning ascribed to it in the Act.	"Independent Director"	
	(p) The marginal notes or headings hereto shall not affect the construction thereof.	Marginal notes or headings	
	(q) "Key Managerial Personnel" shall have the meaning as ascribed to it under Section 2(51) of the Act.	Key Managerial Personnel	
	(r) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative	
	(u) Words importing the masculine gender also include the feminine gender.	Gender	
	(s) "Members" or "Shareholders" means the duly registered holders, for the time being of the shares of the Company and in case of shares held in dematerialized form such persons whose name is entered as a beneficial owner in the records of a depository.	Members or Shareholder	
	(t) "Month" means a calendar month.	Month	

Article No.	Particulars	Heading
	(u) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(v) "Non-retiring Directors" means a Director not subject to retirement by rotation.	Non-retiring Directors
	(w) "Office" means the Registered Office for the time being of the Company and with respect to the keeping and inspection of registers and returns and other matters mentioned in the Act and includes any other place as prescribed by the Act.	Office
	(aa) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(bb) "Paid-up" in relation to shares includes credited as paid-up.	Paid-up
	(cc) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(dd) "Proxy" means an instrument whereby any person is authorized to vote for a member at a General Meeting or Poll and includes an attorney duly constituted under the power of attorney.	Proxy
	(ee) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act, and in case of shares in dematerialized form, such register of beneficial owner as may be maintained by the Depositories.	Register of Members
	(ff) "Seal" means the common seal for the time being of the Company or any other method of Authentication of documents, as specified under the Act or amendment thereto.	Seal
	(gg) "Secretary" or "Company Secretary" shall have the meaning as ascribed to it under Section 2(24) of the Act.	Secretary or Company Secretary
	(hh) "Securities" shall mean securities as defined under the Securities Contract (Regulations) Act, 1956 or any modifications or re-enactment thereof for the time being in force and includes hybrids.	Securities
	(ii) "Share" means a share in the share capital of a company and includes stock.	Share
	(jj) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(kk) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(ll) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time or any statutory modifications thereof.	These presents
	(mm) "Variation" shall include abrogation; and "vary" shall include abrogation.	Variation
	(nn) "Year" means the "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.	Expressions in the Act to bear the same meaning in Articles
CAPITAL		
5.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time, with power to the Board, subject to applicable statutory provisions, to re-classify, sub-divide, consolidate or increase and with power from time to time, to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be thought fit and upon the sub-division of shares to apportion the right to participate in any manner as between the shares resulting from such sub-division.	Authorized Share Capital

Article No.	Particulars	Heading
6.	The Company may in General Meeting or by Postal Ballot, from time to time, by Ordinary Resolution increase its capital by creation of new shares, which may be classified or reclassified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting or by Postal Ballot resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meeting or by Postal Ballot of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company and how carried into effect
7.	Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital same as existing capital
8.	The Board shall have the power to issue a part of authorized capital by way of differential voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Issue of Differential Voting Shares
9.	Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference shares, either at premium or at par which are, or at the option of the Company are, a) liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption or b) to be converted into equity shares on such terms and in such manner as the company before the issue of such shares may, determine.	Issue of Preference Shares
10.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of Preference Shares
11.	<p>In case of issue of redeemable preference shares in accordance with these Articles, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) of the Act, the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p>	Provisions to apply on issue of Redeemable Preference Shares

Article No.	Particulars	Heading
	(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.	
12.	<p>The Company may (subject to the provisions of sections 52, 66 and other applicable provisions, if any, of the Act or any other section as notified) from time to time by Special Resolution reduce -</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
13.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	Debentures
14.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in the Act and Rules framed thereunder.	Issue of Sweat Equity Shares
15.	The Company may provide share-based benefits including but not limited to Stock Options, Stock Appreciation Rights or any other co-investment share plan and other forms of share-based compensations to Employees including its Directors other than independent directors and such other persons as the rules may allow, under any scheme, subject to the provisions of the Act, the Rules made thereunder and any other law for the time being in force, by whatever name called.	Share-Based Employee Benefits
16.	Notwithstanding anything contained in these Articles but subject to and in full compliance with the requirements of sections 68 to 70 (both inclusive) and any other applicable provision of the Act and Rules made thereunder, provisions of any re-enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company may with the authority of the Board or the members in General Meeting, as may be required / and contemplated by Section 68 of the Act, at any time and from time to time, authorize buy-back of any part of the share capital of the Company fully paid-up on that date.	Buy Back of shares

Article No.	Particulars	Heading
17.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-Division and Cancellation
18.	Subject to compliance with applicable provisions of the Act and Rules framed thereunder and other applicable laws, the Company shall have the power to issue depository receipts and other permissible securities in any foreign country and to seek listing thereof on any foreign stock exchange(s).	Issue and listing of Depository Receipts or other permissible securities
19.	Subject to compliance with applicable provisions of the Act and Rules framed thereunder, the Company shall have the power to issue any kind of securities or kinds of share capital as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities and Kinds of Share Capital
20.	The Company may issue warrants subject to compliance with the provisions of the Act, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any statutory modifications or re-enactment thereof and other applicable laws.	Issue of Warrants
MODIFICATION OF CLASS RIGHTS		
21.	<p>If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation.</p>	Modification of rights
22.	The rights conferred upon the holders of the Shares including Preference Share, if any, of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	New Issue of Shares not to affect rights attached to existing shares of that class.
23.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. The Board will have the authority to disallow the right to renounce right shares. <p>Provided that except with the sanction of the General Meeting, No option or right to call shall be given to any person by the board.</p>	Shares at the disposal of the Directors.

Article No.	Particulars	Heading
24.	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may issue/allot shares otherwise than for cash
25.	The Company may issue securities in any manner whatsoever including by way of a preferential offer / private placement, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and / or 62 of the Act and rules framed thereunder as amended from time to time.	Power to issue securities on a preferential offer or private placement basis.
26.	The Board or the Company, as the case may be, may, by way of rights issue or preferential offer or private placement or any other manner, subject to and in accordance with the Act and the Rules, issue further shares to; <p>(a) persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall, unless disallowed by the Board, be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of other persons or;</p> <p>(b) employees under the employees' stock option or;</p> <p>(c) any person whether or not those persons include the persons referred to in clause (a) or clause (b) above;</p>	Further issue of share capital
27.	The provisions of these Articles relating to share capital and variation of rights thereon shall mutatis mutandis apply to Debentures and other securities of the Company, as applicable.	Provisions apply to Debentures
28.	The Board shall comply with such Rules or Regulations or Requirements of any stock exchange or the Rules made under the Securities Contract (Regulations) Act, 1956 or any other Act or Rules applicable for the purpose of these Articles. <p>Provided that any restriction, condition or prohibition required to be included in the Articles of Association pursuant to any such Rules, Regulations or Requirements of any stock exchange or the Rules made under the Securities Contract (Regulations) Act, 1956 or any other Act and which are not incorporated in these Articles shall be deemed have effect as if such restriction, condition or prohibition are expressly provided by or under these Articles.</p>	Board to comply with applicable Regulations
29.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
30.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
31.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	Deposit and call etc. to be a debt payable immediately

Article No.	Particulars	Heading
32.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner, as the Board shall, from time to time in accordance with the Company's regulations, require on a date fixed for the payment thereof.	Liability of Members.
33.	Shares may be registered in the name of an individual, any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
34.	The Board shall observe the restrictions as regards allotment of securities to the public, and as regards return on allotments contained in Section 39 of the Act.	Return on allotments to be made or restrictions on allotment
DEMATERIALIZATION AND CERTIFICATES		
35.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members the facility to hold securities issued by it in dematerialized form and may offer the Securities for subscription in dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company. Notwithstanding anything contained herein, the Company shall be entitled to treat the person whose names appear in the register of members as a holder of any share or whose names appear as beneficial owners of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.	Dematerialisation of Securities
36.	Unless otherwise permitted under the Act or the Depositories Act, 1996, The Company may offer and allot, and every person subscribing to securities offered by the Company shall hold, the securities in dematerialised form with a Depository. The Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in the records the name of the allottee as the beneficial owner of the security. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities.	Issue of securities in dematerialised form
37.	All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 and 90 and such other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.	Securities with Depositories to be in fungible form
38.	(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting the transfer of ownership of securities on behalf of the beneficial owner. (ii) Save and otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of	Rights of Depositories and Beneficial Owners

Article No.	Particulars	Heading
	securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.	
39.	Notwithstanding anything contained in these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	Allotment of Securities dealt with in a Depository
40.	Nothing contained in Section 45 of the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.	Distinctive numbers of Securities held with a Depository
41.	(a) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –	Issue of Share Certificates.
	<ol style="list-style-type: none"> 1. one certificate for all his shares without payment of any charges; or 2. several certificates, each for one or more of his shares, upon payment of Rs. 50 for every certificate or such charges as may be fixed by the Board for each certificate after the first. The charges can be waived off by the Company. 	
	(b) Every certificate of shares shall be either under the seal of the company or will be authenticated by (1) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and (2) the Secretary or some other person appointed by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.	
	(c) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 46 of the Act.	
42.	Every certificate shall have distinctive number and shall be issued under the Seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon and shall be in such form as may be prescribed and approved by the Board.	Form of Certificate
43.	(a) If any certificate is worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof.	Issue of renewed or duplicate share certificate
	(b) If any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate and on payment of out-of-pocket expenses incurred by the company in investigating the evidence produced, being given, then only with prior consent of the Board, a duplicate Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed	

Article No.	Particulars	Heading
	<p>Certificate.</p> <p>(c) Every Certificate shall be issued in such manner as prescribed under the Act or Rules framed thereunder or under other applicable laws applicable from time to time.</p> <p>(d) Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees Fifty for each certificate) as the Directors shall prescribe.</p> <p>(e) The particulars of every renewed or duplicate share certificate issued shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in prescribed format indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the “Remarks” column.</p> <p>(f) Register shall be kept at the registered office of the company or at such other place where the Register of Members is kept or at other offices of the Company or at the office of Share Transfer Agent of the Company and it shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose.</p> <p>(g) All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the company secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate</p> <p>(h) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>(i) The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
44.	<p>If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to these articles and the terms of issue.</p>	<p>The first named joint holder deemed Sole holder.</p>
45.	<p>The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<p>Maximum number of joint holders.</p>
46.	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as is by these Articles otherwise expressly provided or by law otherwise provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<p>Company not bound to recognize any interest in shares other than that of registered holders.</p>

Article No.	Particulars	Heading
47.	Company shall not give whether directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company, save as provided by Section 67 of the Act.	Funds of the Company may not be applied in the purchase of shares of the Company
48.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Installment on shares to be duly paid.
49.	If and whenever as a result of the issue of new or further shares or any consolidation or sub-division of shares or otherwise, any shares held by members become fractional shares, all such fractional entitlement shall, unless otherwise determined or approved by the Board or shareholders of the Company, be consolidated into whole shares and be allotted to such person, persons or entities as may be nominated by the Board as trustee for sale thereof in open market through SEBI registered share broker at such price as may be approved by such Trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlement.	Fractional Shares
50.	The Company shall, to the extent applicable, observe the provisions of Sections 89 and 90 of the Act and of other applicable laws dealing with beneficial interest in shares.	Declarations in respect of beneficial interest in any share
UNDERWRITING AND BROKERAGE		
51.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any securities in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the Rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
52.	The Company may pay on any issue of securities such brokerage as may be reasonable and lawful.	Brokerage
CALLS		
53.	(a) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the money unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (b) A call may be made payable in instalments. (c) The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.	Directors may make calls
54.	A call may be revoked or postponed at the discretion of the Board.	Call may be revoked or postponed
55.	Fifteen days' or such other period as the Board may determine, in accordance with the applicable laws, notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls

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56.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
57.	Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on a uniform basis.
58.	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of Joint-holders
59.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend the time.
60.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board at ten per cent per annum or other rate as the Board determine, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
61.	<p data-bbox="336 1084 1166 1267">(a) If by the terms of issue of any share or otherwise any amount is made payable at any fixed time (whether on account of the nominal value of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.</p> <p data-bbox="336 1296 1166 1413">(b) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply mutatis mutandis as if such sum had become payable by virtue of a call duly made and notified.</p>	Sums deemed to be called.
62.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	Proof on a trial of suit for money due on shares.

Article No.	Particulars	Heading
63.	Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest or any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	Judgment, decree, partial payment suo motto proceed for forfeiture.
64.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the money so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' or such other period as the Board may determine, notice in writing: provided that money paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	calls received in Advance may carry interest
LIEN		
65.	<p>(x) The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends, onuses or interest from time to time declared in respect of such shares/ debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures.</p> <p>(y) The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	Company to have Lien on shares / debentures.

Article No.	Particulars	Heading
66.	<p>(a) For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days or such other period as the Board may determine, after the date of such notice.</p> <p>(b) To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(c) Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.</p>	As to enforcing lien by sale.
67.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
FORFEITURE AND SURRENDER OF SHARES		
68.	If any Member fails to pay the whole or any part of any call or instalment or any amounts of money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other money as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other money as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment.	If a call or instalment is not paid, notice may be given.
69.	<p>1. The notice shall name a day (not being less than fourteen days or such other period as per the applicable laws from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>2. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.</p>	Terms of notice.
70.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture.	On default of payment, shares are to be forfeited.

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71.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. Provided that the option or right to call of forfeited shares shall not be given to any person.	Notice of forfeiture to a Member
72.	Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	Forfeited shares to be the property of the Company and may be sold etc.
73.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding two per cent per annum more than the bank lending rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money owing at time of forfeiture and interest.
74.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	Effect of forfeiture.
75.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	Evidence of Forfeiture.
76.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
77.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Directors may issue new certificates
78.	In the meantime, and until any share so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may at the discretion and by a resolution of the Board, be remitted or annulled as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.	Forfeiture may be remitted or annulled
79.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall	Validity of sale after forfeiture or enforcement of lien

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	not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	
80.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
TRANSFER AND TRANSMISSION OF SHARES		
81.	In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.	Transfer and Transmission of Shares and Securities held in electronic form
82.	Every holder of securities of the Company who intends to transfer such securities shall get such securities dematerialised before the transfer;	Application for transfer of shares
	Provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed by the Company unless the securities are held in the dematerialized form with a depository.	
83.	The Securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.	The Securities or other interest of any Member shall be freely transferable
84.	Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities issued by the Company, affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.	Transfer of Securities in Dematerialized form
85.	A transfer of a security in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.	Transfer by legal Representative
86.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may, at its own absolute and uncontrolled discretion and after assigning the reason for same, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member), send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.	Directors may refuse to register transfer.
87.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within 30 days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee.

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88.	There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party such fee, if any as the Directors may require.	Fee on transfer or transmission.
	Provided that the Board shall have the power to dispense with the payment of this fee either generally or in any particular case.	
89.	The Board of Directors shall have power, on giving not less than seven days previous notice in accordance with section 91, and Rules made thereunder or such other period as specified under the applicable laws, to close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board:	Closure of Register of Members or debenture holder or other security holders.
	Nothing contained in this Article shall be deemed to restrict the Board to fix a record date in substitution of, or in addition to, the closure of Register of Members or debenture holder or other security holders as may be permissible under the provisions of the Act and other applicable laws.	
90.	(a) In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share (b) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Death of one or more joint-holders of shares.
91.	Before recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.	Title to shares of deceased member.
	Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.	
92.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Section 72 of the Act.	Titles of Shares of Deceased Member
93.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in	Registration of persons entitled to share otherwise than by

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	accordance with these Articles, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions as prescribed under Act and Rules, and, until he does so, he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	transfer. (Transmission clause)
94.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register transmission or nominee.
95.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
96.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
97.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in as prescribed under the relevant Rules hereof as circumstances permit.	Form of transfer Outside India.
98.	No transfer shall be made to any minor, insolvent or person of unsound mind unless represented by a guardian.	No transfer to minor, insolvent or person of unsound mind.
NOMINATION		
99.	(a) Notwithstanding anything contained in these Articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Act, shall apply in respect of such nomination. (b) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Act, read with Rule 19 of the Companies (Share Capital and Debentures) Rules,	Nomination

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	2014, or as per the Depositories Act, 1996 or other applicable laws..	
	(c) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.	
	(d) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	
100.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-	Transmission of Securities by nominee
	(a) to be registered himself as holder of the security, as the case may be; or	
	(b) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;	
	(c) if the nominee elects to be registered as holder of the security, himself, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the death certificate of the deceased security holder;	
	(d) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.	
	Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within ninety days or such other period as per the applicable laws, the Board may thereafter withhold payment of all dividends, bonuses or other money payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
CONVERSION OF SHARES INTO STOCK		
101.	The Company may, by ordinary resolution in General Meeting.	Conversion of shares into stock or reconversion.
	a) convert any fully paid-up shares into stock; and	
	b) re-convert any stock into fully paid-up shares of any denomination.	
102.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
103.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.	Rights of stockholders.

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104.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up shares shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.	Regulations.
COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS		
105.	A copy of the Memorandum and Articles of Association of the Company and of any other document referred to in Section 17 of the Act shall be sent by the Company to a Member at his request on payment of Rs. 100 or such reasonable sum for each copy as the Directors may, from time to time, decide. The fees can be waived off by the Company.	Copies of Memorandum and Articles of Association to be sent to Members.
BORROWING POWERS		
106.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specified purpose) and securities premium account. Nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed.	Power to borrow.
107.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	Terms of issue of Debentures.
108.	Subject to the provisions of these Articles the payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects, as the Board may think fit by a resolution passed at a meeting of the Directors, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Money borrowed.
109.	Any bonds, debentures, debenture-stock, Global Depository Receipts or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider being for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.

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110.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall be subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
111.	Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
112.	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company.	Register of Mortgages etc. to be kept.
113.	(a) The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. (b) The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or country.	Register and Index of Debenture holders
114.	The Directors shall arrange to maintain at the Registered office of the Company a Register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by Section 170 of the Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the said sections. The Directors shall cause to be kept at the Registered Office or such other place(s) as permissible under the Act - (c) a Register in accordance with Section 170 and (d) a Register of Contracts or arrangements of which they are interested, containing the particulars required by Section 189 of the Act. The Registers can be maintained in electronic form subject to the provisions of the Act.	Register of Directors and Key Managerial Personnel and Contracts
115.	The provisions contained in these Articles relating to inspection and taking copies shall be mutatis mutandis be applicable to the registers specified in this Article.	Inspection of Register
MEETINGS OF MEMBERS / GENERAL MEETINGS		
116.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
117.	The Company shall in each financial year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. The Annual General Meeting shall be held within a period of six months, from the date of closing of the financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred on the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on any day that is not a National Holiday and shall be held at the	Annual Meeting-Summary General Annual

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	Registered Office of the Company or at some other place within the city, town or village where the Registered Office of the Company is situated and the Notices calling the Meeting shall specify it as the Annual General Meeting. However, the Company may also hold Annual General Meeting via Video Conferencing (VC) or other audio-visual means (OAVM) in accordance with the applicable laws. Every Member of the Company shall be entitled to attend either in person or by proxy or by other authority including by resolution of the Board of the Company or by power of attorney and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Financial Statements, Auditors' Report (if not already incorporated in the Financial Statements), the Proxy Register with proxies and the Register of Directors' shareholding which latter Register shall remain open and accessible during the continuance of the Meeting.	
118.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital of the Company as at the date of deposit of the requisition carry the voting rights and in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting.	Extra-Ordinary General Meeting by Board and by requisition
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
119.	Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Registered Office; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.	Requisition of Members to state object of Meeting
120.	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Registered Office, to cause a meeting to be called for a day not later than forty-five days from the date of deposit of the requisition, meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.	On receipt of requisition, Directors to call Meetings and in default requisitionists may do.
121.	Twenty-one days' notice at the least (either in writing or electronic mode) of every General Meeting, Annual or Extraordinary, specifying the place, date, day, hour, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons, as given under Act, entitled to receive notice from the Company. A General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode a) in case of Annual General Meeting, by not less than ninety-five per cent of the members entitled to vote at such meeting and b) in case of any other General Meeting, by majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting. In the case of an Annual General Meeting, if any business is other than (i) the consideration of financial statements and the reports of the Board of Directors	Notice of meeting

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	and auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors is to be transacted, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature or concern (financial or otherwise) and extent of the interest, if any, therein of every Director, Manager, Key Managerial Personnel, and their relatives (if any). Where any item of business consists of the approval of any document the time and place where the document can be inspected shall be specified in the statement aforesaid.	
122.	The accidental omission to give any such notice as aforesaid to any member, or other person to whom it should be given or the non-receipt thereof, shall not invalidate any resolution passed at any such Meeting.	Omission to give notice not to invalidate a resolution passed.
123.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
124.	No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be the presence in person of such number of members as specified in Section 103 of the Act. A body corporate being a Member shall be deemed to be personally present if represented in accordance with Section 113 of the Act.	Quorum
125.	If, at the expiration of half an hour from the time appointed for the Meeting a quorum of Members is not be present, the Meeting, if convened by or upon the requisition of Members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine; and if at such adjourned Meeting a quorum of Members is not present at the expiration of half an hour from the time appointed for the Meeting, those Members who are present shall be a quorum, and may, transact the business for which the Meeting was called.	If quorum not present, Meeting to be dissolved and adjourned.
126.	The Chairperson of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairperson, or if at any Meeting the Chairperson is not present within fifteen minutes of the time appointed for holding such Meeting or is unwilling to act as a Chairperson, then the Directors present shall elect one of them as Chairperson of the meeting, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairperson.	Chairperson of General Meeting
127.	No business, except the election of a Chairperson, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairperson whilst Chair is vacant.
128.	<p>(a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(c) When a meeting is adjourned sine die or for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	Chairperson with consent may adjourn meeting.

Article No.	Particulars	Heading
129.	In the case of an equality of votes the Chairperson shall on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairperson's casting vote.
130.	Unless a Poll is demanded or voting is carried out electronically, a declaration by the Chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the said fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.	Chairperson's declaration conclusive
131.	The Board may in its absolute discretion, on giving not less than 7 (seven) clear days' notice in accordance with these Articles, postpone or cancel any meeting of members except a meeting called pursuant to members requisition.	Postponement or Cancellation of Meeting
132.	If a poll is demanded as aforesaid the same shall be taken in such manner as prescribed under the Act.	Poll to be taken, if demanded.
133.	Any poll duly demanded on the election of Chairperson of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
134.	The demand for a poll except on the question of the election of the Chairperson and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	Demand for poll not to prevent transaction of other business.
135.	The Board, and the persons authorized by it, shall have the right to take and/or make suitable arrangements for ensuring the safety of any meeting – whether a general meeting or a meeting of any class of Security, or of the persons attending the same, and for the orderly conduct of such meeting, and notwithstanding anything contained in these Articles, any action, taken pursuant to this Article in good faith shall be final and the right to attend and participate in such meeting shall be subject to the decision taken pursuant to this Article.	Security arrangement at venue of meetings.
VOTES OF MEMBERS		
136.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right or lien.	Members in arrears not to vote.
137.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll (including voting by electronic means) the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in subsection (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
138.	A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian: and any such committee or guardian may, on a poll, vote by proxy; if any Member be minor, the vote in respect of his share shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairperson of the Meeting.	How Members non-compos mentis and minor may vote.

Article No.	Particulars	Heading
139.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
140.	Where a poll is to be taken, the Chairperson of the meeting shall appoint such number of Scrutiniser(s) who need not be members of the Company, to scrutinize the poll process, votes cast by poll and to report thereon to him subject to provisions of Act for the time being in force. The Chairperson shall have power, at any time before the result of the Poll is declared to remove a scrutinizor from office and to fill vacancies in the office of scrutinizor arising from such removal or from any other cause.	Scrutinisers at Poll
141.	Notwithstanding anything contained in the provisions of the Act and the Rules made there under, the Company may, and in the case of resolutions relating to such business other than the Ordinary business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company. Provided that any item of business required to be transacted by means of postal ballot may be transacted at a general meeting by providing a facility to members to vote by electronic means under section 108, in the manner provided in that section.	Postal Ballot
142.	A member may exercise his vote on resolutions proposed to be considered at a general meeting by electronic means in accordance with section 108 of the Act and shall vote only once.	E-Voting
143.	(a) If there be joint registered holders of any share any one of such persons may vote at any Meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto. (b) If more than one of such joint-holders be present at any Meeting either personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present then the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. (c) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Votes of joint members.
144.	Votes may be given either personally or by an attorney or by proxy or in case of a company, by a representative duly Authorized by way of Board Resolution as mentioned in these Articles.	Votes may be given by proxy or by representative
145.	At any General Meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under Section 109, or if the voting is carried out electronically, be decided on a show of hands. Such voting in a general meeting or by postal ballot shall also include electronic voting in a General Meeting or Postal Ballot as permitted by applicable laws from time to time.	Voting by show of hands

Article No.	Particulars	Heading
146.	A body corporate (whether a company within the meaning of the Act or not) may, if it is a member or creditor of the Company (including being a holder of debentures or any other Securities) authorize such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorized by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
147.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the money paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if shares not held for any specified period.
148.	Any person entitled under Article 92 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
149.	No Member shall be entitled to vote on a show of hands through Proxy unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorized under the provisions of the Act in which case such members, attorneys or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate, the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.
150.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
151.	An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105.	Form of proxy.
152.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding the death of a member.

Article No.	Particulars	Heading
153.	An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and every adjournment thereof or every meeting of the Company or every meeting to be held before a date not being later than twelve months from the date of the instrument specified in the instrument and every adjournment of every such meeting.	Proxy either for a specified meeting or for a period.
154.	No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.	Time for objections to votes.
155.	The Chairperson of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	Chairperson of the Meeting to be the judge of validity of any vote.
156.	<p>(a) Every company shall cause minutes of the proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.</p> <p>(b) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(c) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting or each report in such books shall be dated and signed by the Chairperson of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairperson within that period, by a director duly authorised by the Board for the purpose. In case of every resolution passed by postal ballot, by the Chairperson of the Board within the aforesaid period of thirty days or in the event of there being no Chairperson of the Board or the death or inability of that Chairperson within that period, by a director duly authorized by the Board for the purpose.</p> <p>(d) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(e) All appointments made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairperson of the meeting.</p> <ol style="list-style-type: none"> 1) is or could reasonably be regarded as, defamatory of any person, or 2) is irrelevant or immaterial to the proceedings, or 3) is detrimental to the interests of the Company <p>The Chairperson of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.</p> <p>(g) Any such minutes shall be evidence of the proceedings recorded therein.</p>	Minutes of General Meeting and inspection thereof by Members.

Article No.	Particulars	Heading
	(h) The book containing the minutes of proceedings of General Meetings or resolutions passed by Postal Ballot shall be kept at the office of the Company and shall be open to inspection by any member during business hours, for such periods not being less in the aggregate than two hours on all working days except Saturdays, Sunday and Public Holidays.	
DIRECTORS		
157.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.	Number of Directors
158.	The First Directors of the Company are: 1. Dilipbhai Hansrajbhai Kagathra 2. Dineshbhai Hansrajbhai Kagthara	First Directors
159.	The Board shall arrange to maintain at the office of the Company, a Register in the Form prescribed under the Act, containing the particulars of the Directors and Key Managerial Personnel. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the Act.	Register of Directors and Disclosure by Directors
160.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
161.	(a) Whenever the Company enters into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for under-writing, the Directors shall have, subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, the power to agree that such appointer, to appoint by a notice in writing addressed to the Company, one or more persons as a Director or Directors of the Company for such period and upon such conditions as may be mentioned in the agreement. Any Director so appointed is herein referred to as a Nominee Director. (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institutions the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute an observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	Nominee Directors

Article No.	Particulars	Heading
162.	If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that a trustee appointed under the Trust Deed shall have power to appoint a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the trustee in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation. A debenture Director shall not be bound to hold any qualification shares.	Debenture Directors
163.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of Alternate Director.
164.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum fixed under these Articles. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for appointment by the Company as a Director at that Meeting subject to the provisions of the Act.	Additional Director
165.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, whose appointment shall be subsequently approved by members in the immediate next general meeting, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Directors' power to fill casual vacancies
166.	The Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him. an Independent Director may be appointed to hold office for a term of up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement of directors by rotation shall not be applicable to appointment of Independent Directors.	Appointment of directors and proportion to retire by rotation
167.	The Company, subject to the provisions of the Act, shall have the power to determine the Directors whose period of office shall be liable to determination by retirement of Directors by rotation or not.	Directors not liable to retirement by rotation
168.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board provided that Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.	Sitting Fees.

Article No.	Particulars	Heading
169.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses Incurred by Director on Company's business.
170.	Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors, as the case may be, shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes. If any director, being willing shall be called upon to perform extra services, or to make any special exertion for any of the purposes of the Company, the Company in General Meeting or the Board of Directors shall, subject as aforesaid, remunerate such Director or where there is more than one such Director all or such of them together either by a fixed sum or by a percentage of profits or in any other manner as may be determined by the Directors and such remuneration may be either in addition to or in substitution for the remuneration above provided.	Additional Remuneration for Services
171.	The office of a Director shall be deemed to be vacated in accordance with Section 167 of the Act.	When office of Directors to be vacated.
172.	The Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re-appointed a Director by the Board of Directors.	Removal of Director
173.	Subject to the provisions of Section 168 of the Act a Director may at any time resign from his office upon giving notice in writing to the Company of his intention so to do, and thereupon his office shall be vacated.	Resignation of Directors
PROCEEDING OF THE BOARD OF DIRECTORS		
174.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) The Chairperson or any one Director with the previous consent of the Chairperson may, or the Company Secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.	Meetings of Directors
175.	The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means, and in conducting the Board meetings through such video conferencing or other permitted means the procedures and the precautions as laid down in the relevant Rules shall be adhered to. With regard to every meeting conducted through video conferencing or other permitted means, the scheduled venue of the meetings shall be deemed to be in India, for the purpose of specifying the place of the said meeting and for all recordings of the proceedings at the meeting.	Meeting through Video Conferencing

Article No.	Particulars	Heading
176.	Subject to provisions of Section 173 (3) of the Act, notice of not less than seven days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director of the Company shall be present at the meeting. In the event, that any Independent Director is not present at the meeting called at shorter notice, the decision taken at such meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director.	Notice of Meetings
177.	The quorum for a meeting of the Board shall, unless otherwise provided under the Act or other applicable laws, be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also be counted for the purposes of this Article. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time. Explanation: The expression “interested Director” shall have the meanings given in Section 184(2) of the said Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.	Quorum for Meetings
178.	(a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairperson is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. (b) Subject to Section 203 of the Act and rules made there under and other applicable laws, one person can act as the Chairperson as well as the Managing Director or Whole-time Director or Chief Executive Officer at the same time.	Chairperson
179.	(a) The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company. (b) The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting. (c) The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof. (d) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors that the Company can appoint. (e) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company. (f) If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus.”	Chairman Emeritus
180.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairperson will have a second or casting vote.	Questions at Board meeting how decided.

Article No.	Particulars	Heading
181.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Continuing directors may act notwithstanding any vacancy in the Board
182.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
183.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
184.	(a) A committee may elect a Chairperson of its meetings. (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
185.	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
186.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.
187.	A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution in terms of Section 175 of the Act.	Resolution by Circulation
RETIREMENT AND ROTATION OF DIRECTORS		
188.	Not less than two-thirds of the total number of the Directors of the Company, other than Independent Directors appointed on the Board of the Company, be persons, whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the said Act, be appointed by the Company in General Meeting.	Retirement and Rotation of Directors

Article No.	Particulars	Heading
	The remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit.	
	Subject to the provisions of Section 152 of the Act, at every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.	
189.	A retiring Director shall be eligible for re-election.	Eligibility for re-election
POWERS OF THE BOARD		
190.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by these Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in the General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	Powers of the Board
191.	Without prejudice to the general powers conferred by these Articles or the governing laws of the Country and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby declared that the Directors shall have the following powers, that is to say –	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorized to carry on, in any part of India.	To acquire any property, rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.

Article No.	Particulars	Heading
(5)	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
(7)	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
(11)	To act on behalf of the Company in all matters relating to bankruptcy and/or insolvency.	Bankruptcy & Insolvency
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company
(14)	To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity
(15)	To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.

Article No.	Particulars	Heading
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	Transfer to Reserve Funds.
(19)	To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, laborers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	To appoint and remove officers and other employees.
(20)	At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the	To appoint Attorneys

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	members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	To provide for welfare of Directors
	(29) To purchase or otherwise acquire or obtain foreign license, other license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.	To purchase or acquire foreign license

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	(30) To sell from time to time any articles, materials, and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.	To sell any article, material etc.
	(31) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.	To extend the business and undertaking
	(32) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.	To make payment of rents and performance of covenants
	(33) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.	To improve, manage, develop property
	(34) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.	To lease, sell, re-purchase property
	(35) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any Director, Officers, Committee of the Board, Person(s), Firm, or Company.	To delegate powers
	(36) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company as may be necessary or expedient to comply with.	To comply with the requirements of local law
	Save as provided by the said Act or by these presents and subject to the restrictions imposed by Section 179 of the said Act, the Directors may delegate all or any powers by the said Act or by the Memorandum of Association or by these presents reposed in them.	
	MANAGING AND WHOLE-TIME DIRECTORS	
192.	(a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director, Joint Managing Director or Managing Directors or Whole-time Director or Whole-time Directors, Manager or Chief Executive Officer of the Company either for a fixed term or for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.	Powers to appoint Managing/ Whole-time Directors.
	(b) Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 187 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal of any other Directors of the Company and he shall ipso facto	

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	<p>and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation to the intent that the Directors not so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.</p>	
	<p>(c) A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	
193.	<p>The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes subject to the provision of section 197 and 198 read with schedule V of the Act.</p>	<p>Remuneration of Managing or Whole-time Director.</p>
194.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director or Whole-time Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in them to any officers of the Company or any persons/firm/company/ other entity for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director or Whole-time Director is expressly allowed generally to work for and contract on behalf of the Company and especially to do the work</p>	<p>Powers and duties of Managing Director or Whole-time Director.</p>

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	of Managing Director or Whole-time Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between them and the Directors of the Company.	
195.	The Managing Director(s) shall not exercise the powers to: (a) make calls on shareholders in respect of money unpaid on shares in the Company; (b) issue debentures; and except to the extent mentioned in a resolution passed at the Board meeting under Section 179 of the Act, he or they shall also not exercise the powers to - (c) borrow money, otherwise than on debentures; (d) invest the funds of the Company; and (e) make loans.	Restriction on Management
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
196.	(a) Subject to the provisions of the Act, — (i) A chief executive officer, manager, company secretary, chief financial officer or any other Key Managerial Personnel may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. (b) A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
197.	(a) The Board at their option can provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute or not substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with the Act, for use in any territory, district or place outside India. (c) As authorized by the Act or amendment thereto, if the company does not have a common seal, the authorisation under this clause shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary or persons acting on behalf of the Directors under a duly registered Power of Attorney and the Secretary or some other person authorized by the Board for the purpose; a Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.	The seal, its custody and use.

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198.	The seal of the Company, if any shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint/authorize for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	Usage of the Seal
DIVIDEND AND RESERVES		
199.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Division of profits.
200.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 123 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
201.	(a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Transfer to reserves
202.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
203.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted
204.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
205.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles.
206.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.

Article No.	Particulars	Heading
207.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
208.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonuses and payments on account of dividends in respect of such share.	Dividend to joint holders.
209.	<p>(a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct or electronically by NACH/NEFT/RTGS.</p> <p>(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by forged endorsements on any cheque or warrant, or the fraudulent or improper recovery thereof by any other means.</p>	Dividends how remitted.
210.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice of dividend.
211.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
CAPITALIZATION		
212.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this Article, may be applied by the Company for the purposes permissible pursuant to the Act.</p>	Capitalization.

Article No.	Particulars	Heading
	(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
213.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power – (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. (3) Any agreement made under such authority shall be effective and binding on all such members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	Fractional Certificates.
214.	The member (not being a director) shall have the right to inspect any account, book or document of the Company as conferred by law.	Inspection of Accounts
FOREIGN REGISTER		
215.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
DOCUMENTS AND SERVICE OF NOTICES		
216.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorized by the Board for such purpose and the signature may be written or printed or lithographed or through electronic transmission.	Signing of documents & notices to be served or given.
217.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, any Key Managerial Personnel or other Authorized Officer of the Company (digitally or electronically) and need not be under the Common Seal of the Company and the signature thereto may be written, facsimile, printed, lithographed, Photostat.	Authentication of documents and proceedings.
218.	A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by	Service of documents on Company

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	Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:	
	Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.	
WINDING UP		
219.	Winding Up of the Company shall be governed by the provisions of the Act or the Insolvency and Bankruptcy Code, 2016, and Rules and Regulations made thereunder or as may be altered from time to time or any statutory modifications thereof.	Winding Up
INDEMNITY		
220.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	Directors' and others right to indemnity.
	The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and the Key Managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.	
221.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	Not responsible for acts of others
	An Independent Director, and a Non-executive Director, not being a Promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.	

Article No.	Particulars	Heading
SECURITY		
222.	Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
223.	No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.
INSPECTION AND EXTRACT OF DOCUMENTS		
224.	Subject to provisions of the Act and other applicable laws and of these Articles, the Company may allow the inspection of documents, register and returns maintained under the Act to members, creditors and such other persons as are permitted subject to such restrictions as the Board may prescribe and also furnish extract of documents, registers and returns to such persons as are permitted to obtain the same on payment of such fees as may be decided by Board which shall, in no case, exceed the limits prescribed under the Act.	Inspection and extract of documents, registers, returns etc.

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SECTION XIV - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Issue Closing Date. Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

I. Material Contracts for the Issue

- (i) Issue Agreement dated January 28, 2025 between our Company and the Book Running Lead Manager.
- (ii) Registrar Agreement dated January 24, 2025 between our Company and the Registrar to the Issue.
- (iii) Banker to the Issue Agreement dated [●] amongst our Company, the Book Running Lead Manager, the Registrar to the Issue and Banker to the Issue.
- (iv) Market Making Agreement dated [●] amongst our Company, the Book Running Lead Manager and Market Maker.
- (v) Underwriting Agreement dated [●] amongst our Company, the Book Running Lead Manager and the Underwriter.
- (vi) Syndicate Agreement dated [●] executed amongst our Company, Book Running Lead Manager and Syndicate Member.
- (vii) Tripartite agreement dated October 22, 2024, amongst our Company, NSDL and the Registrar to the Issue.
- (viii) Tripartite agreement dated October 24, 2024, amongst our Company, CDSL and the Registrar to the Issue.

II. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time.
- (ii) Copies of annual reports of our Company for the last three Fiscals, i.e., Fiscals 2024, 2023 and 2022.
- (iii) Certificate of Incorporation dated August 06, 2015 issued to our Company, under the name "*Spunweb Nonwoven Private Limited*".
- (iv) Fresh certificate of incorporation dated September 06, 2024 issued by the Registrar of the Companies, Office of the Central Processing Centre to our Company, pursuant to conversion of our Company from private company to public company.
- (v) Resolution of the Board dated January 11, 2025, authorising the Issue and other related matters.

- (vi) Shareholders' resolution dated January 13, 2025, authorising the Issue and other related matters.
- (vii) Resolution of the Board dated January 28, 2025 approving this Draft Red Herring Prospectus.
- (viii) Statement of Tax Benefits dated January 28, 2025 issued by the Statutory Auditor i.e., Kaushal Dave & Associates, Chartered Accountants.
- (ix) The Restated Financial Statements for nine months period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with examination report of the Statutory Auditor dated January 25, 2025 on such Restated Financial Statements.
- (x) Written consent dated January 28, 2025, from our Statutory Auditor, namely, Kaushal Dave & Associates, Chartered Accountants to include their names as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) examination report dated January 25, 2025 on the Restated Financial Statements; (b) report dated January 28, 2025 on the statement of special tax benefits; and (c) the certificates issued by them in relation to this Issue, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
- (xi) Written consent dated January 09, 2025 from Babulal A. Ughreja, Chartered Engineer, to include his name as an "expert" as defined under section 2(38) and 26(5) of the Companies Act, 2013 to the extent and in his capacity as the independent chartered engineer and in respect of the certificate issued by him and included in this Draft Red Herring Prospectus.
- (xii) Consent of the Promoters, Directors, the Book Running Lead Manager, Legal Counsel to the Issue, Registrar to the Issue, Banker to the Issue, Banker to the Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Underwriter to the Issue, Syndicate Member to the Issue and Market Maker to the Issue to act in their respective capacities.
- (xiii) Consent letter dated January 24, 2025 from CARE Analytics and Advisory Private Limited, for industry report on '*Industry Research Report on Nonwoven Fabric Industry.*'
- (xiv) The report titled '*Industry Research Report on Nonwoven Fabric Industry*' dated January 24, 2025 prepared and issued by CARE Analytics and Advisory Private Limited, commissioned by and paid for by our Company pursuant to engagement letter with CARE Analytics and Advisory Private Limited dated September 13, 2024 exclusively for the purposes of the Issue.
- (xv) The Share Sale and Transfer Agreement dated December 27, 2024 for acquisition of 69,95,000 (Sixty Nine Lakhs Ninety Five Thousand) fully paid-up equity shares of Spunweb India Private Limited constituting 50.00% of the shareholding of Spunweb India Private Limited.
- (xvi) Due Diligence Certificate dated January 28, 2025 addressed to National Stock Exchange of India Limited from the Book Running Lead Manager.
- (xvii) Certificate dated January 28, 2025 issued by Kaushal Dave & Associates, Chartered Accountants, certifying the KPIs of the Company.
- (xviii) Resolution dated January 28, 2025 passed by the Audit Committee approving the KPIs for disclosure.
- (xix) In principle listing approval dated [●] issued by National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Jay Dilipbhai Kagathara

Chairman and Managing Director

Place: Rajkot

Date: January 28, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Kishan Dilipbhai Kagathara

Whole Time Director

Place: Rajkot

Date: January 28, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Charulata Jay Kagathara

Non – Executive Director

Place: Rajkot

Date: January 28, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Amul Kantibhai Kotadia

Independent Director

Place: Junagadh

Date: January 28, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Chetankumar Jayantilal Kamani

Independent Director

Place: Rajkot

Date: January 28, 2025

DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Abhaykumar Narshibhai Fadadu

Chief Financial Officer

Place: Rajkot

Date: January 28, 2025